

**An Update on CAS CE Requirements and Opportunities**  
**The CE Compliance and Audit Process**

Chris Tait, Vice-Chair Professional Education Policy Committee (PEPC)  
2012 CAS Spring Meeting  
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**CAS Continuing Education Policy**

- The Casualty Actuarial Society Board of Directors approved the CAS Continuing Education Policy at its May 23, 2010 meeting.
- The Board believes that the CAS Continuing Education Policy represents a significant milestone in ensuring that CAS members stay accountable to their principals and the public by maintaining appropriate levels of relevant continuing education.

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**CAS Continuing Education Policy**

- The Board also believes that this new policy should have minimal impact on most current CAS members, as it recognizes existing continuing education requirements from national organizations such as the American Academy of Actuaries and Canadian Institute of Actuaries (CIA).
- For actuaries already obtaining continuing education under those organization's systems, the only impact of this new policy should be annual certification of Continuing Education Policy compliance and possibly the need to make the log of continuing education activity available to the CAS for random audit.

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**CAS Continuing Education Policy**

- The CAS Continuing Education Policy first applied to Actuarial Services rendered on or after January 1, 2012.
- To satisfy the CAS Continuing Education Policy for calendar year 2012, ACAS and FCAS members who provide Actuarial Services will be required:
  1. to have satisfied the continuing education requirements established by a national actuarial organization recognized by this policy or
  2. to have satisfied the pro-rata portion (or 50%) of the standard cycle requirements outlined in Section C of the Policy as of December 31, 2011.

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**Key Elements of the CAS CE Policy**

- The CAS Continuing Education Policy applies to all ACAS and FCAS members who provide "Actuarial Services".
- Actuarial Services are defined in the CAS Code of Professional Conduct as "professional services provided to a Principal 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."
- Affiliate members of the CAS do not need to comply with the CAS CE Policy.

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**Key Elements of the CAS CE Policy**

- Members who are or could be subject to the continuing education requirements of a national actuarial organization can meet the requirements of the CAS Continuing Education Policy by satisfying the continuing education requirements established by a national actuarial organization recognized in Section B of the CAS CE Policy.
- Alternatively, members may elect to meet the continuing education requirements outlined in the Alternative Compliance Provisions described in Section C of the CAS CE Policy.

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### Key Elements of the CAS CE Policy

- Members must maintain a log of their continuing education activity to document that they have met the continuing education requirements of the CAS Continuing Education Policy.
- Members must certify compliance with the CAS Continuing Education policy at the end of each calendar year (electronically or in writing), beginning December 31, 2011.
  - New members need not certify compliance until the end of the first full calendar year following their satisfaction of the CAS admission requirements.
- The CAS online membership directory has been modified to include a heading for CAS Continuing Education.
  - This portion of the membership directory is available to the general public.

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### Key Elements of the CAS CE Policy

- The CE Heading shows members as: Compliant, Not Currently Providing Actuarial Services, or Non-Compliant.



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### Key Elements of the CAS CE Policy

- In order to verify the integrity of the information maintained on the CAS membership database on which an outsider might rely, the CAS may randomly audit a small percentage of the continuing education logs for members who have attested their compliance with the Policy each year.
- CAS members who are listed as Non-Compliant with the CAS Continuing Education policy may be subject to administrative and other penalties.
- Members falsely asserting compliance with the CAS CE Policy are subject to disciplinary action under the CAS Code of Professional Conduct.

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### Key Elements of the CAS CE Policy

- Being “exempt” from the continuing education requirements of a national actuarial organization does not satisfy the continuing education requirements under Section B of the CAS CE Policy.
- Example: Joe Actuary provides actuarial services only in the U.S. but currently considers himself exempt from the U.S. Qualification Standard because he does not provide Statements of Actuarial Opinion as defined by that standard.
  - Joe cannot claim compliance with the continuing education requirements under Section B, unless he has obtained the 30 credit hours per year of continuing education.

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### CE Activity Log

- Information to be included in the log must be sufficient to demonstrate compliance with the continuing education requirements by which the actuary asserts compliance and includes:
  - a. the date of the activity,
  - b. a brief description of the activity,
  - c. the sponsoring organization,
  - d. the number of credits earned,
  - e. whether the credit was self-study or structured (organized, if using the U.S. Qualification Standards for compliance); and
  - f. the subcategory for which the credit applies (i.e., professionalism, job-relevant topics or business and management skills).

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### CE Activity Log

- Members will not be required to retain any proof other than this log of CE activity.
- Logs are to be maintained for a period of at least six years following the calendar year of activity.
- Members may wish to retain the log beyond the six-year required period, dependent on specific external reporting requirements and circumstances unique to the actuarial services that were provided.

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### Members Must Certify Compliance

- Members who meet the requirements of this policy, either through the National Compliance Provisions in Section B or through the Alternative Compliance Provisions in Section C, will certify their compliance and specify the mode of that compliance.
  - Such members will be shown as Compliant under the CE Heading in the member directory.
- Members who are not currently providing actuarial services are exempt from the CAS CE Policy; such members will certify that they are “Not Currently Providing Actuarial Services” and will be shown as “Not Currently Providing Actuarial Services” under the CE Heading in the member directory.

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### Members Must Certify Compliance

- Members who (i) are listed as Not Currently Providing Actuarial Services, or (ii) are not currently providing actuarial services and who wish to begin providing actuarial services, must satisfy the requirements set forth in the Transition Rules in Section D prior to their providing any actuarial services.

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### Examinations and Courses

- Members who attain their credential based on an examination or course will be considered to have earned their credential in the year of the examination or course even if they were not officially notified of the result during the year of the examination or course.
- Example: A new associate fulfills all of the ACAS requirements and earns his or her ACAS credential in the spring of 2013 and is notified of the results during 2013.
  - He or she is not required to self-certify their compliance with this CE policy until year-end 2014, and is automatically certified and deemed to be in compliance until then.

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### Examinations and Courses

- Example: A new associate fulfills all of the ACAS requirements and earns his or her ACAS credential in the fall of 2015 and is notified of the results during 2016.
  - For purposes of the CAS CE Policy this member is considered to have become a member in 2015.
  - He or she is not required to self-certify their compliance with this CE policy until year-end 2016, and is automatically certified and deemed to be in compliance until then.

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### National Compliance Provisions (Section B)

- Members who are or could be subject to one of the following standards may elect to meet the continuing education portion of that standard to satisfy the requirements of the CAS CE Policy:
  - a. The Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States (U.S. Qualification Standard).
  - b. The Canadian Institute of Actuaries Qualification Standard - Continuing Professional Development (CIA Qualification Standard).
  - c. Category 1 or 2 of the CPD Scheme of the United Kingdom Faculty of Actuaries / Institute of Actuaries (U.K. CPD Scheme)
  - d. The Continuing Professional Development Standard of the Institute of Actuaries of Australia (IAAust CPD Standard).

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### National Compliance Provisions (Section B)

- The member who elects to comply with this CAS CE Policy using the options outlined in the previous slide will affirm compliance of the CAS CE Policy by positively stating fulfillment of the continuing education portion of one or more of the following:
  - a. The U.S. Qualification Standard.
  - b. The CIA Qualification Standard.
  - c. Categories 1 or 2 of the U.K. CPD Scheme.
  - d. The IAAust CPD Standard.
- You cannot freely select the continuing education requirement of another organization that has no jurisdiction over your practice.

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### National Compliance Provisions (Section B)

- Members who are meeting the CE requirements of an International Actuarial Association (IAA) member organization not listed above may apply to have that organization's CE requirement included in the above list.
- Such applications can be accomplished by contacting the CAS office.
  - The CE requirement of any organization not listed above cannot be used as a method of complying with the CAS CE Policy until it is affirmatively accepted by the CAS as an acceptable method of compliance.

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### Alternative Compliance Provisions (Section C)

- Members must complete 60 units of continuing education every cycle under the alternative compliance provisions.
  - One unit is 50 minutes.
  - Full hours of CE credit can be converted to CE units at the rate of 1.2 units per 60-minute hour.
  - A cycle is defined as a two-year rolling period.
- Members must earn 60 CE credits as of each two-year period ending December 31.
  - There is no requirement that 30 units of CE credit be earned in each year, only that 60 units be earned over the prior two years.

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### Alternative Compliance Provisions (Section C)

- Credit earned in any calendar year will be considered in two CE cycles.
  - For example, credit earned during 2012 would be considered for the cycle ending in year 2012 and the cycle ending in year 2013.
- Example: Jane Member earned 40 units of CE credit in 2011, 35 units in 2012 and 20 units in 2013.
  - She meets the CAS requirement as of December 31, 2012, with 75 units of CE credit (40 in 2011 plus 35 in 2012).
  - However, as of December 31, 2013, she has only 55 units of CE credit (35 in 2011 plus 20 in 2013).
  - She would have needed to earn 25 units of CPD credit in 2013, rather than 20, to meet the requirement as of December 31, 2013.

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**Alternative Compliance Provisions  
(Section C)**

- In order to satisfy the CAS CE Policy under this section, new members will be required to obtain 50% of the standard cycle requirement for each of the CE requirements (total hours, structured activities, etc.) in the first full calendar year following their satisfaction of CAS admission requirements.
- Targets are set by category to encourage a balanced education between job-relevant topics (excluding professionalism), professionalism, and business and management skills.

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**Alternative Compliance Provisions  
(Section C)**

- Members are expected to complete 60 units of CE credit of combined structured and unstructured activities subject to the following requirements:
  - a. At least 45 units of CE credit must be job-relevant (excluding professionalism).
  - b. At least 6 units of CE credit must be related to professionalism.
  - c. At least 30 units of CE credit must be in structured education.
  - d. No more than 6 units of CE credit can be related to business and management skills.

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**Alternative Compliance Provisions  
(Section C)**

- Education is considered **job-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 may bear directly on an actuary's work; or
  - 3) it facilitates an actuary's entry into a new area of actuarial practice.
- Job relevant topics can include technical topics, non-technical topics and professionalism.

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### Alternative Compliance Provisions (Section C)

- Examples of technical topics include:
  - actuarial,
  - mathematical,
  - modeling,
  - legislative and regulatory developments,
  - Legal, and
  - other topics that are central to the work of an actuary.
- Examples of non-technical topics include:
  - industry trends,
  - technology trends,
  - globalization,
  - business cycles, and
  - other job-relevant topics that are not technical in nature.

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### Alternative Compliance Provisions (Section C)

- Professionalism covers the professional and ethical standards expected of actuaries when carrying out their professional obligations. Examples include:
  - the actuarial Code of Professional Conduct (United States),
  - Rules of Professional Conduct (Canada),
  - Actuarial Standards of Practice (ASOPs) and
  - other professionalism topics, such as ethics.
- Ultimately, each member will be responsible for determining the CE activities that are relevant to his or her development and the appropriate balance of technical and nontechnical topics.

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### Alternative Compliance Provisions (Section C)

- **Structured credit** is any organized activity or any experience which is derived from an organized activity in which there is an opportunity for interaction or the viewing of interaction among participants.
  - For example, under this section of the CAS CE Policy, viewing recorded presentations that included a question and answer discussion would qualify as structured education.
  - Unstructured credit is any activity that does not meet the definition of structured activity.

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### CE Credit for FCAS Examinations

- FCAS examinations that are considered an “effective attempt” earn 15 units of job-relevant structured CE credit for the year in which the examination was taken, in accordance with the table below.
  - An effective attempt is defined as a score greater than zero.
  - There is no limit on the number of times a candidate may count an effective attempt at an exam as structured credit for CE purposes.
- Time that you spend in independent study for the actuarial examinations can be counted toward the CE Requirements.
  - Such time is considered “self-study” (i.e., unstructured credit).
  - If you attend a preparation seminar for the actuarial examinations, seminar time qualifies for “structured credit”.

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### Transition Rules

- Reinstated members (excluding those returning from a disciplinary suspension) and members transitioning from exempt status are expected to comply with the CAS CE Policy as soon as practicable following their transition date.
  - Members transitioning under these circumstances may provide actuarial services under this policy.
- Members who did not earn sufficient CE credits as of the end of the prior calendar year may elect to designate credits from the current calendar year as prior year credits for purposes of complying with the CAS CE Policy.

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### Transition Rules

- Members returning from a disciplinary suspension may not provide Actuarial Services until they have completed the required continuing education under Section B or Section C and are compliant with the CAS CE Policy.
  - CE credit obtained during the period of the member’s suspension may be counted toward satisfaction of this requirement if otherwise appropriate.

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### Non-Compliance

- Example: If Joe Actuary reported that he was Non-Compliant as of December 31, 2012, but has now earned sufficient continuing education credit to be compliant, must he wait until December 31, 2013 to have the CE heading of the membership directory on the CAS website changed?
  - No. Members in this situation may recommence providing Actuarial Services as of the date that they complete the requisite number of CE credits to be designated as Compliant for the prior year-end cycle as long as they have promptly updated their online record.

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### Common Questions

- If I make a presentation at a professional event (including an employer-sponsored event), will that count as continuing education credit under the CAS Continuing Education Policy?
  - Presentations at a professional event (including an employer sponsored event) on a job-relevant topic can count as structured education.
  - Preparation for that session would also be considered continuing education, but would be considered a "self-study" activity.

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### Common Questions

- I volunteer for an actuarial organization. Will I get credit toward the continuing education requirements of the CAS Continuing Education Policy for that activity?
  - Volunteer activities with an actuarial or other professional organization would qualify for CE credit, provided they involve topics covered by the Policy (job-relevant, professionalism or business and management topics).
  - If the activities also involve interaction with others, then those activities would qualify for "structured credit."
  - Examples of activities that might qualify for "structured credit" include time spent on conference calls and at face-to-face meetings covering topics addressed by the CAS Continuing Education Policy.

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### Common Questions

- Does participation in electronic discussion forums where members discuss professional issues count as structured education?
  - Yes. Structured credit is any organized activity or any experience which is derived from an organized activity in which there is an opportunity for interaction or the viewing of interaction among participants.

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### Common Questions

- I read several industry publications that are job-relevant in addition to books on leadership and management. Can I count the time reading these publications toward my CE requirement?
  - Yes, if you follow the CAS Alternative Compliance Provisions.
    - These would count as unstructured education and you must have at least 30 units of CE credit as structured education.
    - Books on general business and management skills would only count toward your maximum 6 units of CE credit related to business and management skills.
  - Possibly, if you follow the National Compliance Provisions.
    - You need to check with those organizations' continuing education or continuing professional development policies.

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### Common Questions

- I am an actuary working in the U.S. but am not a member of the AAA and I do provide input into Statements of Actuarial Opinion but don't issue those opinions, may I choose to comply with either the U.S. Qualification Standards or the CAS Alternative Compliance Provisions?
  - That depends on whether you "issue" SAOs as defined in the U.S. Qualification Standards. If that is the case, then you must follow the U.S. Qualification Standards.
  - "The Qualification Standards apply to all actuaries who are members of one of the U.S.-based actuarial organizations and who issue SAOs in the U.S., and to members of any actuarial organization that is not U.S.-based but requires its members to meet the Qualification Standards when practicing in the U.S."

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### Common Questions

- If an ACAS studies for Fellowship Exams but does NOT sit for them, does that study time qualify for “self-study” (i.e., “unstructured activity”)?
  - Yes.

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### Role of the Professional Education Policy Committee (PEPC)

- Most CE related questions are handled by the CAS staff.
  - Occasionally, a question will come in that requires an interpretation of some section of the CAS CE Policy.
- PEPC has formed a CE Task Group that has two primary responsibilities:
  1. Assist the CAS staff in responding to CE related questions.
  2. Review the CE requirements of international actuarial organizations to evaluate whether those standards are broadly consistent with the Alternative Compliance Provisions as detailed in Section C of the CAS Continuing Education Policy.
    - The CE requirements of the U.K. Institute and Faculty of Actuaries, CIA, and IAust are all scheduled for review this year.

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#### Presenter's contact details

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