

**Current Board of Governors Issues
of Interest to Academic Actuaries**

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Four Items of Interest

Alternative Examination References

Validation by Educational Experience

Academic Program Accreditation

Alternate Route

Alternative Examination References

**Probability Exam
(in total)**

**Math of Finance (Interest Theory) Exam
(in total)**

**Actuarial Models Exam
(not yet)**

**Construction and Evaluation of Actuarial Models Exam
(Credibility Theory)**

Validation by Educational Experience

Micro and Macro Economics

Corporate Finance (Intermediate Level)

Applied Statistical Methods (Time Series / Forecasting)

Academic Program Accreditation

General Purposes

- 1. Encourages self-improvement in quality of programs.**
- 2. Expands research capabilities.**
- 3. Strengthens the overall relationship between the profession and academia.**
- 4. Improves consistency of quality across programs.**
- 5. Increases respect for the academic programs in the eyes of practicing actuaries.**
- 6. Provides a service to high school students in the process of choosing a school to attend to pursue an actuarial career.**

Additional Special Purpose

Facilitates the administration of any Alternate Route Proposal

Academic Program Accreditation

Issues to Resolve

- 1. Number of accreditation categories.**
- 2. Description of each category.**
- 3. Criteria for accreditation in each category.**
- 4. Mechanism for making accreditation decisions.**
- 5. Development of accreditation application forms.**

Academic Program Accreditation

A (very) Tentative Example

1. "Accredited Actuarial Teaching Institution"

Category (a) Accreditation:

Regularly offered courses in calculus, linear algebra, probability, statistics, accounting, economics, corporate finance, interest theory, time series and forecasting (econometrics), insurance and risk management.

Category (b) Accreditation:

Regularly offered courses in actuarial models (as defined by the learning objectives for Exam M).

Category (c) Accreditation:

Regularly offered courses in the construction and evaluation of actuarial models (as defined by the learning objectives for Exam C).

2. "Accredited Actuarial Research Institution"

Alternate Route

History

1. **The Garber Committee (1970's)**
2. **The FES/FEM Proposals (1980's)**
3. **The Radcliffe Task Force (1990's)**
4. **The Task Force on Academic Infrastructure (2000's)**

Types

- A. Exempt from a *set of exams* for students at an accredited school, subject to grades, degree, & comprehensive exam.**

[Garber: exempt from all (at that time) ASA exams.]

[Radcliffe: exempt from Year 2000 Syllabus Exams 1 - 4.]

- B. Exempt from *individual exams*.**

[FES/FEM: exempt from Exams 100, 110, 120, 130, 135.]

[TFAI: exempt from Exams M and C.]

Alternate Route

Why No Exemption for Exams P and I? (Why no Type A Proposal?)

- 1. Too much loss of exam fee revenue to SOA.**
- 2. Too many cases of exemption decisions being made by non-actuaries.**
- 3. Too much variability in content, quality, and standards.**
- 4. Too many schools (courses) to accredit, leading to too much work and expense.**
- 5. Too inconvenient to employers in evaluating students for internships and permanent employment.**
- 6. Too limiting to the students themselves in evaluating their suitability for an actuarial career.**

Alternate Route
A (Very, very) Tentative Example

- 1. No exemption from Exam M or Exam C without first passing Exams P and I. (Provides some evidence that the exempt student has demonstrated exam-passing ability.)**
- 2. Exam M or Exam C exemption only for full-time students at Category (b) or Category (c), respectively, "Accredited Actuarial Teaching Institutions."**
- 3. Minimum grade requirement for each course.**
- 4. Content of courses reviewed by an appropriate SOA committee.**
- 5. Eligibility for exam exemption to be certified by the school's Actuarial Program Director, or other faculty member, who must be a member of SOA (either FSA or ASA with n years standing); inappropriate exam exemption certification would constitute a serious breach of the member's professional ethical obligations.**

