

**SOCIETY'S PROGRAM OF EDUCATION AND EXAMINATIONS**

**M**ANY of those who take the preliminary examinations are several years past the study of calculus and algebra. There is a feeling that some with adequate mathematical knowledge to go on with the examinations may be failing Part 2 simply because they have not reviewed those elementary subjects. As an experiment, the passing level on Part 2 has been reduced, as explained last year, on the theory that the mathematical standards that must be maintained in the Society's examinations are adequately tested in Part 3.

More than a hundred people passed Part 2 last year who would not have passed if it had not been for this change in the standard. It is much too soon to know the permanent effect, but there is one encouraging indication. Presumably a major portion of those who took Part 3 this year had passed Part 2 last year, many of them presumably being among those who had come through as a result of this change in standards. Yet there was no evidence of any drop in performance on Part 3. If that can be taken as an indication of potential success with the new standards on Part 2, it looks as though the experiment may be worth continuing.

Another recent experimental change is the giving of the preliminary examinations, Parts 2 and 3, twice a year, beginning in 1960. We don't know how successful this experiment will be, but we have hopes that it will prove to be worth while.

Before reporting what is being done with respect to the syllabus for two or three years hence, perhaps I should review the conditions which gave rise to our starting a year ago on the active development of a new syllabus.

The Committee to Review Membership Requirements made a report to the Board of Governors in which there were a number of recommendations involving the examination system. Two in particular stood out as being of paramount importance:

- (1) that we should try to find a method of getting qualified students through the examinations more quickly; and
- (2) that the examination structure should be changed to recognize the increasing importance of pension work and other non-ordinary life insurance work, adopting a two-pronged or Y-type examination system.

The basic examinations common to all actuaries would deal with the principles in all of the subjects of major concern to actuaries in any field.

At the end of this series of basic examinations—at the end of the stem of the Y—a person would presumably have adequate knowledge of principles to qualify himself to practice as an actuary in any field. He would then go on to become a Fellow by specializing in individual insurance (life, accident and health, etc.) or in employee benefit plans (group insurance, pensions, etc.). He would study in detail the advanced topics in one of those two fields and would become a Fellow by passing examinations at the advanced level in that field. There would be only the single classification of Fellow of the Society of Actuaries, but there would be two ways of getting to that point. When the Board approved these recommendations, they assigned to the Advisory Committee and the Education and Examination Committee the job of turning this into a practical syllabus.

First we made up a list of subjects necessary to qualification as an actuary, challenging the subjects now in the syllabus to determine whether they should stay or go, and deciding what subjects, if any, should be added. Then we looked at the examination structure itself to determine what subjects should be regarded as necessary for qualification at the basic level, and how the remaining subjects should be divided between the two advanced parts.

In line with the aim to get qualified people through faster, there will be a reduction in the amount of study material to be mastered by any one person, because for any particular individual we are eliminating the study of material at the advanced level in either the individual field or the group field.

A second change toward meeting this objective will be the introduction of spring and fall examinations beyond Part 3. It is not administratively possible to give any one of these examinations twice a year, but a candidate will be able to study for and take an examination in the spring and then study for and take another examination in the fall. Our experience with this system shortly after the war gave evidence that it plays a considerable role in speeding people through.

The twice-a-year structure, because it cuts down the number of months of study for any one examination, makes it desirable to divide the overall course of study into smaller pieces so that each piece can be absorbed in the smaller number of months. This will mean more examinations, probably ten instead of the present eight. At the same time, we have had many suggestions over the years that if a person shows proficiency in one of the several subjects covered in a given examination he should have credit for that subject even though he has not mastered the other subjects. Division of the syllabus into more pieces is the simplest and most effective way of accomplishing this.

We intend to give the student a relatively longer time in the examination room to demonstrate his knowledge of the various subjects. But because we will not cut the hours in each examination in proportion to the cut in material for that examination, the total number of hours for all the examinations will increase—to not more than forty-four hours, perhaps to slightly less than forty-four. In our opinion this will relieve the system of the criticism that there is too much time pressure in any one examination. By cutting down the amount of material to be studied for a particular unit of examination, and at the same time making possible reasonable coverage of the subject matter in the examination paper and giving the candidate more adequate time to show that he knows the subject, we believe that the examinations will be made fairer and the element of chance reduced.

We are conscious of the need to establish control mechanisms to make sure that the increased number of hours will be used to increase the fairness and to decrease the pressure in the examination system and not to make the examinations more intense.

In summary, the new structure will consist of preliminary examinations very much like the present Parts 2 and 3, followed by a series of basic examinations on principles, some to be given in the spring and some in the fall, each with a smaller number of hours than a single present examination, and then at the advanced level two examinations in either of the two "major" fields at the candidate's option.

A final important point is the matter of transition. We don't know yet how we are going to solve that problem. We are, however, quite sure that whatever transition rules are adopted will (1) protect the position in the present syllabus of those who are part way through their examinations when the new syllabus goes into effect and (2) be such that it cannot turn out to have been to somebody's advantage to wait for the change or to do anything now other than to continue through the syllabus as it stands, just as if there were no change in the offing.

There is a great deal of work to be done still, both in settling the details and in preparing the educational material. If this can be done in time for announcement for the 1963 syllabus, 1963 will be the first year of the new examinations. That is the goal toward which we are working.

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