



Casualty Actuarial Society

Continuing Education (CE) Policy

May 2010

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INTRODUCTION

To: CAS Members

From: Roger Hayne, President, Casualty Actuarial Society

Re: CAS Continuing Education Policy

The Casualty Actuarial Society Board of Directors approved the CAS Continuing Education Policy at its May 23, 2010 meeting. Continuing professional education is an integral part of any profession. 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.

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.

The CAS Continuing Education Policy will first apply 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. Members will be required to attest their compliance with the CAS Continuing Education Policy beginning as of December 31, 2011.

Background

The CAS Board of Directors first initiated development of a continuing education (CE) policy in 2007. At its May 3, 2009 meeting, the CAS Board approved a motion that all CAS members, with limited exceptions, should be subject to continuing education requirements. While national CE standards exist in many jurisdictions, such as the U.S. and Canada, some CAS members practice where no national CE standards currently exist, and some members may have been exempt from their local national standard.

Over the period of its deliberations, the CAS Board has authorized release of two Exposure Drafts on the proposed CAS Continuing Education Policy. The Board sincerely thanks those members who provided comments. Following the comment period for each of the Exposure Drafts, changes were made to the proposed policy in response to those comments.

Key Elements of the CAS Continuing Education 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.”
- 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 by the Policy.
- Alternatively, members may elect to meet the continuing education requirements outlined in the Alternative

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Compliance Provisions described in Section C of the CAS Continuing Education 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, beginning December 31, 2011.
- The CAS online membership directory will be modified to include a heading for CAS Continuing Education; this portion of the membership directory will be available to the general public. The CE Heading will show members as: Compliant, Not Currently Providing Actuarial Services, or Non-Compliant.
- 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.

In summary, the biggest change for most of our members will be the need to certify compliance annually, and have their log of continuing education activity available for potential audit by the CAS.

The CAS Continuing Education Policy is the product of many hours of thought and effort of the Executive Council as well as several task forces and reviewing groups. The CAS Board of Directors sincerely thanks these groups, as well as all commentators, for their contributions to this important project.

A. CAS CONTINUING EDUCATION (CE) POLICY

1. **The CAS CE 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.**
2. **Members can meet the requirements of the CAS CE Policy by satisfying the continuing education requirements established by a national actuarial organization recognized by this policy and described in the National Compliance Provisions in Section B or by meeting the alternative requirements described in the Alternative Compliance Provisions in Section C.**
 - a. 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: Jane Actuary practices in Canada and meets the continuing education requirements of the Canadian Institute of Actuaries (an actuarial organization whose requirements are specifically mentioned in Section B.1). By meeting the continuing education requirements of that organization, Jane meets the continuing education requirements of this 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. He has not obtained the 30 credit hours per year of continuing education under that standard. Joe cannot claim compliance with the continuing education requirements under Section B. If, however, Joe Actuary were to voluntarily complete the 30 credit hours per year of

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continuing education in accordance with the U.S. Qualification Standard, he could claim compliance under Section B of the CAS CE Policy, even if he does not provide Statements of Actuarial Opinion as defined by that standard.

- 3. Members must maintain a log of their CE activity to document that they have met the continuing education requirements outlined in either Section B or Section C of the CAS CE Policy.**
 - a. 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: the date of the activity, a brief description of the activity, the sponsoring organization, the number of credits earned, whether the credit was self-study or structured (organized, if using the U.S. Qualification Standards for compliance); and the subcategory for which the credit applies (i.e., professionalism, job-relevant topics or business and management skills). Members will not be required to retain any proof other than this log of CE activity.
 - b. 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.
- 4. Members must certify compliance with this policy at the end of each calendar year.**
 - a. Members will certify compliance annually, either electronically or in writing. New members need not certify compliance until the end of the first full calendar year following their satisfaction of the CAS admission requirements.
 - b. The online member directory will be altered to include a heading for the CAS Continuing Education Policy (CE Heading). This portion of the CAS online member directory will be available to the general public.
 - c. 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.
 - d. 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.
 - e. 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.
- 5. Compliance with the CAS CE Policy allows the member to provide actuarial services in the year immediately following certification of compliance unless the member is subject to the Transition Rules as outlined in Section D.**
- 6. The CAS CE Policy will first apply to actuarial services rendered on or after January 1, 2012. Members must certify compliance as of December 31 of each year, beginning on December 31, 2011.**
- 7. New members will be deemed automatically certified and in compliance for the first partial year following their satisfaction of CAS admission requirements. New members will first certify their compliance with this policy at the end of the first full calendar year following their satisfaction of CAS admission requirements.**
 - a. Members who attain their credential based on an examination or course will be considered to have earned

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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.

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.

- 8. Members who do not comply with the CAS CE Policy or members who do not certify their compliance with the CAS CE Policy will be shown as Non-Compliant under the CE Heading in the member directory.**
 - a. Members who are listed as Non-Compliant with the CAS CE Policy may be subject to further administrative penalties as determined by the CAS Board.
 - b. Members falsely asserting compliance with the CAS CE Policy are subject to disciplinary action under the CAS Code of Professional Conduct.
- 9. Members who have resigned or who have been dropped as members of the CAS and subsequently apply for reinstatement must meet the transition rules set forth in Section D to be considered compliant with the CAS CE Policy.**
- 10. Members who are listed as Not Currently Providing Actuarial Services under the CE Heading in the membership will not be required to certify their status on an annual basis. However, immediately upon a change in status, such members are obligated to update their compliance status under the CE Heading in the member directory.**
- 11. The CAS may audit a small percentage of the members who stated they have complied with the CAS CE Policy at the end of each reporting cycle. Members who are audited must provide an attested copy of their log as described in paragraph A.3. The purpose of such an audit would be to verify the accuracy of the CAS database. The CAS retains the right to use evidence of discrepancies found in the log for member education and counseling as well as in investigations or disciplinary proceedings.** The CAS will make reasonable efforts to keep confidential all information provided to the CAS for purposes of the audit. Persons involved in an audit or who have responsibility to review the audit findings and conclusions will be informed that the CAS desires that the information subject to audit be kept confidential.
- 12. The CAS may be required by court order or other administrative process to provide certain information obtained during the course of an audit to third parties. The CAS may also be required to provide this information to third parties in conjunction with the investigation of an actuarial discipline matter. In any such event the CAS will make every effort to notify the subject actuary of its intent to provide the information to a third party.**
- 13. All CAS members are bound by the CAS Code of Professional Conduct. Compliance with the CAS CE Policy should not be interpreted as the sole consideration in members' adherence to the CAS Code of Professional Conduct.**

B. NATIONAL COMPLIANCE PROVISIONS

1. **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).
2. **The member who elects to comply with this CAS CE Policy using the options outlined in Paragraph 1 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.
3. **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.

C. ALTERNATIVE COMPLIANCE PROVISIONS

1. **Members who do not satisfy the continuing education requirements of the CAS CE Policy through the National Compliance Provisions in Section B will be required to satisfy the continuing education requirements of the CAS CE Policy through the alternative compliance provisions in this section.**
2. **Members must complete 60 units of continuing education every cycle under these alternative compliance provisions.**
 - a. One unit is 50 minutes. At the end of each calendar year, members must attest that they earned 60 units of CE credit in the prior cycle (two calendar years). 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.
 - i. Full hours of CE credit can be converted to CE units at the rate of 1.2 units per 60-minute hour. Credit will be given for fractional hours.
 - b. 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.

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- i. 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.

- c. In order to satisfy the CAS CE Policy for calendar year 2012, members will be required to obtain the pro-rata portion or 50% of the standard cycle requirement for each of the CE requirements (total hours, structured activities, etc.) in the 2011 calendar year.
- d. 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.

Example: A new associate fulfills all of the ACAS requirements and earns his or her ACAS credential in the spring of 2015. He/she is seeking to meet the CAS CE Policy based on the requirements of Section C. As mentioned in Section A, he/she would be deemed certified and in compliance for year-end 2015. He/she would be required to obtain 50% of the standard cycle requirements for calendar year 2016 in order to certify compliance at the end of 2016.

Example: A new associate fulfills all of the ACAS requirements and earns his or her ACAS credential in the fall of 2018 and is notified of the results during 2019. He/she is seeking to meet the CAS CE Policy based on the requirements of Section C. As mentioned in Section A, he/she is considered to have become a member in 2018 for the purposes of this policy, and would be deemed certified and in compliance for year-end 2018. He/she would be required to obtain 50% of the standard cycle requirements for calendar year 2019 in order to certify compliance at the end of 2019.

3. **Targets are set by category to encourage a balanced education between job-relevant topics (excluding professionalism), professionalism, and business and management skills.** 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.
4. **Job-Relevant.** 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.
5. **Structured Education.** 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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- 6. Credit for FCAS Examinations.** FCAS examinations that are considered an “effective attempt” earn job-relevant structured CE credit for the year in which the examination was taken, in accordance with the table below.
- a. An effective attempt is defined as a score that is greater than or equal to 50 percent of the passing score. On the CAS’s zero (0) to 10 scale, this would mean 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.
 - b. A member who fails to earn an effective attempt for a fall sitting (earns a zero) where those structured credits were needed to comply with the CAS CE Policy may certify compliance with the CAS CE Policy on December 31st and may earn the needed CE credits from a different source by April 30th of the following year without causing a lapse in compliance.

Structured Units of CE Credit Earned for an Effective Attempt* at a CAS Examination	
Structured Units of CE Credit Earned	CAS Examinations
15	Exam 7
15	Exam 8
15	Exam 9
*An effective attempt is defined as a score that is greater than or equal to 50 percent of the passing score. On the CAS’s 0 to 10 scale, this would mean a score greater than zero.	

D. TRANSITION RULES

1. **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.**
 - a. Members who are transitioning from Not Currently Providing Actuarial Services (NCPAS) status are expected to satisfy the pro-rata equivalent of the professional development units required by the CAS CE Policy during their transition period, and will be required to certify to their compliance beginning with the first annual certification following their transition.
 - b. Members who transition from NCPAS status may not again return to NCPAS status until 24 months have elapsed.

Example: Fred Member retires from his employer in 2011, at age 45, and expects to no longer provide actuarial services. After a few years of retirement, Fred decides to accept an actuarial position with a global reinsurer on April 1, 2014. He works there for six months and is laid off due to downsizing by the reinsurer. Fred is out of work until June 1, 2015, when he accepts a position with an actuarial consulting firm.

For the certifications as of December 31, 2011, 2012, and 2013, Fred Member would be listed as Not Currently Providing Actuarial Services under the CE Heading of the CAS membership directory.

For the certification as of December 31, 2014, Fred could no longer claim that he was Not Currently Providing Actuarial Services (even though he is currently not employed in an actuarial position). To

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be compliant under Section C of this policy, Fred would need to have completed at least 22.5 units (or 9/24 of the 60 units required for the two year cycle) of CE credit in order to be considered compliant. All other minima and maxima (such as structured activities) must also be satisfied on a pro-rata basis.

For the certification as of December 31, 2015, Fred would need to have completed at least 52.5 units of continuing education (or 21/24 of the 60 units required for the two year cycle) in order to be considered compliant under Section C of this policy.

If Fred again leaves his actuarial employment in January 2016, the earliest date Fred can again claim to be exempt due to NCPAS is April 1, 2016 or 24 months after his return to active status.

- 2. 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. Members who did not earn sufficient CE credits as of the end of the prior calendar year may not provide actuarial services until they are compliant with the CAS CE Policy.** A member who does so is immediately considered compliant with the CAS CE policy as long as a sufficient number of CE credits have been earned in the current year to satisfy the required number of CE credits for the prior year. For all purposes, the designated credits will be treated as if they were earned during the prior calendar year and cannot also be counted as credits earned during the current year.

Example: Dan Member earns 35 units of CE credit during 2012 and 21 units of CE credit during 2013. He has only earned 56 units of CE credit as of December 31, 2013 and would be considered non-compliant and would not be considered compliant until the required number of CE credits are earned. He earns 10 units of CE credit in February 2014. He may elect to treat four units of that CE credit as 2013 credit and may then certify compliance and recommence providing actuarial services.

In addition to the 10 units of CE credit earned in February, he earns an additional 22 units of CE credit between March and December 2014. He cannot certify compliance with the CAS CE Policy as of December 31, 2014 because he only has 53 units of CE credit: 25 units of CE credit for 2012 (21 earned in 2012 plus four carried back from 2013) plus 28 CE credits for 2014 (32 units earned in 2014 less four units carried back to 2013).

- 3. 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.**