



Institute
and Faculty
of Actuaries

Certified Actuarial Analyst



The Royal Charter

“The objects of the Institute and Faculty of Actuaries shall be, in the public interest, to advance all matters relevant to actuarial science and its application and to regulate and promote the actuarial profession. “



Introduction

- A new membership category and associated qualification – the Certified Actuarial Analyst
- It is being developed in response to market demand, particularly from our overseas membership
- A desirable qualification for those working alongside actuaries and in broader financial services, clearly differentiated from qualified actuaries
- This would bring such roles within a professional environment, equipping them with high quality technical skills and the support of a leading professional body
- High quality qualification, robust regulatory framework and attractive membership package



Market research

- We have spoken to numerous stakeholders about the proposals, including: members, employers, students, volunteers, the 400 Club, the Financial Reporting Council, the Institute of Actuaries of India, and the National Insurance Commission of Ghana
- Research has also been carried out by an external market research agency
- Findings suggest that there is a strong demand for this qualification, particularly outside the UK:
 - In emerging markets (India/Kenya): *“enthusiasm is strong from employers and potential candidates”*
 - In the UK: while there is currently less demand in the UK, *“if a few major employers do take it on, it may become the standard for these roles”*



Who would aspire to the qualification?

- Employees undertaking processing work and support roles (mathematical calculations, data analysis, etc) alongside actuaries
- Employees in international and off-shored 'back office' functions
- Bright students with A Level Mathematics or equivalent who do not want to go to university but instead want to get a job and start earning a wage
- Post-university students worldwide looking for career in the financial sector who want to differentiate themselves in a competitive job market
- Employees in markets where actuarial science is just starting to develop and where there is a desire to build actuarial capacity



Why a Certified Actuarial Analyst?

- Fellowship isn't the right path for all people nor all markets, but is sometimes the only choice
- Increase in support roles in financial services, which has become a destination career in itself
- Demand from employers and students internationally for a membership category and associated qualification at this level
- A global qualification for a global membership - innovative approach to our evolving and increasingly international membership
- There are numerous successful technical qualifications in the financial sector – but none that draw on actuarial science
- Consistent with the IFoA's strategy, published June 2011



Why a 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; would open up a wide range of financial career options; would set candidates apart in a competitive job market
- **For employers** – would professionalise support roles; provide assurance to clients; aid staff retention and boost morale; help employers to attract the best employees
- **For actuaries** – ensure relevance of actuarial science to global markets; increase employers' awareness of actuarial science, opens a wider talent base
- **For the public interest** – would assure public confidence by bringing those in support roles into a regulatory framework; help the actuarial profession to grow in countries where it is just starting to develop; help to publicise actuaries and the value they add to society



Why a membership package?

- Part of the global IFoA community
- Benefits would include: CPD, events, networking opportunities, The Actuary magazine, member interest groups, webcasts, access to research
- Support from the IFoA throughout their career
- Simple “qualification” would fail to meet the regulatory objectives



The qualification

- 1 entry test and 5 exam modules, focusing mainly on calculations and bookwork. Module 5 will be 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			

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



The 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 that need to be charged for products, schemes, contracts and other arrangements that provide benefits on contingent events
 - the amount of reserves that providers of such benefits need hold in order to meet future liabilities
 - the value of the assets that providers of such benefits invest such reserves in
- There would be a work based skills requirement to become a Certified Actuarial Analyst member, focus on communication skills
- In the UK, it is hoped to link it to a Higher Apprenticeship scheme



The qualification

- Exemptions will be granted into the Analyst path for those with the relevant CTs
- Fairness to those that selected the Fellowship path through lack of choice, limited time option?
- Subject to demand a pathway will be built for those qualifying as a Certified Analyst to join the Fellowship path
- Primary focus on successful launch of the Certified Analyst as a desirable and aspirational qualification



The regulation

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



The member vote

- In order to implement the new membership categories, the IFoA's Bye-laws would need to be amended
- We can only implement the proposals if voting members are in favour
- This will involve getting Council approval and then obtaining a majority vote of the wider membership
- Privy Council would then need to grant approval
- Ahead of the vote, we are conducting a three week information sharing exercise and survey (via the IFoA website) to inform members and gauge their views



Timescales

- Information sharing exercise and UK regional roadshows: to 17 May
- IAA conference 22 May
- IFoA Council approval of the changes to the Bye-laws: mid-June 2013
- IFoA member vote on changes to the Bye-laws: late June – July 2013
- First Module 0 exams in 2014



Questions

Comments

- Please take the time to complete the survey on our website: www.actuaries.org.uk
- You can also contact us at CAA@actuaries.org.uk



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