Current Board of Governors Issues
of Interest to Academic Actuaries

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Four Items of Interest

Alternative Examination References

Validation by Educational Experience

Academic Program Accreditation

Alternate Route
Alternative Examination References

Probability Exam
   (in total)

Math of Finance (Interest Theory) Exam
   (in total)

Actuarial Models Exam
   (not yet)

Construction and Evaluation of Actuarial Models Exam
   (Credibility Theory)
Validation by Educational Experience

Micro and Macro Economics

Corporate Finance (Intermediate Level)

Applied Statistical Methods (Time Series / Forecasting)
Academic Program Accreditation

General Purposes

1. Encourages self-improvement in quality of programs.

2. Expands research capabilities.

3. Strengthens the overall relationship between the profession and academia.

4. Improves consistency of quality across programs.

5. Increases respect for the academic programs in the eyes of practicing actuaries.

6. Provides a service to high school students in the process of choosing a school to attend to pursue an actuarial career.

Additional Special Purpose

Facilitates the administration of any Alternate Route Proposal
Academic Program Accreditation

Issues to Resolve

1. Number of accreditation categories.

2. Description of each category.

3. Criteria for accreditation in each category.

4. Mechanism for making accreditation decisions.

5. Development of accreditation application forms.
Academic Program Accreditation
A (very) Tentative Example

1. "Accredited Actuarial Teaching Institution"

   Category (a) Accreditation:

   Regularly offered courses in calculus, linear algebra, probability, statistics, accounting, economics, corporate finance, interest theory, time series and forecasting (econometrics), insurance and risk management.

   Category (b) Accreditation:

   Regularly offered courses in actuarial models (as defined by the learning objectives for Exam M).

   Category (c) Accreditation:

   Regularly offered courses in the construction and evaluation of actuarial models (as defined by the learning objectives for Exam C).

2. "Accredited Actuarial Research Institution"
Alternate Route

History

1. The Garber Committee (1970's)
2. The FES/FEM Proposals (1980's)
3. The Radcliffe Task Force (1990's)
4. The Task Force on Academic Infrastructure (2000's)

Types

A. Exempt from a *set of exams* for students at an accredited school, subject to grades, degree, & comprehensive exam.

[Garber: exempt from all (at that time) ASA exams.]

[Radcliffe: exempt from Year 2000 Syllabus Exams 1 - 4.]

B. Exempt from *individual exams*.

[FES/FEM: exempt from Exams 100, 110, 120, 130, 135.]

[TFAI: exempt from Exams M and C.]
Alternate Route

Why No Exemption for Exams P and I?  
(Why no Type A Proposal?)

1. Too much loss of exam fee revenue to SOA.

2. Too many cases of exemption decisions being made by non-actuaries.

3. Too much variability in content, quality, and standards.

4. Too many schools (courses) to accredit, leading to too much work and expense.

5. Too inconvenient to employers in evaluating students for internships and permanent employment.

6. Too limiting to the students themselves in evaluating their suitability for an actuarial career.
Alternate Route
A (Very, very) Tentative Example

1. No exemption from Exam M or Exam C without first passing Exams P and I. (Provides some evidence that the exempt student has demonstrated exam-passing ability.)

2. Exam M or Exam C exemption only for full-time students at Category (b) or Category (c), respectively, "Accredited Actuarial Teaching Institutions."

3. Minimum grade requirement for each course.

4. Content of courses reviewed by an appropriate SOA committee.

5. Eligibility for exam exemption to be certified by the school's Actuarial Program Director, or other faculty member, who must be a member of SOA (either FSA or ASA with n years standing); inappropriate exam exemption certification would constitute a serious breach of the member's professional ethical obligations.