

Actuarial Society of India

Guidance Note (GN) 9: Continuing Professional Development (CPD) and the Actuary

Classification: Practice Standard

Legislation or Authority: Professional Conduct Standards (Ver. 2.00/27th May 2003)

Author: Professional Affairs Board

Compliance: Members are reminded that they must always comply with the Professional Conduct Standards (PCS) and that Guidance Notes impose additional requirements under specific circumstances.

Application

This Guidance Note is applicable to all fellow members of ASI who carry out actuarial functions as under:

1. Holders of Certificate of Practice in requirement to any Act/Regulation/Accounting Standard
2. Signing off actuarial certificates under any Act/Regulation/Accounting Standard but not required to hold Certificate of Practice for the purpose.
3. Generalized actuarial work needing application of actuarial principles and practice.

Status

This Guidance Note shall constitute a Guidance Note on Professional Matters within the meaning of Rule 29(l) of the Rules of the Society and has been authorised to be issued by the Executive Committee in its meeting held on 15 02 2005.

Version: 1.00 effective from 01 0 4 2005

Application: All members of Actuarial Society of India

1. Legal Framework

The Professional Conduct Standards issued by ASI and various pieces of legislation or Regulations of any Country or Accounting Standards issued by any Accounting body, which define the roles and responsibilities of the actuaries or require certain functions for the purpose of such legislation, regulation or accounting standards to be carried out by an actuary.

2. Objective

A member on compliance with this GN will have a high degree of confidence in meeting his/her obligations for the cause of public interest under Professional Conduct Standards.

3. Fields of actuarial work

Actuaries are either employed or render services as independent individual consultants. In either case, the actuary is rendering actuarial advice. The following are the fields of work, currently identified in one or more of which actuaries work:

- (i) Life Insurance business
- (ii) General Insurance business
- (iii) Reinsurance business
- (iv) Employee/Retirement Benefit Market
- (v) Insurance Regulator
- (vi) Governments
- (vii) Actuarial Education.

4. CPD requirements and areas of practice

4.1 Attendance at a professionalism course, is mandatory for a recently qualified fellow, and voluntary for any member who would like to update his/her professional skills. Thereafter, the FASI should continually attend CPD programmes.

4.2 The following are the areas of practice presently identified;

- (i) Life insurance
- (ii) General Insurance
- (iii) Pensions and retirement benefits
- (iv) Finance & Investment
- (v) Health insurance
- (vi) Social Security

4.3 The individual actuary may choose the CPD programme activity, which would help him/her in furtherance of his knowledge and skill. The level of knowledge required to be attained will depend on the position occupied and level of responsibility held.

4.4 The following may constitute the ways in which the requisite knowledge/skill can be obtained. It can be either formal or informal, though formal CPD will form the core of CPD programmes.

4.5 Nature of CPD Programmes:

(a) Formal CPD:

The formal CPD are those directly arranged by Actuarial Society of India or other actuarial bodies recognised by the ASI. Following are examples of compliance with formal CPD;

- i. Attendance at the meetings and seminars on areas of practice listed under para 3
- ii. Reading distance learning materials on areas of practice (where members can not attend the meetings and seminars stated above)
- iii. Writing papers on areas of practice, which are published in actuarial journals/magazines.
- iv. Setting examination papers
- v. Serving in committees / working parties constituted by ASI, IRDA or International Actuarial Association and East Asian Actuarial Congress.
- vi. Attending India Fellowship Seminar organised by ASI

(b) Informal CPD:

The following are examples of informal CPD:

- i. Participation in meetings of international bodies in the respective areas of practice.
- ii. Attending courses of other actuarial bodies, and participating in their activities.
- iii. Marking of examination scripts
- iv. Presenting papers of actuarial interest in the forum of other professional bodies.
- v. Any other ways of upgrading knowledge by ways of study through internet, reading actuarial books and alike

4.6 Suggested, though not exhaustive topics by specific areas of actuarial practice:

Life Insurance

- i. Modelling techniques in areas such as asset liability matching, resilience testing and capital requirements.
- ii. Managing solvency standards.
- iii. Compliance issues with the regulator.
- iv. Taxation and legal aspects of insurance,
- v. Financial management of life offices-Sales and expense models.
- vi. Investment of life funds-latest developments in derivatives, futures, options and alike.
- vii. Product development process and product ideas in other parts of the world.
- viii. Reinsurance issues
- ix. Unit linked insurance-pricing and management.
- x. Actuarial issues like problem of deficiencies in newly set up companies-
- xi. Long - term Care Insurance

General Insurance

- i. Modelling techniques in areas such as asset liability matching, resilience testing and capital requirements.
- ii. The features of general insurance products
- iii. Risk factors and pricing of general insurance products
- iv. Taxation and legislative aspects of a general insurance company
- v. Investment of general insurance funds-including latest developments in derivatives, futures, options and alike.
- vi. Reinsurance consideration of large risks.
- vii. Developments in statistical techniques for measuring and controlling risk.
- viii. Health Care Insurance

Pensions and retirement benefits

- i. Modelling techniques in areas such as asset liability matching, resilience testing and capital requirements.
- ii. Methods of funding retirement and pension benefits.
- iii. Investment strategy for pension funds.
- iv. Investment of pension funds-latest developments in derivatives, futures, options and alike.
- v. Fixing of contribution levels in defined benefit and defined contribution schemes.
- vi. Schemes for social security- in India and abroad
- vii. Legislation and taxation of pension funds/benefits.

Health Insurance and Long Term Care

- i. Modelling techniques in areas such as asset liability matching, resilience testing and capital requirements.
- ii. Product feature development and product pricing
- iii. Portfolio monitoring with adequate statistical techniques and repricing
- iv. Assessment of actuarial claim reserves and age reserve
- v. Statistical measurement of healthcare risks and forecasting of the same for various health portfolios (inter alia group and individual business)
- vi. Health care insurance
- vii. Technical Reinsurance Issues
- viii. Development of underwriting guidelines based on statistical findings of existing portfolios within India and outside of India
- ix. Statistical techniques in health insurance
- x. Investment of the reserves arising in health insurance

Finance and Investment

- i. Asset Management
- ii. Modelling techniques
- iii. Performance measurement of investments
- iv. Determining investment policy and strategy
- v. Investment of Insurance, Pension & Social Security funds - latest developments in derivatives, futures, options and alike.

Social Security

- i. Population Projection Techniques
- ii. Demographics and Social Issues
- iii. Cost and Social Benefit analyses
- iv. Actuarial techniques in Social Security

4.7 Nature of Professionalism Course

As of now, professionalism course merged with India Fellowship Seminar is a requirement for admission as a Fellow. Some of the aspects of such professionalism course are dynamic and change from time to time.

5. CPD Requirements

(a) CPD is required for all members rendering actuarial advice; however, extent and nature may differ for different work field and practice areas.

(b) The nature and extent of CPD requirements are as under:

Work field/Area of Practice	Nature of CPD	Extent of CPD
1. CoP holders (currently Appointed Actuary of Life Insurance, General Insurance and Reinsurance)	Mandatory and Formal	Prescribed minimum hours by respective ASI Boards
2. Other than CoP holders (Signing off responsibilities such as under AS 15, IAS 19, FRS 17, FAS87, Peer-review work, EPS 95 work and alike)	Mandatory and Formal	Prescribed minimum hours by respective ASI Boards
3. Generalised Actuarial Work (where an actuary gives any actuarial advice to any client, not falling under (1) and (2) above)	Mandatory and Formal, however, informal CPD for persons aged 70 years or more	Atleast 12 hrs of formal CPD and informal CPD of atleast 24 hrs for persons aged 70 yrs. or more With credits earned for formal CPD counting

6. CPD Credit

Number of hours of credit will be as under; unit of one year will be a calendar year:

- i. Seminars, workshops, conferences and similar events organised by ASI including reading distance learning material where members cannot attend the event for causes such as advance age, disability or other unavoidable reasons: 4 hrs per day and 2 hrs for ½ day but not more than 10 hrs for any one event.
- ii. For attending meetings of the Board, Committees and working groups of ASI: 2 hrs per meeting with maximum credit of 6 hrs in a year.
- iii. Participation in a distance learning/e-learning programmes related to actuarial work. -5 hrs in a year.
- iv. Publishing research based monographs/articles in referred journals on topics related to actuarial work.- 10 hrs. in a year.
- v. Examination in one or more subject whether as Examiner or review Examiner: 5 hrs per Examination Diet
- vi. Business and Management skills – courses undertaken for enhancing business and management skills such as leadership, interpersonal relationship and alike: maximum of 5 hrs in a year
- vii. Any other CPD Programme - as specifically determined by the Professional Affairs Board or respective practice area Boards.

7. Evidence of CPD

It is strongly recommended that appropriate records of CPD be maintained, as members should be able to demonstrate, if the need arises, that a reasonable effort has been made to keep up-to-date on current developments.

8. Other Actuarial Bodies

Currently ASI recognises the following Actuarial Bodies for the purpose of this Guidance Notes;

- a) The Institute of Actuaries, London
- b) The Faculty of Actuaries in Scotland
- c) The Society of Actuaries in U S
- d) The Casualty Actuarial Society in U S
- e) The Institute of Actuaries of Australia
- f) The Canadian Institute of Actuaries
- g) The member associations of East Asian Actuarial Congress
- h) The Actuarial Society of South Africa
