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Continuing Professional Development Strategy

Introduction

1. Purpose

The purpose of this strategy for Continuing Professional Development (CPD) is to examine CPD from a number of different perspectives.

Firstly, from the perspective of an individual actuary the strategy looks at the importance of CPD and how CPD might be gained. In later sections there are discussions on the amount of CPD and monitoring.

Secondly, from the aspect of a national association this document could be useful in helping plan a CPD strategy for the association and in considering the role of the national association.

Thirdly, the strategy looks at the role that the Groupe Consultatif might play, in particular through the Education Committee.

Part I : CPD and the Individual Actuary

2. What is CPD?

Continuing Professional Development (CPD) may be defined as the development of knowledge and of technical, personal and professional skills and competencies throughout an actuary's working life.

There are several key features:

- 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 such as independence of thought and time management.
- The initial qualification period as an actuary is the start of the lifelong process of learning for individuals and their development within the profession.
- It is the responsibility of each actuary to plan his/her own development programme. At different stages of his/her career there will be a need to address a varying range of skills.
- In planning a CPD programme the actuary needs to consider maintenance, broadening and improvement of skills and knowledge.
- For many actuaries their CPD programme is likely to be integrated with their development programme agreed with their employer.

3. The need for CPD

All actuaries are encouraged to undertake CPD for the following reasons:

- It is important that an actuary keeps abreast of developments in actuarial techniques so that the work done is up-to-date and relevant.
- It is in the public interest that actuaries are seen to be competent in the areas in which they practice.
- The reputation and standing of the actuarial profession depends on actuaries giving relevant and up-to-date advice.
- An actuary needs to be aware of current methodologies and factors which may affect the suitability of models and assumptions.
- An actuary needs to maintain his/her familiarity with the complex environment in which he/she works.
- On qualification an actuary is at the start of his/her career and has much still to learn and experience to be gained, so CPD will be essential to continue the process of development.
- An actuary needs to keep up with new actuarial standards of practice and modifications to existing standards.
- An actuary needs to be aware of developments in national and international legislation and accounting standards.

- An actuary needs to be regularly challenged to think through professionalism questions.
- Actuaries taking up statutory duty roles need to keep up to date with developments in their profession, in the statutory role and in the supervisor's responsibilities as well as the industry they practice in.
- Actuaries may take on a number of different roles over their careers, including managerial roles, and personal development will be necessary to equip them for these new roles
- Actuaries who move between countries or work in an international environment need to understand the different regulatory and legislative framework in each country and the applicable accounting standards and actuarial standards and practices.
- The expansion in the profession means that actuaries are moving into new areas of practice with the consequent need for development.

These points form the objectives of any CPD strategy.

4. How to approach CPD?

Each actuary is recommended to plan his/her professional development.

- Objectives should be set to achieve the plan.
- The CPD activities should relate to these objectives.
- Relevant work experience should form part of the development plan.
- The individual actuary should consider how to monitor progress on the objectives either on his/her own and/or in conjunction with the employer where relevant.

5. How is CPD gained?

CPD can be achieved in a number of different ways.

These include:

- Attendance at local or national actuarial meetings, seminars, colloquia and workshops.
- Attendance at international actuarial seminars, colloquia and workshops.
- Attendance at courses.

- Attendance at summer schools or similar events.
- Attendance at events run by other related professions, e.g. lawyers.
- Attendance at relevant commercial conferences or seminars.
- Attendance at employers' courses and discussion groups.
- Participation in research, either as an individual or in a group.
- Participation in technical committee meetings run by the national actuarial association.
- Participation in technical committee work at the international level.
- Teaching or mentoring other actuaries and/or actuarial students.
- Being a member of an actuarial examining team involved in setting or marking actuarial examinations.
- Studying for a further qualification.
- Writing papers and books
- Giving talks or making presentations to colleagues or at conferences or seminars.
- Private reading of relevant journals and books.
- Participation in Internet discussion groups on actuarial topics.

Part II : CPD and the National Association

6. How much CPD?

The amount of CPD that an actuary does is a personal decision. However,

- Some associations lay down the annual amount of CPD which a member should aim to achieve and may make stipulations as to its form.
- In some countries regulators may lay down requirements for CPD.
- When considering the amount of CPD undertaken, it is up to each individual to judge the relevant CPD hours to be counted for a particular activity and how relevant it is in relation to his/her CPD objectives. The same event may thus be counted differently by different people.

- Some associations differentiate between Formal CPD where the input may be independently measured, e.g. attendance at an event, and Informal CPD where the actuary undertakes private activities, e.g. reading. Events may be treated differently according to whether they are organised by the actuarial profession or some other body.
- Where a target annual amount of CPD is suggested, this target may be averaged over several years.

As an example the Faculty and Institute of Actuaries recommend members to undertake at least 15 hours of Formal CPD and 52 hours of Informal CPD each year. For renewal of certain practising certificates this recommendation is a requirement, and at least 10 hours of the Formal CPD must be relevant to the area of practice.

7. Monitoring of CPD

It is good practice for each actuary undertaking CPD to maintain a personal record.

- This record should consider the development undertaken and a reflection by the actuary on the learning that has taken place, with indications of future learning and development activities.
- Once an association has agreed its CPD strategy the association might monitor CPD records of all actuaries.
- Alternatively, the association might monitor CPD records of a sample only, e.g. a random sample or all those actuaries performing statutory roles.
- Monitoring of CPD records is often necessary for actuaries requiring practising certificates, where they exist, both when they first apply for such a certificate and for subsequent renewals. Failure to undertake CPD can lead to the withdrawal or non-renewal of a practising certificate.

8. Provision of CPD activities

Each national association can help the uptake of CPD by individuals through the provision of a programme of CPD activities. Examples of possible CPD activities are shown in Section 5.

9. Current position on CPD

A survey of member associations of the Groupe Consultatif was undertaken in 2002 and the position then on CPD showed that 6 associations had a requirement for CPD, 11 associations were planning a requirement for the future and 6 associations had no requirement for CPD. Several associations have suggested that they have particular expertise within their membership for delivery of CPD offerings.

Part III : CPD and the Groupe Consultatif

10. Role of the Groupe Consultatif

The Groupe Consultatif Education Committee has a number of roles with respect to CPD:

- The Committee encourages each association to formulate its own CPD strategy.
- Members of the Education Committee whose associations have a CPD policy will provide guidance to any association wishing to develop a CPD policy.
- The CPD strategy of the Groupe Consultatif contains advice for associations but is not mandatory.
- The Education Committee of the Groupe Consultatif will encourage the provision of suitable European CPD activities.
- The Education Committee will maintain a database on CPD activity within Europe.
- The Education Committee will identify key important topics for CPD activity in conjunction with practice areas.
- The core syllabus developed through the Education Committee provides a starting point for each association in planning CPD activities. Any topics not covered before qualification might be useful for CPD.

11. Provision of CPD activities

(i) Groupe Consultatif Colloquia

The Groupe Consultatif has run Colloquia since 1982. Recent experience has shown that when these have a focussed theme they are more likely to attract a good attendance. The emphasis is on discussion around presented papers.

Recent past and planned future colloquia include:

- 2000 Oxford
- 2001 Copenhagen – Fair Value Accounting
- 2002 Barcelona – Risk Management & Capital Needs
- 2003 Budapest – Pension Models in Europe
- 2004 Munich
- 2005 Lisbon
- 2006 Edinburgh

(ii) Groupe Consultatif Summer Schools

Associations have organised summer schools from time to time. These tend to be structured learning programmes for people interested in developing their knowledge on a particular topic.

Recent past and planned future colloquia include:

2001	Cologne
2002	Rome – Finance of Insurance
2004	Vilnius
2005	Trieste

(iii) Events for younger actuaries

In many companies the policy is that only senior actuaries can travel to international events. It is important therefore that national associations arrange events for younger people in their own country, possibly based around the themes of the Groupe's annual colloquium or summer schools.

(iv) Events offered in different countries

It might be possible to develop an event in one country which could be replicated in different countries based on notes, presentations and materials from the first event.

(v) Participation in events of other associations

The Groupe is developing a mechanism whereby details of events run by individual associations can be easily disseminated to members of other associations. This will take the form of a Web-based database. In particular these events can be useful to people in an association geographically nearby. Some interchange of ideas takes place regionally, e.g. Scandinavia, German-speaking countries, and Swiss summer school.

(vi) Structured learning opportunities

Examples of structured learning opportunities which could be used by other associations are already available, e.g. the Faculty and Institute of Actuaries have participants' and speakers' notes for their two-day professionalism course. They also have packaged learning courses for all subjects in their qualification examinations and for two Certificates in Derivatives. Certificates of Attainment are given to actuaries who pass the relevant examinations associated with these learning opportunities. Het Actuarieel Genootschap runs events on topics such as Fair Value Accounting, Deflators, Price of risks, where actuaries are required to do preparation between meetings.

(vii) Reading materials

The journals of research work published by several associations, e.g. Scandinavian Actuarial Journal, provide a useful source of Informal CPD for actuaries. The proposed development of textbooks on European practice, e.g. Pensions and Health Care Financing, will be useful in this respect.

(viii) Electronic learning

Several associations use their Websites to disseminate learning materials particularly from conferences, colloquia and seminars. This may often be in the form of slides presented at recent events. This material can be helpful for those planning their own events. A next stage would be the development of electronic learning material which, when accompanied by a discussion forum, monitored by a leader, can be an effective learning tool. The Groupe could facilitate access to useful papers and materials by publishing them on the Groupe website or by providing links from the Groupe website to other websites where they can be found.

12. Key Themes

It would be a good idea to develop a mechanism for identifying key themes and topics for European CPD. This could be done in two ways:

- The first would be for each member of the Committee to identify topics within his/her national association across all practice areas
- The second would be formally to ask the other committees of the Groupe Consultatif for ideas for CPD topics. This might be done at the committee meetings held during the Annual Meeting each year.

This double approach should identify topics of current importance within a European context. Some topics of importance to particular associations will have arisen because of particular circumstances within the association, so may not be more widely applicable. Some topics have been identified recently and these are:

- Fair value accounting
- Solvency requirements
- Changes in mortality
- Healthcare
- Catastrophe insurance
- Risk classification
- Asset liability modelling
- Accounting for pension costs

13. Overall picture of CPD in the Groupe Consultatif

The Groupe Consultatif will regularly update the picture of CPD and national associations. Members of the Education Committee are willing to share their experiences of CPD in their associations with other associations who have identified aspects they wish to consider.