



SOCIETY OF ACTUARIES

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SOA program of mandatory continuing ed?

by Warren Luckner

SOA Director of Modeling Education and Academic Relations

And the current answer is: No. But that's not the whole story. Let me explain.

First, some background. A telephone survey of a random sample of SOA members was conducted in July 1996. Five hundred respondents participated in the survey. One of the most eye-catching results was the response to the question, "Do you support the concept that mandatory continuing education policies are desirable for the profession?" An overwhelming proportion (90%) of the respondents said "definitely yes" or "yes." The proportion was about the same by area of practice, country, and membership level. Of course, this should not be too surprising — and should be very encouraging — because one of the hallmarks of any profession is its unique expertise, which can only be maintained through continuing education.

In 1998, as a result of the survey response, the SOA Board of Governors asked the Committee on Professionalism to consider the question of whether or not the SOA should establish a program of mandatory continuing education. The committee's report, presented at the board's January 1999 meeting, emphasized the following points.

- When an SOA member uses the designation ASA or FSA, that member is telling the public and the user of actuarial services that the member has qualified as an actuary and is subject to a code of professional conduct. The code requires that the member perform professional services only when qualified to do so.
- As part of the SOA's responsibility to serve the public interest, the SOA needs to be con-

cerned that every SOA member is up-to-date with the current requirements of any actuarial work the member is performing.

- The SOA should strongly encourage the continuing education of its members, and it should facilitate opportunities for its members to obtain the continuing education necessary to fulfill their professional responsibility to perform professional services only when qualified to do so on the basis of basic and continuing education, training, and experience.
- However, highly focused, mandatory continuing education programs based, for example, on a specific amount of continuing education measured in hours or "hour equivalents" per year should be left to national organizations, such as the American Academy of Actuaries (AAA) for U.S. actuaries and the Canadian Institute of Actuaries (CIA) for Canadians. So the committee's answer to the board was "No" — and the board agreed.

But the story doesn't end here. The broader issue, alluded to above, is contained in Precept 3, and Annotations 3-1 and 3-2, of the soon-to-be-distributed exposure draft of the revised Code of Professional Conduct, the professional code for U.S. actuaries that is supported by the U.S.-based actuarial organizations (including the SOA).

Precept 3: An actuary shall perform Professional Services only when the actuary is qualified to do so on the basis of basic and continuing education and experi-



ence, and meets applicable qualification standards.

Annotation 3-1: It is the professional responsibility of the actuary to observe applicable qualification standards that have been promulgated by a recognized professional actuarial organization for the jurisdiction in which the actuary renders Professional Services, and to keep current regarding changes in these standards.

Annotation 3-2: The absence of any applicable qualification standards for a particular type of assignment or for the jurisdiction in which the actuary renders Professional Services does not relieve the actuary of the responsibility to perform such Professional Services only when qualified to do so in accordance with this Precept.

The first annotation is intended to expand on what is meant by "meets applicable qualification standards." The second annotation emphasizes that the responsibility to perform professional services only when "qualified to do so" remains even in the absence of qualification standards, as might be the case in countries just now

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developing an actuarial profession.

In today's fast-changing and increasingly global business environment, the responsibility to abide by Precept 3 and its annotations really makes continuing education for actuaries "mandatory." The Committee on Professionalism has the duty to remind SOA members of their responsibility to abide by Precept 3 and to encourage members to seek out the necessary and relevant continuing education.

The committee believes continuing education is essential as a means to an end — the "end" being qualified to perform professional services. The committee also emphasizes that continuing education is not just attendance at meetings or seminars. Without active participation, such attendance may not serve as an effective educational activity. Continuing education should be an everyday habit in order to provide employers, clients, and the public the

best insights and performance possible. Only by continuing to update our knowledge can we provide valuable and value-added services.

The SOA Continuing Education department — working with the practice areas, special interest Sections, other actuarial organizations, and commercial vendors — provides opportunities for relevant continuing education. The Committee on Professionalism encourages all members to participate in relevant continuing education activities. The committee also urges members to read and provide feedback on the exposure draft of the revised Code of Professional Conduct when issued.

Attainment of a professional actuarial designation represents a significant achievement and gains one acceptance in the actuarial profession. However, that achievement does not mean one is qualified to practice in all areas of actu-

arial work or even currently qualified in one's primary area of actuarial work. Continuing education — and knowledge and adherence to standards of practice and qualification standards of professional actuarial organizations, such as the CIA, the AAA, and the Actuarial Standards Board — are essential to maintaining one's qualification to practice. The SOA Committee on Professionalism believes this responsibility presents a significant, but exciting, challenge in a time of rapid change. The committee also reminds SOA members that in Canada the CIA's Committee on Professional Conduct and in the U.S. the Actuarial Board for Counseling and Discipline are available for consultation on any issues related to professional conduct. **Warren Luckner, FSA, is SOA staff liaison to the Committee on Professionalism. He can be reached by e-mail at wluckner@soa.org.**

IACA sets 2000 meeting, lowers dues

The International Association of Consulting Actuaries (IACA) has announced its next biennial meeting will be held June 4-8, 2000, in Hershey, Penn.

IACA has designed a professional program to help insurance and benefit consultants and forensic actuaries (who serve as expert witnesses) add to their knowledge base, noted Conrad M. Siegel, a member of the IACA committee and arrangements chair of the conference. "With the globalization of business, even small-firm actuaries must increasingly become aware of the developing international accounting rules affecting pension and insurance matters," Siegel said.

Social events are priced separately from the educational sessions, "so

attendance need not be costly," he added. One-day attendance is also available for those interested in a particular subject.

The meeting will be held at the Hotel Hershey, picturesque home of the famous chocolate factory. Settings for networking include the hotel tennis court and five local golf courses, one within walking distance of the hotel. Other attractions include landmark sites within an hour's drive — Gettysburg, Amish country, and the state capitol, Harrisburg.

Dues lowered

Reflecting IACA's strong financial condition, the group has lowered its annual dues to \$25 (U.S.) from the previous \$55. "We're opening the door to encourage more consulting

actuaries to join IACA and participate in its conferences," Siegel said.

Information on IACA 2000 is available from Shermer Associates (phone: 717/545-9991; e-mail: shermerassoc@paonline.com). IACA committee members in North America include Ron Walker, Jay Jaffe, Martha Moeller, Mike Mills, and Siegel.

1998 meeting

IACA's most recent meeting was held in April 1998 in Cape Town and attracted actuaries from 13 countries. Papers were presented in nine subject areas. IACA's £500 prize for the best paper was awarded to "Avoiding Disappointment in Investment Manager Selection," by Roger Urwin, Watson Wyatt Worldwide, Surrey, England.