Presidents Forum
Dublin, 29 October 2007

Continuing Professional Development
Nick Dumbreck
What is CPD?

- The development of knowledge and of technical, personal and professional skills and competencies throughout an actuary’s working life.
What is CPD?

- CPD refers to the development of the whole person with attention to technical actuarial skills, related professional skills, business and management skills, professionalism skills and personal skills.
Why do CPD (1)?

- Qualification is only the first step towards full competence
- Developments in actuarial techniques
- Developments in the external environment
- Reputation and status of the profession depend on relevant and up-to-date advice
- Our clients and the public expect it
Why do CPD (2)?

- Different roles
- Move between countries or work in an international environment - different regulatory framework etc
- New areas of practice
IAA Survey

- 54 full members
- 48 responded
IAA Survey

Three parts:

- First - current membership statistics & expected growth
- Second - current CPD scheme
- Third - views on CPD
IAA Survey

- 23 - just under half - have CPD scheme
- Covers 80% of all actuaries
- But 6 full members with 300 or more members without scheme

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IAA Survey

- 19 require minimum amount, range 15 to 50 hours, average 25 hours
- Half recommend coverage of certain topics
- Half prescribe coverage of certain topics
- Half expect coverage of issues outside the member’s technical area
- Almost three quarters require members working in non-traditional areas to do CPD
- Only three offer examinable CPD
How do you ensure that CPD opportunities are available?

- Most associations organise conferences, seminars etc
- Publicise events organised by others
- Two did not organise CPD due to limited numbers and resources
Sources of CPD available to your members?

Other associations
Employers
Universities
Industry
Other vendors
Other sources
Which delivery methods are commonly used?

- All held meetings
- 29 books, CDs, other non-interactive remote means
- 19 used webcasts
- Some used website
Do your members:

Have adequate sources of CPD?

Get enough CPD?

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Those who monitor CPD rely on:

- Annual declarations
- Self registration of activities
- Automatic registration of certain activities
- Application for practising certificate
IAA Survey

- Associations were asked about the consequences of non-compliance with CPD requirements?
  - 50% of associations withdraw practising rights
  - 6 associations withdraw membership completely
Biggest problem that you face in ensuring adequate CPD?

- Resources – cost, time
- Insufficient good lecturers
- Voluntary nature of CPD
- Non resident members
- Lack of employer commitment
What can associations do?

- Create an environment to foster the acquisition of knowledge
- Act as facilitator
- Awareness of business environment
- Draw attention to new developments
- Monitor compliance
- Discipline
What is the role of the IAA?

- Management - national level
- IAA should monitor CPD strategy and encourage best practice
- Limited help concerning the local conditions
- Develop packages for generic CPD
- Database of CPD activities
- Sections are aware of CPD issues and can organise courses (preferably with the blessing of the host country….)

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The IAA CPD strategy

- A “soft approach”
Can CPD be voluntary, given the requirements of the IAA code?

- The IAA CPD strategy states: “it is important that an actuary keeps abreast of developments in actuarial techniques so that work done is up-to-date and relevant”
- And “reputation and standing of profession depends on actuaries giving relevant and up-to-date advice”
- The IAA code states that “an actuary shall perform professional services only if he is competent and appropriately experienced”
Possible future strategy

- Current IAA strategy - best practice - not mandatory
- Should all associations have a CPD scheme?
- IAA code refers to competence – does this imply obligatory CPD?
- Failure of individuals to do CPD should invoke disciplinary action
Possible future strategy

- Survey highlighted limited or lack of resources as issue
- Potential solutions to the resource issue include:
  - IAA CPD database
  - Larger associations make available CPD material
  - IAA could encourage development of web-based CPD material
  - IAA could encourage more “regional” meetings
Some questions for discussion (1)

- Should the adoption of a mandatory CPD scheme be obligatory for IAA full members?
- If so, to which categories of member should it apply?
  - All?
  - Excluding those in non-actuarian roles?
  - Other exclusions?
- ...and how soon should this be implemented?
Some questions for discussion (2)

- How can the IAA help member associations to provide CPD to their members?
- And how can individual associations help each other?
Summary of questions

- Should the adoption of a mandatory CPD scheme be obligatory for IAA full members?
- If so, to which categories of member should it apply?
  - All?
  - Excluding those in non-actuarial roles?
  - Other exclusions?
- …and how soon should this be implemented?
- Should CPD be mandatory for membership or for practising?
- What should be the penalty for non-compliance?
- What are the practical issues with mandatory CPD?
- What types of CPD should count towards the total?
- How can the IAA help member associations to provide CPD to their members?
- And how can individual associations help each other?
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