

FAQs



Future Education Methods (FEM) Proposal Frequently Asked Questions

September 2, 2009

Process Overview

Q1. What is the schedule for this project?

A1. The Boards of the CAS/SOA/CIA recognize that the project to explore Future Education Methods (FEM) will be of keen interest to most members. The Boards have requested careful analysis of this proposal and the development of detailed procedures before making their final decision. The major steps in this process will include:

- Creation of the FEM Steering Committee to provide overall direction to the project and reports to the respective Boards on progress and member feedback;
- Creation of the Joint Accreditation Committee which is charged to bring forward a detailed proposal for the consideration of the FEM Steering Committee. The Joint Accreditation Committee expects to have its first meeting in September. It will take several months to develop detailed recommendations which will be submitted to the FEM Steering Committee;
- Solicitation of member feedback. The recent letter from the Presidents of the associations was a first step in this process. We requested feedback by September 10 so that the initial feedback from members could be presented at meetings of the Boards this fall and considered by the Joint Accreditation Committee at its first meeting. We will continue to encourage feedback for the duration of this project and feedback received after Sept 10 will be considered at future meetings of the Boards and the Joint Accreditation Committee.
- The Steering Committee will review the recommendations of the Joint Accreditation Committee and present its recommendations to the three Boards for their consideration;
- Throughout this process there will be further communication and requests for member input as material is developed; and
- While much activity will take place over the next three or four months, the Boards will not establish a target date for a final decision until they see the recommendations and member responses

Q2. Who is on the FEM Steering Committee?

A2. Each of the three sponsoring organizations (CAS, CIA and SOA) has appointed two members to serve on the steering committee. The members of the FEM Steering Committee are:

Dave Oakden, CIA, Chair
Bud Friedstat, SOA
Peter Hayes, SOA
Glenn Meyers, CAS
Tom Myers, CAS
Rob Stapleford, CIA

Q3. Who is on the Joint Accreditation Committee?

A3. Each of the three sponsoring organizations (CAS, CIA and SOA) will appoint four non-academic member actuaries. One of the four from each organization will serve as a Vice-Chair of the committee. In addition, three academic actuaries from each of the US and Canada will be appointed. The members of the Joint Accreditation Committee (as of August 28) are:

Harry Panjer, CIA, Chair
Jim Daniel, US Academic
C. Gary Dean, US Academic
Emil Valdez, US Academic
René Delsanne, Canadian Academic
Peter Douglas, Canadian Academic
Mary Millard, Canadian Academic
Mary Frances Miller, CAS
Virginia R. Prevosto, CAS
Arlie J. Proctor, CAS
Jeanne E. Swanson, CAS
Dan Cassidy, SOA
Ken Guthrie, SOA
Stuart Klugman, SOA
Marcus Robertson, SOA
James K. Christie, CIA
James B. Doherty, CIA
Christopher J. Fievoli, CIA
Neville Henderson, CIA

Current Thinking on FEM

Q4. Why is it necessary to pass Exam P/1 prior to graduation?

A4. Passing exam P/1 will provide a natural entry point to the profession and many of the later exams build on the knowledge gained in studying for Exam P/1. This will also address administrative issues as it will reduce the time between taking the course and receiving credit.

Q5. How will graduation be defined with respect to the Exam P/1 requirement?

A5. This issue will be addressed by the Joint Accreditation Committee but we expect that graduation will be defined with respect to the program in which the exemption was earned. Therefore, if the class on which the exemption is based was taken in a B.Sc. program, graduation is when the B.Sc. is earned, even though the applicant may earn higher degrees at a later time.

Q6. What if a student fails to meet the CAS/CIA/SOA requirement for an exemption, but passes the university course?

A6. They will have to write and pass the appropriate actuarial exam. It is expected that many of the students who pass the university course will not receive an exemption.

Q7. How does this affect Validation by Educational Experience (VEE) and will this process be similar?

A7. VEE will remain unchanged. The objectives with regard to VEE are different from those of FEM. The level of scrutiny for FEM will be significantly greater than for VEE.

Q8. When will students learn if an exemption has been earned?

A8. While details are yet to be worked out, the goal is for a quick turnaround so that students who fail to earn an exemption can start preparing for the exam.

Q9. Will exemptions be retroactive?

A9. No. They will only apply to courses given after the school has been accredited.

Maintaining High Standards

Q10. Assuming that this proposal removes the best students from the exam pool, will that lower the pass mark (when the curve is applied) for the remaining candidates?

A10. No. There is currently no curving of the pass mark and they will not be curved in the future. Pass marks are content-based to reflect the desired level of mastery of the subject. It is possible that the percentage of students passing a particular exam will decline slightly.

Q11. What if a school loses accreditation prior to a student's graduation?

A11. While we expect loss of accreditation to be a rare occurrence, changes in faculty or funding may make it impossible for some schools to continue to meet our demanding standards. Such actions will not jeopardize exemptions already earned, but would likely prevent earning further exemptions.

Q12. Professors are subject to many influences when it comes to assigning marks and grades. How will that be kept out of this process?

A12. External examiners will be appointed by the associations to examine the teaching, the examination and the grading of examinations. It is expected that the external examiners will determine the grade necessary to receive the exemption following a review of the actual exam taken by the students. Therefore, the mark required to receive an exemption will be determined following the exam. This grade will vary from course to course, from semester to semester and from university to university.

Q13. What are some steps that can be taken to minimize cheating?

A13. The CAS/CIA/SOA have very detailed policies about how examinations are to be conducted and will ensure that similar policies apply to the university examinations.

Q14. CAS/CIA/SOA examinations are graded blindly while university exams have student's name on the paper. Won't this lead to possible grading bias?

A14. This issue is one of many that will be considered by the Joint Accreditation Committee. The solution will likely require that universities use candidate numbers to preserve anonymity.

Q15. How will the CIA, CAS and SOA ensure that the exams set at each accredited university are at least as challenging as the current preliminary exams?

A15. External Examiners have been used for this purpose successfully in the United Kingdom. The examiners provide monitoring of exam setting and grading at accredited universities and the examiners review syllabi and learning objectives to assess the breadth and depth of courses and actuarial education programs. The examiners also evaluate each accredited university program every year. The examiners' recommendations would be subject to review and approval by the Joint Accreditation Committee.

General

Q16. Will the proposed changes satisfy the International Actuarial Association's education requirements?

A16. Yes. We will require that the material covered in the courses meets the IAA requirements. In fact, we are just about the only IAA members who do not rely on university education.

Q17. What are the financial implications of establishing an additional education pathway?

A17. A short time ago we commissioned an analysis of the potential financial effect of this proposal and found, assuming candidates paid an exemption fee slightly lower than the exam fees, the financial effect would be negligible.

August 14, 2009

Q1. How can the rigor of the examination system be maintained in a university setting?

A1. University accreditation leading to exam exemption eligibility would not be awarded without stringent evaluation by the joint Accreditation Committee as part of a multiphased process. The university would need to demonstrate that it has met a series of exacting criteria. In addition, individual courses at the university would be assessed to determine that they cover the learning objectives of specific multiple-choice preliminary exams. Only after the university has been accredited and specific courses approved would a candidate be able to use a course(s) for an exam exemption, and even then only if the candidate received a very high mark for the course. The specific exemption mark that would qualify would be determined on a university-by-university basis.

Q2. Is it possible to earn an exemption merely by passing the course?

A2. No, the exemption mark will be set in relationship to the pass mark for the corresponding examination.

Q3. Will this produce Fellows with too little experience?

A3. An important goal of the FEM proposal is to shorten time to qualification for candidates so that the actuarial profession is not disadvantaged compared to other professional career paths. Implementation of the FEM proposal is not expected to produce Fellows without the requisite level of experience. It is possible that candidates attending accredited universities would complete the multiple-choice preliminary examinations during their undergraduate work. However, it is unlikely these candidates would be able to complete Fellowship-level courses and modules until they have spent some time with an actuarial employer.

Q4. How many U.S. and Canadian schools would likely be accredited?

A4. While the total number of accredited universities cannot be known with certainty, it is currently anticipated that approximately 25 schools across the United States and Canada might be accredited by 2013.

Q5. Will there be universities outside the United States and Canada that would be accredited?

A5. Currently, there are no plans for accreditation outside the United States and Canada.

Q6. Will the current examination pathway still be available for candidates attending nonaccredited schools?

A6. Yes, the current examination pathway would continue to be available for all candidates seeking to make use of the self-study model or who attend schools not accredited through the program. This current pathway is likely to remain the primary route for most candidates.

Q7. Can a university lose accreditation status?

A7. Yes. University programs will be audited regularly. Any university that fails to meet the accreditation criteria will lose its status.

Q8. Do you expect the process to extend beyond exemptions for preliminary exams?

A8. No. We do not plan to grant exemptions beyond preliminary exams.

Q9. Will the accreditation program change from the currently proposed exam-by-exam exemption process to a system where exam exemptions are offered at the program level?

A9. No. There is no plan to move to the program level. The accreditation process will always involve detailed scrutiny at the individual course level.

Q10. What will prevent the quality of candidates from declining when they do not have to write the exams?

A10. We believe that the quality of those achieving exemptions will be the same as or higher than those passing the traditional exams. The minimum marks and consistent learning objectives will ensure that difficulty and subject matter are equivalent.

Q11. How are you going to set the exemption mark to ensure that students who earn an exemption have the same level of knowledge as students who pass the exam?

A11. The university course exemption mark will be set at a higher level than an equivalent exam pass mark to ensure that only the most highly qualified students can earn an exemption.

Q12. What is the relationship between the proposed FEM program and the Society of Actuaries' (SOA) Centers of Actuarial Excellence (CAE) program already underway?

A12. The FEM program is strictly an alternative route to qualification. As a result, accreditation and scrutiny will focus on the courses taught and student performance. The CAE program evaluates universities based on the entire educational experience and provides selected universities opportunities to compete for funding for program improvement. While the two lists of schools will have considerable overlap, they may not be identical.

Q13. Item 4 refers to passing Exam P/1 prior to applying for an exemption. If a student earns the requisite mark in a class that provides exemptions for Exam FM/2 and then passes Exam P/1 at a later date, may they apply for an exemption? Is it necessary to pass Exam P/1 while enrolled in the accredited program?

A13. Yes to both. In order to be eligible to claim the exemptions a candidate would need to pass Exam P/1 prior to graduation, but it may be after earning the requisite mark in a course for which exemptions are granted.