



CASUALTY ACTUARIAL SOCIETY

CHRISTOPHER S. CARLSON
PRESIDENT

October 17, 2008

To: CAS Members

Re: Exposure Draft of CAS Continuing Education Policy

The CAS Board of Directors has authorized the release of the Exposure Draft of the CAS Continuing Education Policy, which would apply after December 31, 2009 to all CAS members who provide certain types of actuarial services (as described in the Exposure Draft).

The Exposure Draft is the result of the work of the Task Force on Continuing Education. The CAS Board reviewed the proposed CAS Continuing Education Policy at its September 2008 meeting and authorized the release of the Exposure Draft. Members and other interested parties are now invited to participate in the process by submitting comments on the Exposure Draft. All comment letters will be considered by the Task Force and revisions may be made to the proposed policy based on the comments. The CAS Board of Directors has indicated that the proposed policy is acceptable; barring substantive comment from the membership, the Board is expected to adopt the proposed policy at its March 2009 meeting.

How Are Members Affected?

CAS members are required by the Code of Professional Conduct to meet the requirements of the jurisdiction in which they practice. Many jurisdictions have continuing education requirements comparable to those recommended by the CAS Continuing Education Policy. For CAS members practicing in these jurisdictions, the proposed policy will have no impact.

In certain other jurisdictions, no local continuing education requirements have been established. CAS members practicing in these jurisdictions will be required to comply with the CAS Continuing Education Policy.

The proposed CAS Continuing Education Policy represents a significant milestone in ensuring that our members stay relevant and accountable to their principals.

Submitting Comments

In your review of the Exposure Draft, please consider the following:

- All feedback, comments, and suggestions are welcome.
- While general comments may be submitted, specific alternative wording is especially useful.
- Your suggestions to a particular section may impact other parts of the Exposure Draft, therefore it may be necessary to incorporate your changes throughout the document.

Please send your written comments on the Exposure Draft via e-mail by December 19, 2008 to Sue Grossi at the CAS Office (sgrossi@casact.org), who is compiling the comments on behalf of the CAS.

In closing, I would like to take this opportunity to commend the outstanding professionals who participated on the Task Force. In spite of their heavy schedules and duties, they devoted the necessary time and energy required of this project.

Thanks, in advance, for your consideration of this document.

Attachment:

- Exposure Draft of CAS Continuing Education Policy

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Exposure Draft
CAS Continuing Education Policy

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EFFECTIVE DATE: This continuing education requirement is applicable for all Statements of Actuarial Opinion issued after December 31, 2009.

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SCOPE: The Casualty Actuarial Society (CAS), through Precept 2 of its *Code of Professional Conduct*, requires its members to perform Actuarial Services only when they are qualified to do so on the basis of basic and continuing education experience and only when they satisfy applicable qualification standards. Such Actuarial Services may include the rendering of advice and recommendations or opinions based upon actuarial considerations, including the issuance of Statements of Actuarial Opinion. CAS members who issue Statements of Actuarial Opinion are required to meet this continuing education requirement, regardless of the jurisdiction in which the member practices.

For purposes of this continuing education requirement, a “Statement of Actuarial Opinion” (SAO) is an opinion expressed by an actuary in the course of performing Actuarial Services and intended by that actuary to be relied upon by the person or organization to which the opinion is addressed. “Actuarial Services” are defined in the *Code of Professional Conduct* as “Professional services provided to a Principal (client or employer) by an individual acting in the capacity of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations.”

For further guidance as to what constitutes a Statement of Actuarial Opinion, members are referred to the qualification standards and supporting documentation of the American Academy of Actuaries.

CONTINUING EDUCATION REQUIREMENT:

1. CAS members are required to complete and document at least thirty (30) hours each calendar year of relevant continuing education of which at least three (3) hours must be on professionalism topics and at least six (6) hours must be “organized activities”.
 - a. Continuing education is “relevant” if: (1) it broadens or deepens an actuary’s understanding of one or more aspects of the work an actuary does; (2) the material expands an actuary’s knowledge of practice in related disciplines that bear directly on an actuary’s work; or (3) it facilitates an actuary’s entry into a new area of practice. Ultimately, it is an actuary’s responsibility to make a reasonable, good-faith determination of what continuing education opportunities will enhance an actuary’s ability to practice.
 - b. Relevant continuing education includes not only technical topics, but also includes business and consulting skills topics and professionalism topics. Examples of business and consulting skills topics include, but are not

47 limited to, client relationship management, presentation skills,
48 communication skills, project management, and personnel management.
49 Examples of professionalism topics include, but are not limited to
50 participating in professionalism seminars and case studies, studying,
51 reviewing, or providing input on an Exposure Draft of an ASOP; studying
52 or reviewing the *Code of Professional Conduct*, and serving on the ASB or
53 a professionalism committee.

- 54 c. Continuing education can be obtained through either “organized activities”
55 that involve interaction with actuaries or other professionals working for
56 different organizations or “other activities.”
- 57 i. “**Organized activities**” include, but are not limited to, conferences,
58 seminars, webcasts, in-person or online courses, or committee
59 work that is directly relevant to the area of practice of the subject of
60 the Statement of Actuarial Opinion. In-house meetings can satisfy
61 the requirement of interaction with actuaries or professionals
62 working for different organizations by using outside speakers.
 - 63 ii. “**Other activities**” include, but are not limited to, reading actuarial
64 literature, statutes, or regulations; reading other books, papers, or
65 articles on relevant technical or professional topics; writing
66 professional papers or articles; listening to tapes of actuarial
67 meetings or other relevant seminars or conferences; relevant in-
68 house meetings; studying for actuarial exams; drafting actuarial
69 exam questions; or preparing to speak or lead a discussion at a
70 continuing education activity.
- 71 d. An hour of continuing education is defined as 50 minutes and fractions of
72 an hour may be counted.
- 73 e. The 30-hour requirement will typically be met in the calendar year
74 preceding the year in which the member issues a Statement of Actuarial
75 Opinion. However, if the 30-hour requirement is not met in the year before
76 a member issues a Statement of Actuarial Opinion, the shortfall can be
77 earned in the same year, if earned prior to issuing the SAO. The hours
78 earned to satisfy the shortfall cannot be applied to satisfy the continuing
79 education requirement for the current year. (**Example:** An actuary earns
80 30 hours of continuing education in 2010 and, assuming the other
81 qualification requirements are met, can issue SAOs in 2011. However, in
82 2011, the actuary only earns 27 hours of continuing education. The
83 actuary can not issue SAOs in 2012 until 3 hours of continuing education
84 are earned. The actuary must then earn an additional 30 hours of
85 continuing education in 2012 to issue SAOs in 2013.)
- 86 f. Hours of continuing education in excess of the annual requirement,
87 including hours of organized activities, may be carried forward one year.
- 88 g. Hours spent on general business courses and educational materials are
89 limited to 3 hours per year.
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- 91 2. A CAS member who is a member of another IAA full member organization may
92 meet the continuing education requirements of that organization, provided that

93 the requirements are of parallel rigor with the CAS requirement. The CAS
94 recognizes the requirements of the American Academy of Actuaries, the
95 Canadian Institute of Actuaries, the Institute of Actuaries, the Faculty of
96 Actuaries, and the Institute of Actuaries of Australia as meeting this requirement.
97 Other full members of the IAA may have sufficiently rigorous requirements. The
98 decision to meet such other organization's requirements in lieu of the CAS
99 requirement is left to the member's judgment; however, continuing education
100 requirements that are a subset of the CAS requirement are clearly not sufficient.

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102 **DOCUMENTATION:**

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- 104 1. CAS members must keep appropriate documentation of their continuing
105 education. Beginning with submission of their dues for 2010, members must
106 report:
 - 107 a. Whether they expect to perform Actuarial Services in 2010, and if so
 - 108 b. Whether they have met the CAS requirements or those of another
109 (specified) IAA full member organization and meet the requirements of the
110 jurisdiction in which they are practicing
 - 111 c. If they do not expect to perform Actuarial Services they should state that
112 they are exempt from the CE requirements for the forthcoming year.
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 - 114 2. Beginning in 2010 (for statements issued in 2011), CAS members must maintain
115 records of their continuing education. The individual may keep their own records
116 or they may elect to utilize a website maintained by the CAS or other actuarial
117 body and these records must be available for audit by the CAS.