Actuarial Capacity Building - the Certified Actuarial Analyst

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The membership category - qualification

- 5 technical exams, focusing mainly on calculations and bookwork plus a practical exam on spreadsheet modelling:
  - Module 0: Entry Test
    - Candidate must pass Module 0 before progressing to other exams
  - Module 1: Finance and Financial Mathematics
  - Module 2: Statistics and Models
  - Module 3: Long Term Insurance Mathematics
  - Module 4: Short Term Insurance Mathematics

When the above have been passed, the candidate must then pass
- Module 5: Models and Audit Trails
The membership category - qualification

• Minimum 2 years’ part-time study to qualify
• Module 0 can be taken by non-members
• 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
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)
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
Timescales

• first Module 0 exams took place in August 2014
• 86 candidates from >20 countries turned up for the exam (out of 99)
• 48 passed (56%)
• 62% of African candidates passed
• later exams starting in 2015
• Modules 0,1,2 in January and July 2015
• Modules 3,5 in February and August 2015
• Module 4 in June 2015
• maybe increasing in frequency if the demand is there
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- 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 social security module(s)
- …and/or micro-insurance module(s)
- CAA may be attractive to actuarial technicians working in social security
- …and may be a suitable level qualification for micro-insurance
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- need to define a detailed syllabus and learning objectives
- some work already done on this in 2005
- syllabus for social insurance module at Lausanne may be a guide
  - ILO have experience of helping to teach this course
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• Candidate topics to be included in syllabus
  – Demography and national statistics
  – Economics and public finance
  – Design and structure of social security systems
  – Actuarial reviews and analysis of social security systems
  – Financing health care systems (a step too far?)

• Could these topics be covered in one exam or would 2 be needed?
  – perhaps the last two could be alternatives
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• some key practical matters need to be discussed…
  – who would be responsible? (IFoA or ILO or IAA?)
  – where would the examiners be found?
  – is there enough tuition material available?
  – who would issue the designation?

• should we establish a task force to do some detailed thinking?
  – and perhaps also for micro-insurance?
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