

**REGULATIONS FOR CONTINUOUS EDUCATION
INSURANCE AND BONDS**

Preamble

Eight years after starting the certification process, it was deemed pertinent that, at the light of the acquired experience and considering the new demands for the actuary profession, the Continuous Education Committee and the Permanent Certification Committee- both belonging to the National College of Actuaries – review and update the Continuous Education Regulations. For these purposes, the following objectives were determined:

- Provide greater clarity and certainty to the certified actuary on the activities and the number of hours that should be accredited to comply with the continuous education program.
- Specify the responsibilities of the different participants in the continuous education process.
- Increase the activities with which the Continuous Education Program may be met.
- Establish additional guidelines for purposes of providing greater clarity to the Continuous Education Committee and to the certified actuary in respect of issues not specified in the Regulations.
- Establish procedures that guarantee the suitability of the certification process in order to maintain recognition with the Secretary of Public Education.

CHAPTER I. GENERAL PROVISIONS

Article 1.

These Regulations are issued in accordance with the by-laws and Regulations for the Professional Certification of Actuaries of the National College of Actuaries (*Colegio Nacional de Actuarios, A.C.*) with the main purpose of defining the form and terms under which actuaries must comply with their continuous training obligations for purposes of ratifying their certifications.

Article 2.

For purposes of these regulations, it shall be understood as:

AAI	International Actuarial Association
ACTC	Actuary certified by the CONAC in the development of technical notes for products, valuation of technical reserves or actuarial audit in the fields of Life Insurance, Damages, Accidents and Diseases, Pensions and Bonds
CDC	CONAC Board of Directors
CEC	Continuous Education Committee
CONAC	National College of Actuaries
CPC	Permanent Certification Committee
HEC	Hours of Continuous Education

HECNSE	Hours of Continuous Education not Subject to Evaluation
HECSE	Hours of Continuous Education Subject to Evaluation
PEC	Continuous Education Program

Article 3.

Continued education should be mainly focused on maintaining, updating, improving and extending the knowledge, skills, capacities and abilities that the ACTC needs in order to guarantee the proper performance of its professional activities within the scope of its powers, competencies and responsibilities,

Article 4.

Based on these regulations, the ACTC should cover the training issues established in compliance with the following individual objectives:

- Improve its efficiency in any position or function, as well as acquire new skills that allow it to perform efficiently in other areas of responsibility.
- Achieve a high level of professional development.
- Being prepared to move, when applicable, to other areas within the actuarial practice or to a new position, either in the same company or a different one.
- Being aware and share its professional experiences with colleagues and other professionals.
- Comply with its commitment to maintain and improve the skills that support its professional and technical competency.
- Achieve a continuous improvement that facilitate it the constant change that the profession demands.
- Understand the needs of the sector, as well as its degree of complexity and impact.

CHAPTER II. ON THE CONTINUOUS EDUCATION PROGRAM

Article 5.

Within the PEC framework, the ACTC should accredit:

- a) At least 80 HEC during the two years following the date of its certificate or its last ratification.
- b) Within the biannual requirement previously referred to, at least 12 HEC should correspond to issues related to Mexican legislation on insurance or bonds.

- c) From the total of biannual hours set forth in sub-paragraph a), at least 64 hours – including the twelve hours of sub-paragraph b) – will be HECSE, that is to say, they should correspond to courses that are evaluated by means of an exam, or the equivalent thereof, and in which the ACTC has obtained a minimum score of 70%. The rest may be HECNSE.
- d) In the event of new subjects or a significant change in the legislation applicable to insurance and bonds related to the areas of knowledge and skills of actuarial certifications, it will be mandatory to cover the HEC under the following terms:
1. The number of HEC related to changes in legislation will be established by the CPC in accordance with the extension and scope of the changes.
 2. HEC changes in legislation will be computed as part of the 80 HEC contemplated in sub-paragraphs a) and b).
 3. In the event that changes in legislation require a long training, the CPC may establish an extension of the HEC, as well as an extension of the period in which the training should be met.

Any ACTC that, in a biannual period, accumulates a number of HEC that exceeds the 80 hours indicated in sub-paragraphs a) and b) will be made a transfer of a maximum of 20 HEC in excess for the following ratification period, in accordance with the mechanisms set forth in Article 13 of these Regulations.

By virtue of the fact that the granted certification is valid for two years as established in the Certification Regulations and these Regulations, the number of HEC that each actuary should meet and accredit will depend on the number of basic fields or branches in which it is certified considering, in addition, if applicable, the function of actuarial auditor, as indicted in the following table.

Basic Fields or Branches	Certifications				
	Actuarial Audit	Legislation	Basic Field	Actuarial Audit	General
1	No	12	16		52
1	Yes	12	16	8	44
2	No	12	32		36
2	Yes	12	32	8	28
3	No	12	48		20
3	Yes	12	48	8	12
4	No	12	64		4
4	Yes	12	60	8	0
4 or more	No	12	68		0
4 or more	Yes	12	60	8	0

In the event that the nature of a course, seminar or activity covers more than one basic field, for HEC accreditation purposes, it could be requested that all basic fields authorized by the CEC to this effect, be computed.

Article 6.

For purposes of obtaining the ratification of the ACTC Certification, every two years, the certificate that supports compliance and accreditation of the PEC issued by the CONAC should be required from the CEC.

The ACTC may comply with the PEC biannual requirements described in Article 5, by means of activities on issues of a technical, personal or professional nature, in accordance with the following:

- a) Up to 100% of the biannual requirements on technical issues that allow it to be updated for the development of its functions and that comply with the CPC requirements on matters of the applicable certification.

These technical issues include, in a declaratory but not restrictive manner: Pricing, Valuation of Reserves, Reinsurance, Administration of Investments and Assets, Finance, Institutional Framework and Legislation, Mathematical Probability and Statistics, Risk Administration, Business Valuation and Modeling, Financial Mathematics, Actuarial Mathematics, Economy, Accounting, Actuarial Administration, Ethics and Professionalism.

- b) Up to 25% of the biannual requirement on issues related to:

- b.1. Personal and professional growth, that allow it to better perform its functions within the organization where it carries out its work

Issues treated as personal and professional growth include in a declaratory but not restrictive manner: Administration, Leadership, Communication, Work Team, Managerial Skills and Personnel Management.

- b.2. Issues of a basic technical nature, that allow it to strengthen the indispensable knowledge that, in due time, was useful for purposes of obtaining its certificate.

Basic technical issues include in a declaratory but not restrictive manner: Actuarial Calculus, Probability, Statistics, Numeric Analysis, Financial Mathematics and basic Insurance and Bond courses.

- c) Up to 25% of the biannual requirement with the submission of a letter issued by the National Insurance and Bonding Commission that certifies that the ACTC submitted for registration two or more technical notes related to the applicable certification field, which have been registered with no suspension or revocation whatsoever.

Article 7.

Activities by means of which the HEC are accredited and the computation thereof.

- a) **Attendance to congresses, conferences and conventions:**
One HEC will be accredited per each hour of participation or attendance.
- b) **Attendance to courses, seminars and workshops:**
One HEC will be accredited per each hour of participation or attendance.

It will be considered, in a declaratory but not restrictive manner, the participation in courses, seminars and training workshops offered by the CONAC, the Mexican Association of Actuaries (AMA), the Mexican Association of Consulting Actuaries (AMAC), the National Insurance and Bonding Commission (CNSF), the Mexican Association of Insurance Institutions (AMIS), the Association of Bonding Companies of Mexico (AFIANZA), the Mexican Institution of Guarantees (AMEXIG), postgraduate institutions, universities, technical institutes and or trainers whose programs are approved by the CEC.

c) Attendance as students to Ph.D degrees, masters, diploma courses and other postgraduate courses:

In accordance with the study programs, at the end of each period, the number of HEC will be accredited per each subject taken and passed. Provided that the subject matter is related to the actuarial practice or to the economic-administrative or physical-mathematics area.

d) Passing of exams accredited with actuarial associations recognized by the AAI:

34 HEC will be granted, excluding those related to legislation, to those that pass the exam.

e) Teaching:

HEC will be accredited for teaching for each subject matter taught, provided that they are part of the AAI study program. In the event that the subject matter fails to comply with the study program, but is related to the actuarial practice, it should be approved by the CEC. HEC will be accredited at the end of the course that is taught.

f) Presentations at seminars, courses, lectures, conferences or talks on issues related to professional practice:

Four HEC will be accredited per each hour of the presentation, contemplating with this, the hours of preparation, presentation and, if applicable, evaluation. For subsequent presentations on the same issue, only one hour will be accredited per each hour of presentation.

In the case of unpublished, new or high impact issues, six HEC will be accredited per each hour of presentation, considering the hours of preparation, presentation and, if applicable, evaluation. These issues should be approved by the CEC by means of specific criteria that may be determined.

g) Publications and work:

The CEC will determine, case by case, the HEC that will be granted. For this purpose, it will apply general criteria considering the time of elaboration and the quality of the work.

Work or publication reviewers will be afforded HEC in accordance with the CEC determinations, taking into account the type of work and the extension thereof.

h) Participation in professional committees and institutions:

HEC may be accredited as a result of participating in committees authorized by the CEC, provided that the purpose thereof is to:

- analyze the problems inherent to the insurance and bonding sector;
- elaborate new technical procedures, practice standards or recommendations or, if applicable, modifications to those already in existence;
- review testing reagents for the certification exams; or
- contribute to the activities inherent to continuous education.

HEC to be accredited will be determined, case by case, by the CEC by means of general resolutions. Committees authorized by the CEC should belong to organizations, companies or governmental or education institutions duly incorporated, that address issues related to the exercise of actuarial practice.

i) Elaboration of testing reagents for the certification exams:

Once accepted in accordance with the procedures established by the assessing organizations based on the specialized criteria thereof, as well as by the CPC, one hour of HECSE will be accredited per each testing reagent and two HECSE if the reagent constitutes a high difficulty level.

j) Elaboration or grading of continuous education exams:

When the activities mentioned in sub-paragraph 7 a) and b) require the elaboration of exams in order to evaluate the ACTC, HECSE will be accredited to those that participate in the elaboration and review thereof in accordance with the following:

- Elaboration of multiple choice exams:
50% of the total duration of the event will be granted.
- Grading of exams:
10% of the total duration of the event will be granted per each graded exam, provided that they are not multiple choice exams. The maximum that may be granted is twice the total duration of the event.

k) Dissertation advisory:

Up to one HEC may be accredited per each hour of advice on dissertation, with a top bracket of 20 HEC. They will be accredited on the date of the professional exam. The dissertation should relate to insurance and bonds or to those subjects contained in the study plan of the Actuary career, provided that the study program is met.

Subject matters must be previously approved by the CEC.

In the case of the examiners of professional exams, two HECSE will be accredited.

Once the CEC takes a resolution on the HEC to be accredited for the activities mentioned in sub-paragraphs a), b), c), d), f), g) and h), the related criteria will be applied on a general basis. The CEC will determine the means through which these criteria will be posted.

- l) In the case of those that carry out professional work related to regulatory activities or requirements for insurance or bonding institutions, they will be accredited as follows:**

- I.1) For the elaboration and registry of insurance products, submitted for registration with the CNSF, four HEC.
- I.2) For the elaboration of technical notes on bonds, submitted for registration with the CNSF, three HEC.
- I.3) For the registration with the CNSF of actuarial valuation models of technical insurance reserves, four HEC per each registered model.
- I.4) For the elaboration of dynamic solvency tests submitted to the CNSF, three HEC.
- I.5) For the elaboration of retention limit models submitted to the CNSF, three HEC.
- I.6) For the elaboration of loss valuations due to matching between assets and liabilities of long term life insurance or pension insurance derived from social security, four HEC.
- I.7) For the elaboration of actuarial audits of technical reserves, five HEC.
- I.8) For the elaboration of internal models of solvency capital requirements, 10 HEC.

For computation purposes, modifications to work previously performed will not be considered. Only that work whose authorization or registration is concluded on the date of ratification of the certification will be considered.

Total HEC that are accredited due to professional work cannot exceed 20.

HEC will be applied in the certification whose field of knowledge is directly related to the practice performed. Further, they will be taken into account when the ACTC files with the CONAC the certification or compliance certificate issued by the CNSF.

Article 8.

HEC to be accredited will be subject to the following conditions:

a) Hours of Continuous Education Subject to Evaluation:

Sub-paragraphs a), b), c) and d) of Article 7 will be recognized as HECSE if, upon the termination of its participations, the ACTC takes an exam and passes it with a minimum score of 70% in accordance with the certificate issued by the responsible institution.

For the remaining cases, the ACTC cannot have a formal evaluation. However, considering that in order to carry out the activities described in these sub-paragraphs, the ACTC should have broad knowledge of the issue. For purposes of these Regulations, it shall be understood that the hours accredited in these sub-paragraphs will be treated as HECSE.

b) Hours of Continuous Education not Subject to Evaluation:

These will be all those hours for which the ACTC either failed to take the exam at the end of the event or it took the applicable exam but it obtained a score of less than 70%, or for

those events for which a formal evaluation mechanism was not established, except those referred to in the second paragraph of sub-paragraph a).

c) Hours of Legislation:

For purposes of complying with the requirement set forth in Article 5, sub-paragraphs b) and c), HECSE will be deemed hours of legislations when the issues covered refer to the updating of knowledge related to insurance or bonding regulatory matters, and when the CEC has established it prior to the continuous education event in question.

Article 9.

For purposes of the accreditation of HEC, the ACTC should observe the following:

- a) The CEC will publish the procedure for the evaluation of activities and, if applicable, the accreditation of HEC, which should indicate, at least, the documentation that is necessary for the evaluation and accreditation, as well as the applicable costs.
- b) The CEC will publish general resolutions related to the events that comply with the PEC and the HEC to be accredited, in order for any ACTC to be posted and be able to utilize them for purpose of complying with the necessary HEC.
- c) The CEC is empowered to request additional information that allows it to evaluate the hours to be accredited for the various items set forth in Article 7.
- d) The ACTC should submit to the CEC the necessary information in order for the CEC to evaluate whether it complies with the PEC and, if applicable, the number and type of HEC to be accredited in accordance with Articles 7 and 8.
- e) The applicable organisms will be obliged to file the necessary information in order to accredit the HEC in the case of events carried out with the CONAC by means of its associations, sections or regional chapters, or by means of other institutions in which there exists a previous agreement with the CEC.
- f) The CEC will accredit the HEC of Article 7 sub-paragraph i) based on the certificates of the elaboration of previously approved test reagents issued by the CPC.
- g) The CEC will have at the disposal of the ACTC the means so that it knows the number of HEC that it has to accredit for the ratification of its certification.
- h) The ACTC will have a six-month-term, counted as of the conclusion of the activities included in Article 7, in order to request from the CEC, the HEC accreditation of the applicable activity. Upon the expiration of this term, the HEC applicable to the activity may not be requested or accredited.

- i) The CEC will have a 30-natural-day term to respond to the ACTC that applied for the HEC accreditation, once it has all the necessary information to evaluate the activity.
 - j) The ACTC will have a 60-natural-day term to submit any information to the CEC, once the accredited HEC are published.
 - k) In the event that any institution or company intends to promote an event covering HECSE, the following requirements should be met:
 - k.1 The submission of the program and the speakers with their curriculum for approval on the part of the CEC.
 - k.2 The elaboration of an exam of the event previously accepted by the CEC. For these purposes, it should submit the exam for the approval thereof within a term of at least 15 days prior to its application. The CEC, if necessary, will indicate the modifications that should be made to the exam.
 - k.3 Exams on courses organized by the CONAC, AMA, AMAC, AMIS, AFIANZA, AMEXIG and IMESFAC will be sent by the CEC for their resolution within a maximum 15-natural-day term as of the event, and should be answered within a maximum 15-natural-day term after having been received.
- A fee per ACTC will be charged, which will be established by the CDC.
- l) In the case of activities and events other than those set forth in these Regulations, a recovery fee for administrative processing should be paid, which will be established by the CDC.
 - m) The party interested in receiving HECSE in the case of events of organizations recognized by the AAI, should submit to the CEC the certificate of attendance to the event, in addition of preparing and sending a report on each session that it attended. This report should be half page long per each talk, and should not be a copy of the summary published in Internet, in the promotional brochure, in the scientific program or in any other publication made by the Symposium.

CHAPTER III. ON THE CONTINUOUS EDUCATION COMMITTEE

Article 10.

The CEC will have the following responsibilities:

- Establish the policies and procedure for the HEC accreditation, as well as the approval of courses.
- Determine the HEC number to be accredited for the cases established in Articles 7 and 8.
- Review and approve, on a yearly basis, the PEC.
- Establish quality standards and criteria applicable to the activities set forth in Article 7.

- Establish HEC accreditation agreements with institutions, associations or organisms.
- Maintain the registries per accreditation period related to HEC accredited to certified actuaries.
- Update, on a yearly basis, the events that afford HEC.
- Coordinate, together with the CPC, the ratification of certificates.
- Issue the PEC compliance certificates.
- Establish the costs applicable to the administration and promotion of continuous education. These costs should be approved by the CDC and should be published periodically.
- Establish, on a yearly basis, the issues that should be covered by the PEC, in accordance with the CPC.
- Communicate the regulatory issues related to mandatory training or to relevant issues. These communications should be made at least once a year.

Further, the CEC, when applicable, will afford these same benefits to non-certified actuaries.

Article 11.

The CEC will session at least once a month in order to perform the activities referred to in Article 10 and address other aspects related to the continuous education of actuaries.

Article 12.

The CEC will be able to rely on the continuous education structures of each of the associations, sections and regional chapters in order to comply with the PEC and review the activities requested by the ACTC for purposes of complying with the program.

CHAPTER IV. ADDITIONAL PROVISIONS

Article 13.

Upon the termination of the ratification period, the ACTC may request the transfer of a maximum of 20 HEC from the excess that is accumulated on the date of the renewal, provided that the hours derive from courses taken during the twelve months preceding such date.

Article 14.

The CEC, with the approval of the CPC, may include activities for compliance with the PEC that are not specified in these Regulations, provided that the activities are of a general nature and applicable to all ACTC.

Article 15.

The CEC will define and publish a project of the Annual Continuous Education Program during the first quarter of each year, which may be subsequently enriched or modified.

Article 16.

Any modification to the Continuous Education Regulations should be approved by the CONAC Meeting.

