



SOCIETY OF ACTUARIES

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# Members state support for E&E redesign

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At its October 27 meeting, the Board of Governors unanimously approved moving to the next phase of development in the redesign of the basic education and examination system. The Board's united stand was reflected in the strong support shown by SOA members who completed the survey published in the August 1996 report by the Board Task Force on Education.

Of the SOA's 16, 775 members at the time of the survey, 796 responded. That's nearly 5%, "a very respectable rate" for a survey conducted with no special incentives or reminders, noted Marta Holmberg, Ph.D., SOA education executive.

Survey echoed views stated earlier

Most of the redesign elements, represented by 11 questions in the survey, drew significant support. Seven received positive responses from more than 60% of the respondents.

Members' views have been sought throughout the process, Holmberg observed, including the 1995 annual meeting, the two 1996 spring meetings, and two sessions at the 1996 annual meeting in Orlando. Members of the Board Task Force, 1995-96 President Sam Gutterman, and 1996-97 President David Holland have spoken on the subject to local club meetings, universities, and international organizations.

"Though there have been no big surprises along the way, it was good to have the input of the survey. The views expressed by the membership help validate the direction taken with the design," Holmberg said.

Only two questions received less than majority support — one asking about the effectiveness of the intensive

seminar format, the other about the value of the integrated course approach. In the case of the intensive seminar question (Question 7), favorable reaction outweighed unfavorable (46% versus 26%) with a significant proportion undecided. Responses to the question on the integrated course approach (Question 8) divided along FSA-ASA lines.

Respondent's level made a difference. Although breakdowns of survey respondents by practice area and national residence did not demonstrate any real differences, some distinctive patterns appeared among ASAs and FSAs. Of the 288 ASAs and 29 students responding (a total of 317), 242 are still taking exams. Some anxiety about certain aspects of the new system is natural for the group that could well be affected by the changes. The pattern between FSAs and ASAs was similar for most questions, but there were two areas where the ASAs' responses indicated more skepticism.

ASAs demonstrated a nearly even split on Question 8, the issue of whether large integrated courses are educationally more valuable than single subject courses. Forty-three percent of ASAs agreed, 39% disagreed. In contrast, 63% of FSAs liked the concept of larger integrated courses, with only 20% disagreeing.

On a related issue, the importance of finding ways to accommodate candidates who cannot pursue the FSA if faced with the demands of the larger courses (Question 9), there was a similar divergence of opinion between ASAs and FSAs: 61% of ASAs favored accommodation (25% opposed), while only 33% of FSAs favored accommodation (50% opposed).

An interesting divergence of opinion came in answer to the question of whether Course 1 should cover preliminary subjects (calculus and probability), though doing so is inconsistent with the underlying principles of the redesign. Fifty percent of respondents agreed with the inclusion of the subjects — they are covered in Course 1 in the current design — while 32% disagreed with testing preliminary subjects. The perceived support from the membership for including these general math subjects affected the design and focus for Course 1; these survey results suggest that the perception was accurate. Remaining issues being rigorously addressed. Based on the Board's vote and the membership's support, the SOA is continuing with detailed development of the courses and educational materials for both Basic and Advanced courses.

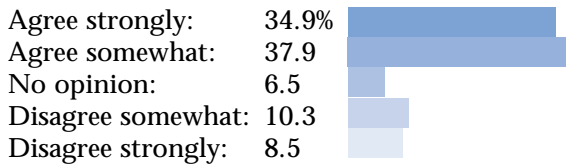
One area in which considerable work needs to be done is for the Course 8 series, which covers the specialty practice areas, said Holmberg. "We're actively soliciting input from practitioners to make sure we get the right mix of topics, the right balance," she said.

Of particular interest are the health, managed care, and pension practices. "We'll be working over the next several months to finalize the practical education needs of these areas."

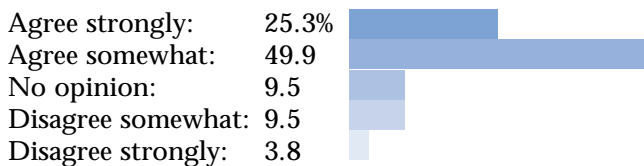
The new education system is expected to become effective on January 1, 2000. Rules guiding the transition from the current system to the new one will be available early this year.

## Question-by-question: what members said

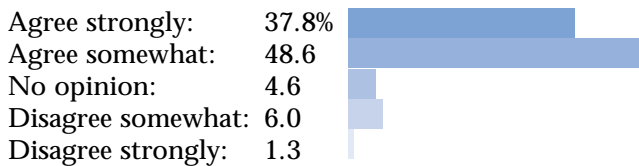
**Question 1:** The proposed education system is an improvement over the current system.



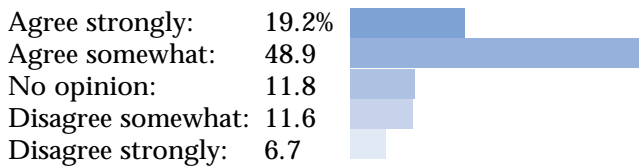
**Question 2:** Actuaries educated under the proposed system will be well-equipped to serve their publics and to fulfill their professional responsibilities.



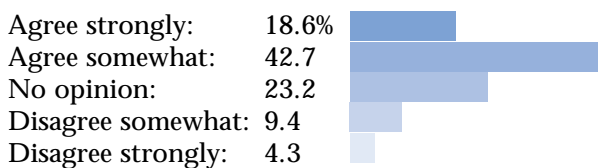
**Question 3:** The courses in the Basic category cover the fundamental subjects and tools needed by all actuaries.



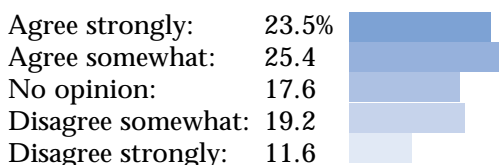
**Question 4:** The courses in the Advanced category cover the fundamental subjects and tools needed by actuaries in a specialty area



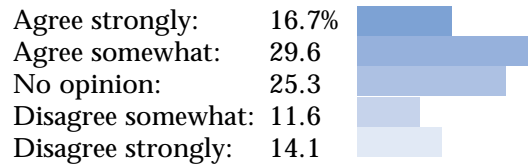
**Question 5:** Courses 1 and 2 will attract candidates who have the aptitude and skills needed to become effective actuaries.



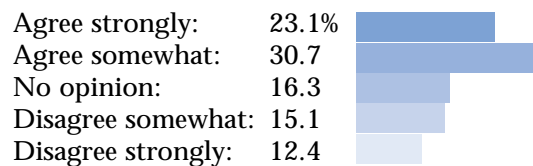
**Question 6:** Course 1 should cover preliminary subjects, even though that is inconsistent with the underlying principles of the redesign.



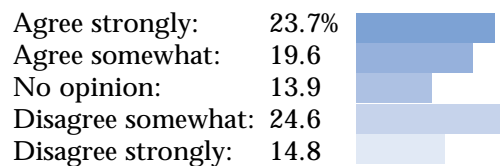
**Question 7:** The intensive seminar format is an effective educational method for the subject of applied modeling.



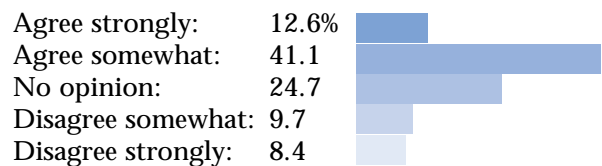
**Question 8:** The larger, integrated course approach proposed in the design will be of greater value educationally than the current single-subject approach.



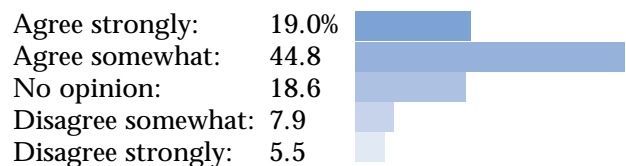
**Question 9:** It is important to find ways to accommodate candidates who cannot pursue the FSA if faced with the demands of the larger, integrated courses.



**Question 10:** The guidelines for the Professional Development category strike an appropriate balance between emphasis on practice-specific topics and offering candidates an opportunity to round out their individual pre-FSA education.



**Question 11:** The principles established for the transition are reasonable.



Note: The percentage of the 796 respondents not answering each question ranged from 1.8% to 4.1%.