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
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
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:

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(candidates must pass this before they can take any further modules)

When these modules have been passed, the candidate must then pass:

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
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
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
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
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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