



Article from

The Actuary

December 2015/ January 2016
Volume 12 Issue 6

SYSTEM UPGRADE

In 2014, the Education Committee of the International Actuarial Association (IAA) formed the Educating Future Actuaries Task Force. The task force prepared a report that set out, among other things, a recommendation to form another task force to update the IAA education syllabus in order to implement the recommendations set out in the Educating Future Actuaries Report. The IAA Syllabus Review Task Force (SRTF) was duly formed and has been working diligently throughout 2015 to prepare a new IAA syllabus.

During its April 2015 meetings, the IAA Education Committee, on behalf of the SRTF, sponsored an education symposium, during which representatives of actuarial associations from around the world reviewed the draft IAA syllabus. The Society of Actuaries (SOA) was represented by Stuart Klugman, senior staff fellow, Education, and the authors of this article. The syllabus draft can be accessed at: bit.ly/IAADraft.

Final approval of the new syllabus is scheduled for the spring 2016 IAA meetings.

CHANGES TO THE IAA SYLLABUS RESULT IN REQUIRED UPDATES TO THE SOA EDUCATION SYSTEM

BY STEVE EADIE AND KEN GUTHRIE

WHY DOES THIS MATTER TO THE SOCIETY OF ACTUARIES?

As a full-member association of the IAA, the SOA is obligated to meet the requirements set out under the IAA syllabus. Every full-member association of the IAA must meet this requirement.

Fulfilling this requirement also allows members of the particular association to be considered fully qualified actuaries (FQAs) under the IAA guidelines. All members of the SOA, including ASAs, CERAs and FSAs, meet this requirement and are therefore FQAs. The SOA education system has been designed so that all new members become FQAs.

From a practical standpoint, the SOA must continue to ensure that the ASA curriculum and the CERA curriculum meet the IAA syllabus requirements. Of course, the FSA curriculum will meet the requirement as long as the ASA curriculum achieves it.

This means that changes to the IAA syllabus may require changes to the SOA education system in order to ensure that the SOA continues to meet the IAA guidelines.

**FINAL APPROVAL OF
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IS SCHEDULED FOR
THE SPRING 2016
IAA MEETINGS.**



WHAT ARE THE PROPOSED CHANGES TO THE IAA SYLLABUS?

The 10 learning areas that make up the new IAA syllabus appear in the first sidebar below. The good news is that for many of these learning areas, there will be no material changes required to the current SOA education system. For example, the learning objectives found under the Foundational Mathematics learning area are prerequisites (that is, not directly assessed) under the current SOA education system and will remain that way. The learning objectives under the Economics learning area are very close to the learning objectives already covered in the SOA education system through Validation by Educational Experience (VEE). Only minor tweaks will be required to comply with the changes.

For other learning areas, the required changes will be a little more involved. For example, under the Modeling learning area, the SOA education system will need to become better balanced between long-term and short-term models. This is a change that the SOA was likely to implement without the new IAA syllabus. The Personal and Professional Practice learning area will also require some relatively minor changes to the Fundamentals of Actuarial Practice (FAP) e-Learning course and to the Associate Professionalism Course (APC).

The Data Analysis sub-learning area adds predictive analytics techniques, such as the generalized linear model

and principal components analysis, which are not currently in the SOA education system.

There are new learning objectives in the Data and Systems learning area that will require additions to the SOA education system, and perhaps even new approaches in delivery of these learning objectives and in assessment of candidate achievement under this general learning area.

The IAA syllabus will be implemented in a staged approach beginning in 2017 when all full-member associations are expected to set out plans for implementation. Full implementation of the new requirements is tentatively scheduled for 2020.

DOES THE SOA NEED ANOTHER TASK FORCE?

The good news is “no,” because in June 2015, the SOA Board established the ASA Curriculum Review Task Force. The board created this task force as a result of recommendations from the SOA’s Learning Strategy Task Force, which reviewed and discussed a draft of the new IAA syllabus as part of its work.

This ASA Curriculum Review Task Force will review our ASA education system and, as part of that review, will recommend changes to keep the SOA system compliant with the IAA syllabus. The ASA Task Force reports back to the SOA Board next June. Members of the ASA Task Force are set out in the second sidebar to the left.

These changes are very important to keep the SOA education system relevant, and they also ensure that the education of actuaries globally will be better. More importantly, the changes will allow actuarial educators around the world to meet the expected needs of future actuaries.

The SOA and its Education Committee are proud to have worked with the other members of the IAA to achieve these important changes. ■

LEARNING AREAS OF THE IAA SYLLABUS

Foundational Mathematics	Financial Systems
Statistics	Assets
Data and Systems	Modeling
Economics	Risk Management
Finance	Personal and Professional Practice

ASA TASK FORCE MEMBERS

Jeremy Brown, Chair	Clive Keatinge
Karen Anway	Paul King
Ian Duncan	Stuart Klugman
Stephen Eadie	Kory Olsen
Ken Guthrie	Judy Powills
Mary Hardy	Martha Sikaras

Steve Eadie, FSA, FCIA, is the past general chair of the SOA’s Education Committee and co-vice chair of the IAA’s Education Committee. In these roles, he has worked to improve educational opportunities for actuaries worldwide.

seadie@re-a.com

Ken Guthrie is managing director of Education at the Society of Actuaries.

kguthrie@soa.org