OVERVIEW OF GLOBAL DEVELOPMENTS IN ACTUARIAL EDUCATION

EDWARD J LEVAY
PRESIDENT IAA
“EDUCATION. EDUCATION. EDUCATION. EDUCATION. Then, now and in the future”

ANTHONY CHARLES LYNTON
‘Tony’ BLAIR
PRIME MINISTER - UNITED KINGDOM
Labour Conference 2000
A profession in evolution

- 259 years ago first fund established on actuarial principles
  Scottish Ministers’ Widows’ Fund (est. 1743)
- Profession established 154 years ago in the UK - 1848
  Started with Life Assurance and Pensions schemes
- 45 years ago - General Insurance adopted into the association
- 14 years ago - Investments & Financial Solutions adopted into the association

Professor Hans Bühlmann – *the actuary of the third kind*

- Current interests & concerns – healthcare & ‘wider fields’
INTERNATIONAL ACTUARIAL ASSOCIATION

- Founded 1895: Comité Permanent des Congrès d'actuaires
- Association of individual actuaries
- Scientific focus, including congresses
- 1957 ASTIN Section: Actuarial Studies in Non-Life Insurance
- 1995 IFAA: International Forum of Actuarial Associations
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- 1998 The New IAA: Actuarial Association of Associations
- 1999 IACA Section: International Association of Consulting Actuaries (founded 1968)
ORGANISATIONAL STRUCTURE OF THE IAA

INTERNATIONAL ACTUARIAL ASSOCIATION

FQA of Full Member Associations

Individual Members

Donation Members
Institutional Members
Observer Member Associations
COUNCIL
Full Member Associations
Sections

Executive Committee
Secretariat

Statutory Committees
Audit
Nominations

Other Committees
Accreditation
Advice & Assistance
Education
Financial Risks
IASB Employee Benefits Accounting Standard

Supranational Relations

AFIR
ASTIN
IACA
IAA COMMITTEES

- Accreditation
- Advice & Assistance
- Public Statements
- Social Security
- Insurance Regulation
- Individual Members
- Nominations
- Education
- Audit
- Professionalism
- Executive
- Supranational

- IASC Insurance Accounting Standards
- IASC Employee Benefits Accounting Standard
  (IASC: International Accounting Standards Committee)
IAA EDUCATIONAL COMMITTEE
APPROVED DECISIONS

- Education & Accreditation
  - determining whether IAA Education Guidelines and standards are implemented by member associations

- Periodic Review of IAA Syllabus Guidelines

- Globalisation of Education Systems
  - achieve common syllabus and common assessment practices

- Ensure that Member Associations are Adhering to Guidelines
Provide a consultative forum for associations developing their education system

Build & Maintain Referential Databases
- encourage the dissemination of promising extensions of actuarial practice beyond IAA Guidelines
- accessible to member associations and emphasising CPD requirements

Facilitated CPD exchange of information
- between countries of member associations
IAA CORE SYLLABUS

- To be implemented by 2005
  - Financial Mathematics
  - Probability and Mathematical Statistics
  - Economics
  - Accounting
  - Modelling
  - Statistical Methods
  - Actuarial Mathematics – life, general insurance, pensions & health-care
  - Investment and Asset Management
  - Principles of Actuarial Management
  - Professionalism
Professionals in a discipline which values ability, flexibility, and adaptation.

‘Not’ pure mathematicians, statisticians, economists, etc.

We are a combination of all of these
Combining actuarial skills with the subjects of:

- Medicine
- Engineering
- Genetics
- Operational risk …

The MULTIDISCIPLINARY ACTUARY
NEW FIELDS FOR THE MULTIDISCIPLINARY ACTUARY

- Engineering
- Medicine
- Operational risk
- Genetics
- Disaster prevention
- Weather prediction
NATURAL DISASTERS, ENVIRONMENT & WEATHER

- Tornados
- Earthquakes
- Hurricanes
- Pollution
- Avalanches
- Floods
- Volcanic eruptions
Continuing Professional Development (CPD) in the UK

The American Continuing Education Requirements
Requirements:
- 15 hours of formal CPD per year
- 52 hours of informal CPD

Mandatory for those requiring Practising Certificates

(From: The Faculty and Institute of Actuaries CPD Handbook 2000/2001)
FORMAL CPD

- Technical committees and working parties
- Speaking at an event
- Setting examinations
- Training in management and business skills
- Professional meetings
- Conventions
- Meetings of actuarial organisations
- Assessed distance learning
- Formal research
INFORMAL CPD

- Reading
- Informal research
- Non-assessed study
- Training on company-specific systems
- Tutoring
- Service on non-technical committees
- Conference organising
Requirements of any actuary giving a ‘Prescribed Statement of Actuarial Opinion’

- Must be relevant to the area in which the actuary is qualified
- Divided into organised activities and informal activities
- A minimum of 12 hours per year
Promoting and raising the profile of the profession to attract more *new* members and continue its expansion.

How can this be achieved?

- Presentations, Seminars, Lectures and Educational Courses & Programmes in *Secondary Schools*, Colleges and Universities.

“Get them young, get them interested”
THE FUTURE

- Innovation
- Adaptation
- Extend to a broader horizon
- The horizon is almost unlimited
“What most impresses people today is the wide range of Leonardo’s talent and achievements. He turned his attention to many subjects and mastered nearly all. His inventiveness, versatility, and wide-ranging intellectual curiosity have made Leonardo a symbol of the Renaissance spirit.”

World Book Encyclopaedia 1999, entry on Leonardo da Vinci, emphasis added