

IAA Education Overview

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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