Session 62 PD, Update on Pre-Qualification and Continuing Education

**Moderator:**
Stuart Klugman, FSA, CERA

**Presenters:**
Stuart Klugman, FSA, CERA
Donald R. Krouse, FSA, MAAA
Kory J. Olsen, FSA, CERA, MAAA
Stuart Klugman, Kory Olsen, Donald Krouse
Update on Pre-Qualification and Continuing Education
October 24, 2016
Today’s Presenters

• Stuart Klugman, FSA, CERA, PhD
  • Senior Staff Fellow, Education
• Kory Olsen, FSA, CERA, MAAA
  • 2016/17 Education General Chair
• Donald Krouse, FSA, MAAA
  • 2015/16 Professional Development Committee Chair
FM and MFE for 2017
Stuart Klugman
Exam FM/MFE Changes in 2017

• Begins with the June 2017 FM and July 2017 MFE Exams

• FM changes:
  • Derivatives material moved to MFE (except interest rate swaps)
  • Two new topics – Determinants of interest rates and an alternative formula for estimating the change in PV due to a change in the interest rate

• MFE changes
  • Derivatives material from FM
  • Some advanced stochastic process material deleted
ASA Changes for 2018
Kory Olsen
Brief History

• Learning strategy adopted by Board – June 2015
• ASA Task Force formed, Jerry Brown, chair
• Strawman distributed to numerous stakeholders – January 2016
• Refinements made and Board presentation – March 2016
• Adoption by Board – June 2016
• Dedicated web page with detailed information
Curriculum Changes

Understand the curriculum changes and requirements for the associate designation and Chartered Enterprise Risk Analyst credential from the SOA.

ASA & CERA Curriculum Changes

Learn about the implementation of the curriculum changes and the transition rules.

The SOA has revised the ASA and CERA curriculum as part of its ongoing efforts to support and enhance the actuarial profession. The curriculum reflects employer-valued components and the quality, rigor and depth of expertise expected of SOA members. These curriculum changes address evolving industry challenges and needs, use new educational technologies, and incorporate subject matter on new topics such as predictive analytics. These changes may affect some ASAs who are pursuing the FSA designation. Contact Customer Service with any questions.

Fact Sheet

Access the fact sheet on the new curriculum and the key drivers of the curriculum changes.

Transition Rules

Learn about the timing and transition rules.

VEE Requirements

Understand the VEE changes.

FAQs On Curriculum Changes

Read the frequently asked questions about the curriculum changes.

Candidate Letter On Changes

Read President Craig Reynolds' letter to candidates about the changes.

Plain Talk On Curriculum Review

Craig Reynolds discusses the new curriculum and the drivers of the changes (predictive analytics, balance of long-term/short-term insurance). Access the Plain Talk.
Key Drivers

• Predictive Analytics
• Short-term/long-term insurance balance
• IAA syllabus revisions
Current

- Economics
- Corporate Finance
- Applied Statistics
- Probability
- Financial Mathematics
- Models for Financial Economics
- Models for Life Contingencies
- Construction of Actuarial Models
- Fundamentals of Actuarial Practice
- Associateship Professionalism Course

New

- Economics
- Accounting and Finance
- Mathematical Statistics
- Statistics for Risk Modeling
- Probability
- Financial Mathematics
- Investment and Financial Markets
- Long-Term Actuarial Mathematics
- Short-Term Actuarial Mathematics
- Predictive Analytics
- Fundamentals of Actuarial Practice
- Associateship Professionalism Course

**KEY**

- VEE
- Exam
- TBD
- E-Learning Module
- Seminar
Quick Observations

• There are two new components
• One of them, Statistics for Risk Modeling, is a new exam
• One of them, Predictive Analytics, will have a unique assessment format (to be discussed later in this presentation)
• Time to ASA will likely increase
VEE Topics

• Economics
  • Unchanged from current syllabus

• Accounting and Finance
  • Accounting is new
  • Lighter finance coverage than current VEE

• Mathematical Statistics
  • New to VEE, replacing Applied Statistics
Topics to be Formally Assessed

• By computer-based test
  • Probability (updates P)
  • Financial Mathematics (updates FM)
  • Investment and Financial Markets (replaces MFE)
  • Short-Term Actuarial Mathematics (replaces C)
  • Statistics for Risk Modeling (New)

• By multiple choice plus written answer
  • Long-Term Actuarial Mathematics (replaces MLC)

• By proctored project
  • Predictive Analytics (New)
Assessment

• Choices made to provide least amount of disruption from current assessment modes for each topic
• Predictive Analytics will use a proctored project
• Improved modes of computer-based testing will be investigated
  • Desire to ultimately have the short-term and long-term exams assessed the same way
FAP and APC

• Fundamentals of Actuarial Practice (FAP)
• Associateship Professionalism Course (APC)
• For both:
  • No change in their basic structure
  • Some topics may be updated or revised
Timing

• Revised components go into effect with first administrations after July 1, 2018
• There may be some minor adjustments due to computer-based testing protocols
Transition Timing

• Candidates who are not an ASA by July 1, 2018 must complete the new requirements.
• Candidates who are an ASA by July 1, 2018 are exempt from the new requirements, provided they also earn fellowship by July 1, 2022.
ASA By July 1, 2018

• Means that a candidate’s name is on the published ASA list for June, 2018 or earlier
• Means that all requirements must be met in time to make this list
• For example, taking Exam C in June will lead to an official passing score in August and hence will be too late to apply (but will still earn transition credit)
• Advance notice will be given regarding deadlines for applicability
Key Point

• Despite the increase in components, anyone with an ASA will retain the designation

• However, it is possible that some who continue to FSA will have to go back and pick up the missing components
  • This is a longstanding policy; the fact that you received an ASA at some point in time does not mean your current requirements are the current fellowship portion
Current

- Economics
- Corporate Finance
- Applied Statistics
  - Probability
  - Financial Mathematics
  - Models for Financial Economics
  - Models for Life Contingencies
  - Construction of Actuarial Models

New

- Economics
- Accounting and Finance
- Mathematical Statistics
- Statistics for Risk Modeling
  - Probability
  - Financial Mathematics
  - Investment and Financial Markets
  - Long-Term Actuarial Mathematics
  - Short-Term Actuarial Mathematics
  - Predictive Analytics

- Fundamentals of Actuarial Practice
- Associateship Professionalism Course

KEY

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Transition Rules

• Straightforward, one-to-one, with the following exceptions
• VEE Applied Statistics -> VEE Mathematical Statistics and Statistics for Risk Modeling
• Exam C -> VEE Mathematical Statistics and Short-Term Actuarial Mathematics
• VEE components have some unique issues. Check the web page for details
• There is no transition credit for Predictive Analytics
Recommended Order

• Candidates may take the ASA requirements in any order with two exceptions:
  • APC Eligibility rule: Candidates can be lacking either the FAP Final Assessment or one exam (but not both)
  • New Statistics for Risk Modeling Exam must be passed prior to the new Predictive Analytics requirement.
CERA Requirements

• Will continue the current requirements and add
  • VEE Mathematical Statistics
  • Statistics for Risk Modeling Exam

• Thus the CERA is like the ASA but
  • Predictive Analytics and Long-Term Actuarial Mathematics exams not required
  • ERM Module and Exam continue to be required

• CERA continues to be an alternative way to earn an ASA, but must also pass Predictive Analytics Exam to apply for ASA
Professional Development Update
Donald Krouse
PD Opportunities

• Major Meetings

• Strategic Alliances Seminars and Section events (Boot Camps, etc.)

• Webcasts

• E-Learning Courses

• Podcasts
2016 Priorities

• Monitor/Measure PD Execution

• Expand PD Opportunities

• Improve PD Opportunities
2016 Priorities

• Monitor/Measure PD Execution
  
  Member & Candidate Survey
  CPD Tracker
  Meeting/Seminar Assessments
  Speaker Recognition
2016 Priorities

• Expand PD Opportunities
  Asia
  Predictive Analytics
  Certificate
  Curriculum
  General Insurance
  Virtual Town Hall format
2016 Priorities

• Improve PD Opportunities
  • Moderator Training
  • Speaker Mentoring/Coaching
  • Speaker Session Load
  • Sort Sessions by Section and Competency
  • Guidebook for Sections
2016 Accomplishments

• Expanded General Insurance PD Offerings
• Additional Asia Pacific Symposiums and Webcasts
• Predictive Analytics Certificate Pilot
• Speaker/Moderator Training and Recognition
• Documentation/Formalization of processes, operations, etc.
  • e.g. Section Guidebook
2016 PDC Members

• Section Representatives
  • Donald Krouse* – ERM/Finance
  • Kevin Pledge – Special Interest
  • Marcus Robertson – Pension
  • Patrick Kinney - Health
  • Terry Long - Life

• Additional Members
  • Genghui Wu* – International
  • Jennie McGinnis* – Board Partner
  • Judy Powills - Staff
  • Karen Anway – Curriculum Chair
  • Mike Boot - Staff

* term expires in 2016