



SOCIETY OF ACTUARIES

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ACCREDITATION PROVIDES FOCUS FOR MYRIAD OF ACTIVITIES

BY PETER HAYES

"IT'S ALL ABOUT THE ____." Depending on who you ask you might get a wide variety of conclusions to that sentence. One of the Society of Actuaries' main focuses is to educate and credential actuaries, the delivery of which falls to the SOA's Education Executive Group and Education Committee. For Education at the SOA, "It's all about the *accreditation*."

The goods they ultimately deliver is the validation that a candidate has demonstrated sufficient mastery of a syllabus to be credentialed an actuary. I was often reminded during my time on various exam committees, that our purpose wasn't just to create an exam; our purpose was to have the exam answer the question: "Does this person deserve to be called an actuary?" This was the line of sight!

The enormous range of initiatives presently being undertaken by the Education Committee ultimately has, as its focal point, validation: is the candidate deserving of the credential? But there's an important tangential consideration in all this, and that's the integrity of the credential itself. Education plays a critical role in maintaining the credential's integrity, by delivering an educa-

tion and assessment process that is current and cutting edge. The process delivers content that is fresh, current and relevant to practice, to employers, and to the public that uses actuarial products, services and advice. As the profession continues to evolve, so must the way we structure our educational materials, instructional methods and assessment methods. An exploration of what's currently on the go (and there is lots of it!) will confirm that Education is doing just that.

CONTINUOUS IMPROVEMENT

The punch line to all of this activity is that just shy of 50,000 exams were administered in 2009 (and over 3,100 assessments graded, which is a remarkable feat unto itself). Within that delivery, however, is a cycle of continuous improvement that includes:

- Expanding computer-based testing (CBT), allowing for more frequent delivery of preliminary exams, along with instant results. The SOA moved Exam C to CBT delivery in 2009, joining Exams P and FM, and perpetuating the strides the SOA is taking to increase the efficiency of the education system, *without sacrificing quality or rigor*.
- Enlisting Section liaisons to improve the

quality of FSA-level exams by consulting on syllabus decisions and reviewing questions to ensure they are practice-appropriate.

- Implementing a pretesting process, ensuring exams are thoroughly reviewed with an independent critical, objective eye.
- Restructuring the FSA module requirements so as to address issues that had emerged within the fellowship part of the education structure, including, in particular, the delivery of education in Financial Economics across the various tracks.
- Projects to enhance the delivery of education on the e-Learning front, including the launch of an Enterprise Risk Management (ERM) Professional Development module, and working collaboratively with the Australian Institute of Actuaries to create a second edition of the control cycle textbook for the FAP (Fundamentals of Actuarial Practice) course.
- Checking and monitoring plagiarism and other forms of cheating on e-Learning module exercises and assessments using a variety of software applications, as well as improving processes and communications to reduce cheating,

and developing a 30-minute integrity and responsibility course.

- Working toward implementing the SOA Board approval of twice-a-year administration of the FSA exams.

MOVING FORWARD

All of these initiatives are geared toward the objectives cited above—delivering an education and assessment process that is current, relevant, and that focuses on credentialing actuaries. CBT, for instance, is something that will continue to march on: next in line is likely to be exam MFE, and don't be surprised when the fellowship exams evolve to the point of allowing candidates to use computers and spreadsheets and ... well, all the tools actuaries use every day. The questions we are able to ask will be far more robust than those we are able to ask today, enhancing further our ability to confirm (validate) the knowledge and skills of a deserving candidate.

Section liaisons and pretesting were also initiatives whose seeds sprang to fruition in 2009. The desire with the former was to be able to access specific expertise when it came to differentiating between the theoretical and the practical, and to have a third-party expert resource to whom exam-style questions could be exposed for comment. The latter—pretesting—originated with the preliminary exams and has now been extended to the fellowship exams, where a recent FSA is asked to take the exam under pseudo-exam conditions and comment in a variety of areas, with the objective of optimizing the final version administered to candidates.

The delivery of Education is often ultimately a function of the caliber of volunteers that make up the system, and other recent

initiatives have been oriented their way. Extensive training for item writers and graders is now an entrenched part of the process used for examination committee volunteers at Central Grading meetings and for e-Learning committee volunteers at specific training and grading sessions held three times last year. In addition, Central Review meetings have commenced for several years now with training on subjects such as statistical differentiation among (candidate) cohorts, and considerations in pass mark setting.

OUTSIDE EDUCATION

Educating actuaries is not solely the domain of the SOA, and 2009 saw the launch (or expansion) of several initiatives that sought to strengthen the role of the academic branch of the profession. These included:

- **University Outreach**—Many young actuaries decide to pursue the profession prior to or during their college years. That is why it is so important to build our

relationship with the academic community. To that end, the SOA developed the University Outreach program. Under this program, SOA staff and members visit universities and colleges in the United States and Canada to meet actuarial science faculty and students, to share information on new opportunities for actuaries (e.g., ERM and the CERA credential), to discuss the SOA's exam system, and to answer questions. Since the program's inception in 2008 we have met many enthusiastic students who truly appreciate the chance to meet SOA leaders, those who have gone through the program and those who manage the Education system. We also use these visits to meet students outside the actuarial science program who may be a good fit for the profession, and encourage them to consider becoming actuaries.



Peter Hayes



In 2009, the SOA met with almost 1,000 students and 120 advisors at 16 universities. To learn more about the program, visit www.riskisopportunity.net.

- **Centers of Actuarial Excellence**—The SOA launched a program in June 2009 to identify Centers of Actuarial Excellence (CAE) within the academic community.

Communication was another initiative that received a heightened profile within Education in 2009.

The program allows U.S. or Canadian universities and colleges with outstanding actuarial programs the opportunity to be recognized for that achievement and to compete for substantial grants for education and research. A school is designated a CAE if it meets the following criteria:

- Offers a program with an identifiable degree or track in actuarial science.
- Provides a curriculum with approved courses in all Validation by Educational Experience (VEE) subjects and which covers 80 percent of the material in at least four of the five preliminary examinations (currently P, FM, MFE, MLC and C).
- Produces at least 10 graduates per year from the actuarial science program.
- Maintains a responsible faculty of sufficient quantity and quality (with at least one credentialed actuary on faculty).
- Produces high quality graduates who are in demand by employers.
- Offers a curriculum that integrates with other relevant fields, partic-

ularly those developing business acumen and communication.

- Connects to industry (e.g., advisory board, campus speakers).
- Produces appropriate research and other scholarship.

The first recipients of the CAE status were announced by the SOA in December 2009. There are now 13 schools in total.

- **Doctoral Stipends**—Strong actuarial science programs produce students deeply committed to the profession, who understand its history, and who are primed to become actuarial leaders. The academic community produces important new research, often developing concepts and methods that will generate breakthrough practice applications. The SOA established the Doctoral Stipend program to increase the number of academic actuaries who hold both a Ph.D. and an actuarial designation, and who intend to pursue academic careers in the United States or Canada. An ongoing program awarded annually, the stipends provide support for up to five years of study and encourage bright students to enter teaching and research for the profession. Five stipends were awarded in 2009.

COMMUNICATING

Communication was another initiative that received a heightened profile within Education in 2009. In addition to five Education-specific articles in *The Actuary* last year, and the University Outreach program described above, there were significant candidate-oriented achievements. These

included Pathway to Membership, a new interactive Web tool intended to clearly display the requirements for attaining a designation (it also offers suggestions about the order in which the requirements might be approached—you can check it out at <http://www.soa.org/education/exam-req/>); candidate surveys that were administered after both the May and November fellowship exams (the results of the November survey were presented to the Education Executive Group in January of this year, and determinations are being made with respect to potential changes in response to candidate feedback); and the opportunity, as part of the Balanced Scorecard initiative, for Education volunteers, Section liaisons, pretesters and candidates to provide feedback on the Education syllabus. The information collected with the above surveys will not only help to make effective changes, but also help us to determine those areas where better communication is needed to advise of programs or policies that have already been implemented.

IN THE MIX

The activity level associated with all of the above is enormous, particularly in a professional organization that relies heavily on its member volunteers. In addition to all of this, however, the Education group had less direct, but nonetheless important involvement with several other initiatives underway within the SOA. These included:

- **Professional Development Redesign**—While not a direct responsibility of the Education Executive Group, several group members brought an education perspective to the redesign project;
- **Global CERA**—The SOA entered into a worldwide treaty with 13 other actuarial associations to establish the CERA credential as the recognized

Enterprise Risk Management credential worldwide. The Education group is now working towards implementation of the treaty provisions. At the end of December 2009, there were 599 CERA credential holders. This number is set to increase substantially once some of the other associations are approved to offer the education and assessments to credential CERAs.

- **Principles for Education**—This project was undertaken by the Transfer Knowledge Team (TKT). The TKT has

delivered a set of principles that were approved by the Board in February. You will receive more information on this topic in an article planned for the next *The Actuary* magazine.

In conclusion, these are incredibly busy times for Education at the SOA. Many hours have been spent by your volunteers and SOA staff on these very important initiatives. We encourage you to take time to discover who these volunteers and staff members are. Talk to them when you have

a chance. Offer up your ideas and your encouragements. Better yet, become an Education volunteer yourself. We have opportunities for actuaries in all stages of their careers. Education is our responsibility: "It's all about the accreditation." ■

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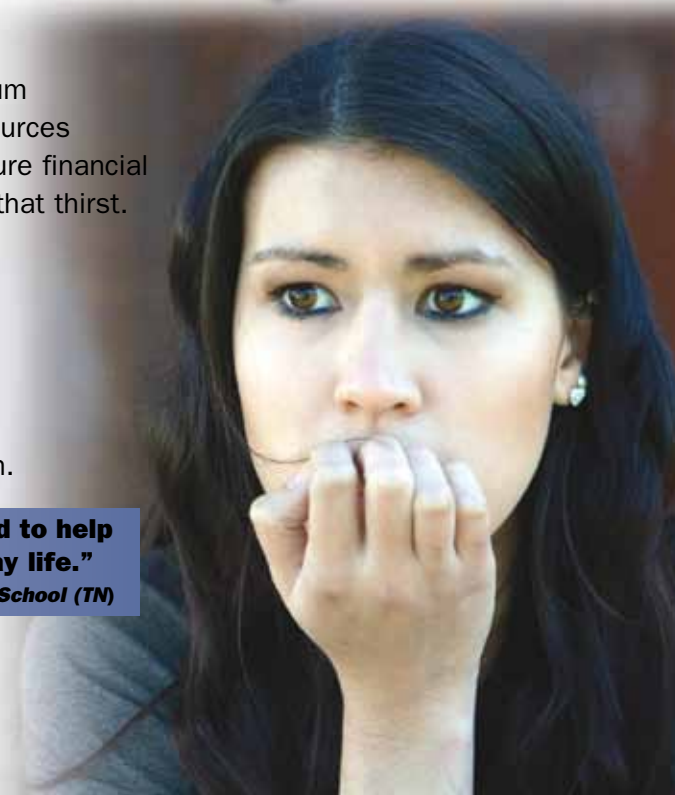
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