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Actuarial Capacity Building - the Certified Actuarial Analyst

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Certified Actuarial Analyst - what is it?

- The IFoA is currently developing a new membership category and associated qualification – the Certified Actuarial Analyst
- It is being developed in response to market needs and an increasing growth in international membership
- It will be primarily aimed at those working with actuaries in support roles around the world, equipping them with sound technical skills. It is pitched at a Foundation degree level (equivalent to 1½ years of honours degree)
- Certified Actuarial Analysts will not be qualified actuaries



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Target markets

- Employees undertaking processing work and support roles (mathematical calculations, data analysis, etc) alongside actuaries
- Employees in international and off-shore ‘back office’ functions
- Employees in markets where actuarial science is just starting to develop and where there is a desire to build basic actuarial ability



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Benefits of the Certified Actuarial Analyst

- **For candidates** - membership of a prestigious body; global qualification; CV-enhancing in a competitive job market; member benefits such as networking opportunities; opens up a wide range of financial career options; sets candidates apart in a competitive job market
- **For employers** - professionalises support roles; provides assurance to clients; aids staff retention and boost morale; helps employers to attract the best employees
- **For the IFoA** - achieves Charter objectives and strategy; ensures relevance to global markets
- **For the public interest** - assures public confidence by bringing those in support roles into a regulatory framework; helps the actuarial profession to grow in countries where it is just starting to develop; helps to publicise actuaries and the value they add to society

The membership category - qualification

- 5 technical exams, focusing mainly on calculations and bookwork plus a practical exam on spreadsheet modelling:

| Module 0: Entry Test <i>(candidates must pass this before they can take any further modules)</i> | | | |
|--|--|--|---|
| Module 1: Finance and Financial Mathematics | Module 2: Statistics and Models | Module 3: Long Term Insurance Mathematics | Module 4: Short Term Insurance Mathematics |
| <i>When these modules have been passed, the candidate must then pass:</i> | | | |
| Module 5: Models and Audit Trails | | | |

- Minimum 2 years' part-time study to qualify
- Module 0 can be taken by non-members
- It is intended that exams for Modules 0-4 will be delivered by Computer Based Assessment. Module 5 will be delivered by online Practical Assessment
- It is a general qualification, not practice area-specific



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The membership category - qualification

- On passing all the exams, students would have the necessary mathematical skills and understanding to enable them to carry out the calculations underpinning the determination of:
 - the premiums which need to be charged for products, schemes, contracts and other arrangements which provide benefits on contingent events.
 - the amount of reserves which providers of such benefits need hold in order to meet future liabilities.
 - the value of the assets in which providers of such benefits invest such reserves
- There will be a work-based skills requirement to become a Certified Actuarial Analyst (one year, including emphasis on communication)



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The membership category - regulation

- Certified Actuarial Analysts will be subject to regulation by the IFoA
- There will be an ongoing CPD requirement and a professional skills training requirement
- Certified Actuarial Analysts will have to comply with The Actuaries' Code
- Certified Actuarial Analysts will be subject to the Disciplinary Scheme and CPD Scheme
- Certified Actuarial Analysts will not be fully qualified actuaries and should not describe themselves as actuaries



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The membership category – membership package

- Part of the global IFoA community
- Benefits will include: CPD, events, networking opportunities, The Actuary magazine, member interest groups, webcasts
- Support from the IFoA throughout their career
- Chartered Actuarial Analysts will not be entitled to vote



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Timescales

- Information sharing exercise and UK regional roadshows: to 17 May
- Member vote on changes to the Bye-laws: late June – July 2013
- Proposal approved by membership August 2013
- Approval of changes to Byelaws required by Privy Council
- First Module 0 exams in 2014
- Later exams starting (most probably) in 2015



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Social Security capacity-building

- Certified Actuarial Analyst qualification could provide a basis
- less ambitious as a qualification than AIA/FIA in emerging markets
- not intended at the moment to have specialisation
- however, add-ons would be a possibility
- ...including a social security module
- CAA may be attractive to actuarial technicians working in social security



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