Historical Overview of IAA

• Initially formed as a section of the International Actuarial Association which was an association of individuals dating back to 1895.

• International Forum of Actuarial Associations was formed in September 1995.

• IAA was reorganized in June 1998 with the governance and structure of the IFAA being incorporated into the IAA and the IFAA being dissolved.

• Individuals are now members through being members of the member associations.
Historical Overview of IAA

• In June of 1998, education guidelines were established by the new IAA.

• Associations must meet these guidelines in order to be a member association.

• As a transition, current member associations were given until 2005 to bring their education requirements into compliance with the guidelines.

• Note use of terms guidelines and requirements as this has become a very important element of the our effort in addressing the 2005 deadline as well as our ongoing goals.
IAA Education Syllabus Guidelines

• Financial Mathematics
  – To provide grounding in the techniques of financial mathematics and their application

• Probability and Mathematical Statistics
  – To provide a grounding in probability and mathematical statistics.

• Economics
  – To provide a grounding in the fundamental concepts of both microeconomics and macroeconomics.
IAA Education Syllabus Guidelines

• Accounting
  – To provide the ability to interpret the accounts and financial statements of companies.

• Modeling
  – To provide an understanding of the principles of modeling and its applications.

• Statistical Methods
  – To provide the skills and expertise in the use of models appropriate for the understanding of risk in a range of actuarial work.
IAA Education Syllabus Guidelines

• Actuarial Mathematics
  – To provide the skills and expertise in the mathematics that are of particular relevance to actuaries working in life insurance, pensions, health care and general insurance. [Consideration is being given to adding social security to this list.]

• Investment and Asset Management
  – To develop the ability to apply actuarial principles to the valuation, appraisal, selection and management of investments.
IAA Education Syllabus Guidelines

• Principles of Actuarial Management
  – To develop the ability to apply the principles of actuarial planning and control needed for the operation of risk related programs on sound financial lines.

• Professionalism
  – To develop awareness of professionalism issues and the importance of professionalism in the work of an actuary.
IAA Education Assessment Process

• How should we assess whether an organization meets the education guidelines?
• There are several different approaches around the World with respect to actuarial education.
  – Education and Examination by sponsoring associations.
  – University based actuarial education.
  – Reliance on other associations.
  – Mixture of the above.
IAA Education Assessment Process

• Currently developing a document entitled - *An assessment process for education systems*

• This is broken down into two sections.
  – Principles for the process
  – Criteria for meeting guidelines
    • Breadth
    • Depth – uses a 0 to 3 scale for evaluation
    • Evaluation process help
    • Transition to meet guidelines
    • Self-assessment questionnaire
IAA Education Assessment Process

• The process will principally rely on self-assessment by the organizations.

• Some type of Review Group will be established but the exact shape and extent of the review remains to be determined.

• The current feeling is that an association’s education requirements need to cover all ten subjects at least some depth.
IAA Education Assessment Process

• Timetable –
  – Revised document to the entire Education Committee for approval/comment by March 12.
  – Subsequently revised document to the entire Accreditation Committee for noting/comment by April 16.
  – Document for noting for Stockholm meeting (June 3) by May 7.
  – Implementation would follow Stockholm.
Current Issues

• Associations that have a small number of new entrants that enter through Federal requirements
• Associations that use a number of very diverse university programs
• New Associations in developing countries
• Other