The Actuarial Profession
making financial sense of the future

CPD Handbook
2008/2009

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FOREWORD

Welcome to the latest edition of the CPD Handbook. It is intended to help you understand the Actuarial Profession's new CPD Scheme, to explain the scheme, to help you identify your CPD needs and to point to ways to identify appropriate CPD opportunities.

The new scheme replaces the scheme that had been in place since 1992. It came into effect on 1 July 2006, although not with retrospective effect. **The most important difference from the old scheme is that fulfilling its requirements will be compulsory for all actuaries, not just those who need one of the Profession's practising certificates (see Section 1.5). However, the requirements have been made more flexible for those who are working outside the traditional actuarial areas.**

In revising the scheme we have taken account of the fact that actuaries may spend time on private study that meets the first objective of CPD, namely to ensure that actuaries develop and maintain the professional skills they need. We have, therefore, extended the definition of what used to be called "formal CPD" to include this type of activity. However there must be some public demonstration of the new learning if this is to be used to fulfil the requirements for getting or keeping a practising certificate.

Another change is the introduction of professional skills as a separate element of the CPD programme. Almost all actuaries who are working will be required to attend a professionalism event at least once every ten years; these are run by the Profession, although other providers may be accredited in the future.

The Handbook is in several parts. Parts 1 to 3 cover: the scheme itself, how it will be run, what actuaries must do to fulfil the requirements; CPD in business and management skills and CPD in professional skills; all working actuaries should be familiar with these parts. Part 4 sets out the requirements of each of the Profession's Practice Executive Committees for actuaries working in the various practice areas; most actuaries will need to be familiar with only one of these.

We do hope that you will take the time to read the handbook and that it will be helpful in planning and carrying out your CPD.

Professional Regulation Executive Committee

INTRODUCTION

It is very much in the public interest that actuarial advice is soundly based and that actuaries are fully informed and properly developed as professional individuals. The overriding obligation of actuaries, as set out in the Professional Conduct Standards (PCS), is that they should practise only in areas in which they are competent. The Guidance Notes also exist to support actuaries in carrying out their practical work. The profession cannot maintain or hope to extend the confidence the public has in it or the roles, statutory and otherwise, with which it is entrusted, unless it is fully committed to Continuing Professional Development (CPD) and seen to be so. The profession imposed a formal obligation on all working actuaries to carry out appropriate CPD from 1 July 2006; the purpose of this Handbook is to assist actuaries in understanding their obligations and helping them to identify and fulfil them.

Content of the Handbook

The first part of the Handbook sets out the CPD scheme and the obligations that all actuaries have under it. The guide sets out a step-by-step process by which actuaries can identify the requirements that apply to them. The questions and answers section sets out some of the areas in which we expect actuaries will be unsure about the implementation and interpretation of the scheme. The answers are intended to reflect how the scheme will be interpreted by the Profession, including how it will be enforced. The enforcement policy that the Profession intends to follow is set out in this section, as are the compliance-monitoring procedures.

The second and third parts cover business and management, and professional skills. There are specific requirements in the scheme for these areas.

We suggest that all actuaries should familiarise themselves with parts1 to 3 of the handbook, since these apply to all actuaries.

The fourth part covers technical skills. This part has been provided by the profession’s practice boards, apart from a generic introduction. We suggest that actuaries should familiarise themselves with this introduction and the section relating to their own practice areas.

The Framework for Skills Development

Continuing Professional Development is formally defined by the Profession as the maintenance, improvement and broadening of knowledge and skills and the development of the personal and professional qualities needed throughout an actuary’s working life.

An actuary needs a full range of skills and knowledge to perform effectively and efficiently. These skills are divided into three categories:

- **Business and Management skills;** these are not unique to the actuary but improve the personal effectiveness of the individual, such as report-writing or influencing skills. They include general management skills and personal-development skills, and knowledge of related disciplines, such as accountancy or law.

- **Professional skills;** these come from all the standards that the public and those who employ actuaries expect of a member of a leading profession. They include an understanding of how the profession implements these standards and an appreciation of what this means in practice.

- **Technical skills;** those skills relevant to the actuary that complement basic actuarial training. This would include both skills that go beyond the basic training but are essential for a particular actuary's area of work and also skills that have been developed since the actuary became qualified but that have become part of core actuarial knowledge. It also includes developing knowledge that is essential to the actuary's work, such as the latest legislative and regulatory developments and the current situation in the market.

The CPD scheme has always made actuaries make their own individual decisions on what constitutes an appropriate CPD programme for themselves at every stage of their careers. In the new scheme there are two exceptions to this: most actuaries will have to attend a professionalism event at least once every ten years and practice executive committees may now specify elements of compulsory CPD for some of the actuaries in their areas of work. However, most actuaries' CPD most of the time will still be self-defined. This gives each actuary significant freedom but also significant responsibility. This handbook is intended to help actuaries identify a broadly-based individual CPD programme that fulfils their needs.

Comments, Please

The handbook will be kept under regular review. If you have any comments regarding the handbook, please send them to Cath Bryson (cath.bryson@actuaries.org.uk) We do value your responses and want to make the handbook as useful to actuaries as it can be.

CPD Handbook

Part One

The CPD Scheme

The Continuing Professional Development (CPD) Scheme

CONTENTS

Section 1.1 Continuing Professional Development (CPD) Requirements

The CPD requirements became mandatory for all professionally-active actuaries from 1 July 2006 with earlier adoption encouraged. In this context “actuaries” means Fellows of the Faculty or Institute of Actuaries, Associates and those working in the United Kingdom under mutual-recognition agreements. From October 2007, the requirements of the CPD Scheme extend to all Fully Regulated members of the UK Actuarial Profession regardless of their geographic location. If you have elected to specify another International Actuarial Association (IAA) regulated body as your primary regulator, and are therefore a Partially Regulated member of the UK Profession, you should comply with the requirements of your stated primary regulator. Other CPD Schemes approved by the UK Profession can be found on page 27.

These requirements are additional to those which apply around the time of qualification, namely, attendance at a professionalism course and passing a UK practice module if working in the UK.

All actuaries who are in work (regardless of the nature of their work) will be required to demonstrate that they undertake appropriate CPD. The PCS requires all actuaries to be competent in the work they do. CPD forms part of the steps you take to remain competent.

Objectives of the CPD Requirements

1. To ensure that all actuaries develop and maintain the professional skills they need.
2. To ensure that others can confidently trust that they have done so.

Principles of the CPD Requirements

1. It is important to be seen to be developing as professionals. Consequently, all working actuaries must complete appropriate CPD each year and keep records that allow them to demonstrate that they have done so.
2. Each actuary is required to fulfil the requirements for his or her category.
3. From time to time, the Profession will suggest, and may require, learning on designated topics.
4. Actuaries need to discuss, share and debate ideas with others including those outside their normal work colleagues and clients.
5. Actuaries need to consider their own developmental needs and plan future learning appropriately.
6. There is a full range of activities that can contribute to an actuary’s development. It may be necessary and desirable for actuaries to undertake CPD activities from outside the Actuarial Profession, including those provided by employers. Those events attended only, or mainly, by work colleagues are counted as Internal Events; all other events can be classed as External Events.

CPD Categories

There are four categories of actuary for the purpose of identifying CPD requirements. Each actuary should identify the category to which he or she belongs and declare this on-line. The four CPD categories are:

1. Those with UK statutory practising certificates
2. Those working in one of the areas covered by the specialist application syllabuses but who do not hold a UK statutory practising certificate

   [Note: An actuary who serves as a pension-scheme trustee or as a non-executive director of an insurance company does not automatically fall within category 2 by virtue of those roles alone. As one of a group which *receives* actuarial reports or advice, rather than providing such advice, the actuary may determine that the category 3 rules are sufficient to enable him or her to meet the competence requirements expected by fellow trustees or directors.]
3. Those working outside categories 1 and 2
4. Those who are not in work (either because they are retired or on a career break).

   [Note: Category 4 does ***not*** include actuaries who work only in a part-time or voluntary capacity or whose work is wholly non-actuarial. Actuaries who continue to work fall within one of the first three categories: the requirement for competence is not waived merely because the actuary works in a non-actuarial area, works less than full-time or declines to be paid.]

Detailed Requirements

The requirements vary according to an individual actuary's CPD category.

Category 1 - Statutory Practising Certificates

Actuaries who hold a Statutory Practising Certificate, in addition to the experience needed, should complete at least 15 hours a year of **verifiable activities**, 10 hours of which must be technically relevant to the subject area of the practising certificate.

There is a requirement for breadth of activity, so there should be at least four distinct entries overall with at least two distinct entries in the Technical Skills section. There is a minimum requirement of 2 hours for activities relating to professional skills.

From time to time, the Profession will suggest, and may require, learning on designated topics.

To ensure exposure to a wide range of views, at least 5 hours of the technically relevant verifiable activities should come from activities that are not attended only or mainly by members of the same firm.

It is a mandatory requirement that all Practising Certificate Holders record their CPD on-line.

Category 2 –Specified Practice Area but not Holding a Statutory Practising Certificate

Actuaries in this category are practising (during the relevant CPD year) in one or more of the areas of practice covered by the Actuarial Profession's examination syllabus.

Actuaries in this category are required to complete at least 15 hours a year which should be a combination of **verifiable activities** and **personally-assessed activities**, 10 hours of which must be relevant to their practice area.

There is a requirement for breadth of activity and so there should be at least four distinct entries overall with at least two distinct entries in the Technical Skills section. There is a minimum requirement of 2 hours for activities relating to professional skills.

From time to time, the Profession will suggest, and may require, learning on designated topics.

To ensure exposure to a wide range of views, there is also a general requirement that some CPD should come from activities that are not attended only or mainly by members of the same firm.

It is a mandatory requirement for actuaries in Category 2 to record their CPD on-line.

Category 3 – Working Outside Specified Practice Areas

Actuaries who work outside the specified practice areas must complete sufficient CPD to ensure that they remain competent in their area of work. There is no minimum number of hours for this category: actuaries in category 3 should determine for themselves what CPD is needed to remain competent and must be prepared to justify what they have done. Actuaries who are in this category can choose a combination of **verifiable** and **personally-assessed** activities to fulfil the requirements.

It is a mandatory requirement for actuaries in Category 3 to record their CPD on-line.

Category 4 – Not Working

Actuaries in category 4 do not need to complete CPD activity but they do need to complete their on-line category declaration.

Recording CPD Activity

To enable the Profession to monitor CPD appropriately and efficiently all actuaries with CPD requirements need to record their CPD activities on-line. The on-line form allows an actuary to record hours spent on verifiable and personally-assessed activities, and to record the outcomes of any type of learning. Supporting documentary evidence should be kept by the member for three years. This is a mandatory requirement for categories 1, 2 and 3.

> **Verifiable activities** are those where either the activity itself, or its outcome, is observed by others. Examples include attending sessional meetings or other public, formal events; studying a course for an examination which is subsequently passed; preparing and delivering learning to colleagues; preparing material which is published in the public domain.
>
> If the activity is not verifiable you will need to explain the outcome on the CPD record form. Such activities are classed as **personally-assessed activities**.
>
> **Internal CPD** activities are those where the audience wholly or mainly consists of colleagues from the same firm; all other events can be classified as **External CPD** activities. It is the composition of the audience that determines whether an event can be counted as internal or external CPD.

The record covers the following sections: technical skills, professional skills and other development. The relevance of most formal events to actuaries' CPD is usually very clear; if you wish to complete the requirements through other activities you will need to show in more detail what you have done and describe how it meets the principles and objectives of the scheme.

Averaging

The requirements must be fulfilled each year, but in exceptional circumstances, which must be cleared with the Membership & Certificates Team in Edinburgh in advance, averaging over a period of up to three years is possible as long as reasonable justification is given

Professional Skills

Actuaries in categories 1 and 2 are required to include within their CPD activity at least two hours on professional skills relevant to their work, but outside the technical specialism. Such CPD activity includes professional ethics, leadership skills, communication skills etc. Actuaries in categories 1 and 2 must also attend, at least once every ten years, a Professionalism Event for Experienced Actuaries accredited by the Profession. Actuaries who are in category 1 and have not attended an event in the last ten years are encouraged to attend an event as soon as possible. Other Professionalism Events approved by the UK Profession can be found on page ??

Actuaries in category 3 must determine for themselves the extent to which skills other than technical actuarial skills form part of the CPD they need in order to remain competent in their area of work and must be prepared to justify what they have done. Attendance at an accredited professionalism event is not compulsory but is encouraged. The inclusion of professional ethics from time to time in wider skills CPD would be expected. Actuaries who do not include professional ethics or who do not attend a ten-yearly Professionalism Event must justify their decisions.

Monitoring and Compliance with Professional Conduct Standards

The Profession relies on the integrity of each actuary in complying with the requirements of the Professional Conduct Standards .In paragraph 3.2 these require members to maintain and obtain relevant knowledge and experience for their work.

All actuaries submitting applications for statutory practising certificates will need to submit their CPD records on-line. These will be scrutinised, with a number being subject to a more detailed review, the actuaries concerned being asked to submit documentary evidence of their CPD.

Some actuaries in categories 2 and 3 will be asked to submit their records for scrutiny. A sample of these will be subject to more detailed review, the actuaries concerned being asked to submit documentary evidence of their CPD.

Records may also be scrutinised as part of the disciplinary process. In particular, failure to comply with the mandatory CPD requirements may lead to disciplinary action.

Section 1.2 Guide to the CPD Scheme

This section sets out the steps each actuary must take in order to fulfil the requirements of the scheme

Step 1

Decide which CPD category you fall into and complete the on-line declaration.

- If you need a practising certificate from the profession, you are category 1.

- If you are doing no work at all then you are category 4.

  This will apply to actuaries who are completely retired or who are on a career break such as maternity leave. However, it is important to note that being retired or on a career break is not sufficient to put you in category 4. If you do any work for other people, including voluntary or committee work, you are in category 2 or 3.

- If you do work for other people, whether as an employee, a volunteer, an elected person, a director, a partner of a firm, or a self-employed consultant or trader, that uses any of the skills covered by any of the Profession's current Specialist Applications syllabuses then you are in category 2.

  This will cover most working actuaries. It should be noted that an actuary who is mainly retired, but who does some pensions work on a voluntary basis, perhaps for a local club, would be in category 2. Most actuaries working in financial-services companies will be in category 2, unless they are in positions that do not use actuarial skills at all.

  Directors of companies and trustees of pension funds who receive actuarial advice are not thereby using actuarial skills and are not, by virtue of these positions, placed in category 2. If their colleagues look to them as actuaries for help in interpreting the actuarial advice then they should be in category 2.

- All other actuaries are in category 3.

If having read the information above you are still not sure, then you are probably in the lowest-numbered category i.e. 2 or 3. Specific questions may be directed to cpd_feedback@actuaries.org.uk.

Step 2

Identify the CPD requirements for your category.

- If you are in category 1 or category 2 then you must do certain amounts of CPD; see the scheme (section 1.1) for details.

- If you are in category 4 then you do not need to do any CPD activity but you must record your declaration.

- If you are in category 3 then you need to think about your needs.

The simplest cases are at the extremes. At one extreme are actuaries who have moved to non-actuarial positions in companies that use actuarial services (insurance companies are the obvious example); general-management positions are the most likely. Actuaries with responsible positions in these companies need to fulfil a full programme of CPD, although it is most likely to be related to management and professional skills, and not to technical skills.

At the other extreme are actuaries who are retired but do work that is wholly non-actuarial, and may well be voluntary and for which the fact that they are actuaries is wholly irrelevant. (Although it should be noted that whether an actuary's work is voluntary or paid has no effect whatsoever on that actuary's CPD requirements.) These actuaries do not need to do any CPD. However, they will need to justify this conclusion during the monitoring process.

In between, the situation is less clear. In these cases, the question should be asked "does the fact that I am an actuary have any bearing on my doing this work?" If it does – for example if the actuary is using actuarial techniques in a "wider field" – then a full programme of CPD is indicated, although it may very well be CPD that is very different from anything that is provided by the profession, probably directed towards understanding the new area of work rather than developing actuarial skills. Such an actuary would also be expected to attend a professionalism event at least once every ten years.

If the answer to the question is that it does not – for example if the actuary has started a new career in an unrelated field – then CPD would not be required under the terms of the Profession's scheme, nor would attendance at the professionalism event. There might be requirements in the new career, but that is outside the scope of the Profession's scheme.

Step 3
Identify your development needs. The remaining parts of this handbook should be a help in this. This will help you in Step 4.

Step 4
Identify appropriate events and activities to fulfil your requirements and development needs. The Profession's Diary of Events, available at http://www.actuaries.org.uk/media_centre/eventsearch should help. Actuaries working in the main professional areas should easily find available courses, conferences, meetings and papers provided by the Profession, their employers and other organisations. In many positions, actuaries will need to study new legislation and regulation to do their jobs; study of this nature can be counted towards the requirement for category 2 and 3 actuaries and those in category 1 can make it verifiable, and therefore countable.

Step 5
Do the CPD.

Step 6
Complete the monitoring process.

Section 1.3 Questions and Answers

CPD Categories

How do I tell which CPD category I belong to?
There is a guide to this in section 1.2.

If you have read this and are still doubtful then you are probably in category 2 rather than 3, or category 3 rather than 4.

If you need further advice, you could send an enquiry to cpd_feedback@actuaries.org.uk.

Requirements

I did much more CPD than the minimum last year. Does this mean I can do less this year?
No. CPD keeps actuaries up to date, and being up to date two years ago is not consistent with the aims of the scheme. In exceptional cases, though, averaging over up to three years will be accepted, if there is a reason for not maintaining an annual programme; a short career break would be an example.

A few regular events take place around the period of June/July, and it is possible that one CPD year contains two such events and the next year none, or vice versa. ASTIN is an example of such an event. A member should not rely on such an event to meet a large proportion of his or her requirement but may apply to the Membership and Certificates team in Edinburgh before submitting the appropriate declaration.

Are the amounts of CPD set out in the requirements necessarily sufficient?
Not necessarily. We would expect them to be the minimum that might be sufficient for most actuaries most of the time. However, if you change your role significantly, or work in a time of substantial legislative change, you may need to do more than the minimum requirements in order to remain competent for your work. That is the fundamental requirement of the Professional Conduct Standards. To develop in your career you would be likely to need more than the minimum in most years.

You would also need to do more than the minimum CPD requirement if you want to apply for more than one practising certificate and the certificates are not in the same practice area.

I am retired, but do a little work from time to time. Do I really need to do CPD?
Yes. The fundamental issue is one of *competence* for the work that you do and not the amount you do. It has long been a requirement of the profession – and articulated as such in the PCS – that members must not take on work unless they are competent to do it, or supervised by someone who is. In an environment in which the relevant knowledge, skills and/or regulations are subject to change, it is not possible to remain competent without undertaking CPD. So, if you do any work whatsoever, you are not in category 4. This applies whether the work is paid or voluntary, because the need for competence is the same, as is the risk to you and to the Profession if the work is done badly.

If any of the work you do falls within the scope of the Profession's syllabuses, then you will be in category 2 and subject to the full requirements of that category.

Otherwise you will be in category 3 and you need to consider your own CPD requirements, design a CPD programme accordingly and complete the programme. If the work you do is only a "little", it may be that it has only a limited range to it, in which case, provided you are in category 3, the CPD required to maintain competence may well be commensurately "little". In some cases, the work may not require any new skills or knowledge for its proper completion, once the basic skills have been mastered, in which case you would be entitled to conclude that your updating needs are nil, with no CPD programme required.

I have become an Associate and am now studying for Fellowship. Do I really have to complete CPD?

Yes, but a normal study programme for the Fellowship exams will be accepted as fulfilling the requirements. You should write the following in the free-text box on the website form.

I am currently studying for Fellowship exams.

You should, however, select an appropriate CPD category, which will be 2 or 3, unless you are studying full time for the exams and doing no other work, in which case you would be category 4.

An Associate who makes this declaration but who does not sit a Fellowship exam is likely to be asked for further details of his or her activity.

I completed my Fellowship during the most recent CPD Year. Do I need to complete a full fifteen-hour programme by 30 June?

Members who complete the Fellowship in the April exams generally learn the results in mid-June and are admitted to Fellowship in July. They would not be expected to fulfil the CPD requirements in the CPD year ending on 30 June in the year of qualification, but would be expected to do so in full in the following year.

Members who complete the Fellowship in the September exams generally learn the results in late November and are admitted to Fellowship in December. They would not be expected to fulfil the CPD requirements in full in the CPD year ending on 30 June following the year of qualification, but would be expected to have made some progress. Any such member who had completed about half the requirements for a full year would be regarded as having done an acceptable amount.

A similar answer would apply to a new Associate who was not trying to progress to Fellowship.

What happens if I change categories during a year?

If you move to a higher-numbered category there is usually no difficulty, as the requirements are usually less restrictive. However, if you are moving to a lower-numbered category as part of a significant change in the direction of your career you should consider whether or not you need a significant extra CPD programme at the start to do that work properly.

If you want a practising certificate you will need to have fulfilled the category 1 requirements in the year before you apply. Otherwise, if you move to a lower-numbered category you should either fulfil the requirements for the new category when you change or else set out a plan when you do for fulfilling them as quickly as possible; such a plan will be regarded as acceptable in the monitoring process.

I work, but not as an actuary. How can the Profession monitor my CPD or insist that I do it?
There may be some individuals who have qualified as an actuary but moved so far outside the realms of business and/or finance, for example manual labour or performing arts, that no one could plausibly consider them to be working as actuaries. These cases are extremely rare (and may not exist at all in the profession). For almost all members who fall within category 3, there is no clear cut-off point between what is, or is not, "actuarial" and, more significantly, what would, or would not, be thought of as actuarial by the members' employers or clients. That is why category 3 has been defined to include *all* members who are not in categories 1, 2 or 4.

As a matter of practical reality, however, if you are *unmistakeably* working beyond the confines that anyone could conceivably regard as actuarial, for example manual labour or performing arts, as cited above, the Profession will not be able to make any realistic assessment of the CPD that you might do, nor be able to determine whether a remedial plan is needed, let alone what it should contain (see Section 1.5 on Enforcement). In such cases, and, given our current membership, they are likely to be extremely rare cases, indeed, compliance with this handbook becomes somewhat academic and it is hard to imagine the Profession pursuing the point. Nevertheless, members should note that, unless and until a definable cut-off point is found, the rule is, formally, that CPD is required, as discussed in the preceding paragraph

Recording and Monitoring

Can I design my own CPD record form or use one from another professional body?
No. This is because we need to be able to monitor records efficiently, without requiring undue administrative support. Using the standard format will help ensure that we can do this. The reporting system has been kept as simple as possible so that using it should not be onerous.

What records do I need to keep?
If you attend one of the Profession's CPD events then this would have been recorded automatically prior to September 2007.   However this is no longer the case and you will need to enter it on your records. (See section 1.5)

You also need to keep documentary evidence for each activity other than those provided by the Profession. These records need to be kept for three years.

What counts as supporting documentary evidence?
The sort of evidence which is expected includes: attendance certificates, copy of page in visitors' book, certified copy of signed attendance lists etc.

Must I record all the CPD I do in completing the monitoring?
No, you just need to show how you have complied with the minimum requirement. However, if you include more than the minimum it will be easier to verify that the minimum has been met and any items of marginal acceptability will matter less. You

may also find it a good idea to record all the verifiable CPD you do at the time in case you need to rely on it for three-year averaging.

You should note that if you attend CPD events run by the Profession and register your attendance then this will automatically be placed on your record and you need take no action. Some events, notably sessional meeting, for which there is no registration, will be entered in this way only if those attending complete the forms that are available at the meeting.

I have attended a lot of verifiable events this year. Can I record them all on my CPD form?
An activity may be verifiable, but it's only CPD if it "develops or maintains your professional skills". Could you, if necessary, explain how each of these events did that? If you can, you can put them all on your form; the Profession's events will be recorded automatically.

Note, for verifiable activities, it isn't necessary to put the explanation on the CPD form.

CPD Definitions

The previous scheme was based on "Core" CPD. Why has it changed from Core CPD to "Verifiable" CPD?
The change was made to emphasise the second objective of CPD: "to ensure that others may confidently trust they have… [developed and maintained their professional skills]"

Both the Profession and the wider public need to be able to "see" that you have undertaken activities that can reasonably be expected to develop and maintain your skills.

What is meant by 'technical CPD'?
"Technical skills" encompasses knowledge and techniques directly relevant to the industry and commercial environment in which you are working. This will include learning about new methodology, training to use existing methodology better, learning about developments in the business environment and new regulatory requirements. Most events run by the Actuarial Profession provide technical CPD.

Practice Executive Committee Requirements

How will requirements set by my Practice Executive Committee work?
Practice Executive Committees may (with the agreement of Councils) suggest or require learning for various roles. For example, there might be a requirement for Pension Scheme Actuaries to have either studied a course or attended an event on financial economics. The CPD Record Form would be used to record compliance with this requirement.

If such a Committee makes such a suggestion or requirement then the Profession will try to alert anybody who may be affected by e-mail. There will also be a place on the CPD section of the website where these suggestions and requirements may be seen.

What Counts?

Does verifiable CPD have to be gained by attending events organised by the Actuarial Profession?
No, but verifiable CPD does need to include an element of public recognition, such as attending a public gathering, writing for others or participating in a course which is assessed. ("Public" in this context means open to others, and may be restricted to colleagues.)

I have been to the same presentation four times. Can I count the total time as verifiable CPD?
If it is simply a repeat of the same speech then it should be counted only the first time. However, it might be reasonable to count any discussion time – if the discussions were significantly different. You would need to explain this on your CPD form.

Does the content need to be 'new' to count?
No; relevant CPD can include refreshing and testing one's understanding, not necessarily learning something new.

I sat through a two-hour sessional meeting on an advanced topic related to a specialism that is not my own. I did not really understand it. Can I count it as CPD?
Did it meet the objectives of CPD? It sounds as if it didn't. Therefore no.

(In this case it would be appropriate not to register your attendance, so the automatic recording will not happen.)

I sat through a two-hour sessional meeting on a topic related to a specialism that is not my own. I found it fascinating to find out what other actuaries are doing. Can I count it as verifiable CPD?
Yes, but it would not be "relevant" CPD for fulfilling the requirements for categories 1 and 2.

I sat through a two-hour sessional meeting and learned two key things in the last 5 minutes. How much can I count as verifiable CPD?
Most things we attend stimulate our learning or thinking only in fits and starts. Nobody expects people to keep a running assessment of whether an event is doing this at each moment: if the event as a whole has been worthwhile you can count it. This may be an extreme example, but provided the learning was significant, you can count the full two hours.

Can I count towards verifiable CPD discussions which take place after formal sessions, say over coffee?
No, informal discussions aren't verifiable CPD.

I spent an hour and a half reading a sessional-meeting paper, two hours at the sessional meeting, half an hour chatting socially later which was at least partly on the paper and two hours at my dining club, which included about half an hour talking about the meeting. How much CPD can I count?
The time spent at the sessional meeting is verifiable CPD. Time spent reading the paper could be recorded as personally-assessed CPD but it is not verifiable. An acceptable formulation for stating the outcome would be "Studying the paper in advance improved my ability to think critically about the subsequent presentation."

I listened to the sessional meeting discussion on the internet a couple of weeks after it happened. Does this count as verifiable CPD?
Listening to a recorded meeting is similar to reading a book or paper. It is not verifiable in itself, although it might be made verifiable, for example by formally presenting on the subject to colleagues or writing a summary for distribution. It would be appropriate to record it as personally-assessed CPD (for actuaries in categories 2 and 3), provided that you listened as you would at a sessional meeting: with full attention and not doing anything else.

I waited until the BAJ was published and read the transcript of the discussion. Does this count as verifiable CPD?
Not in itself, but again it could become verifiable if you take appropriate action. It is exactly similar to listening to the recording.

I attended one of the profession's major conferences last year. Does it all count as verifiable CPD?
Probably. There will be a maximum number of countable hours shown in the conference programme. If you missed any of the sessions you should not count the corresponding time. Also, if there were any sessions that did not meet the CPD objectives – for example if you went to one breakout that turned out to be aimed at people who are being introduced to a topic in which you are an expert – you should not count them. Note that if you have a statutory practising certificate it is likely that parts only of the conference will be relevant to the statutory role.

It should also be noted that the conferences consist of a number of different sessions. These count as different activities for the purpose of the requirement that CPD be gained from more than one activity.

At the conference they set up a working group to write a paper for next year's conference, and I volunteered. Does the time I spent working on this working group count as verifiable CPD?
Yes, provided that you took a full part in the discussions and wrote some of the paper or material presented.

Last year the FSA published a number of CPs and PSs in the area of my work and I had to study them until I was thoroughly conversant with them. Does the time I spent doing this count as CPD?
Yes, but not verifiable CPD. However, you could convert it to verifiable CPD.

I took out and read the Profession's Certificate in Practical Financial Economics Course. Does this count as verifiable CPD?
It depends. If you simply read through the material, it would not be verifiable. If you sat and passed the exam it would be verifiable. You could also make it verifiable in other ways: for example by presenting material based on it to your colleagues.

I wrote a meeting paper for a local actuarial society. Can the time I spent doing the research be counted as verifiable CPD?
Yes. It's verifiable because there's a publicly-observable outcome, directly linked to the activity.

How do I decide if an activity is verifiable?
The key issue is whether a reasonable person would accept that there's evidence (other than your own declaration) that you undertook the activity claimed. So any visible participation in a public event is verifiable, as is any activity with a public output directly linked to the activity. Examples of such outputs are formal assessments of learning, for example exams or tests where the result is recorded, publication of a paper or report based on what you learnt, or a presentation to others based on the activity.

I went to an event and was seen by twenty or thirty people who know me. Why do I need to keep documentary evidence?
This is a pragmatic issue rather than one of principle. The Profession has to verify CPD forms cost effectively, interviewing attendees at meetings to check who else was there is not very practicable.

Typically I learn a lot during the normal course of my work. Can I record this as CPD?
Work experience is, of course, a vital part of professional development. That's why it's necessary for initial qualification and for the award of statutory practising certificates. This is in addition to the requirements for verifiable CPD.

It's not a black and white area. Some work activities will have a definite learning objective. Examples are online and other training courses plus private study for the purposes of mastering a defined learning area. Such activities are CPD and may or may not be verifiable. However, picking up skills and knowledge as you go along, or looking up the answer to a specific problem isn't CPD.

A large part of my professional development is "private" – for example reading. Surely you're not saying this isn't CPD.
We fully recognise the importance of private study. That's why the scheme allows for personally-assessed CPD to be entered on the form with a brief description of how it met the objective of developing or maintaining your professional skills. However,

actuaries who require practising certificates will not be able to count personally-assessed CPD towards their requirements, although they can make the activity verifiable by making the result public.

Specific Activities

I have been a member of one or more of the Profession's boards and committees. Does the time spent on this count as verifiable CPD?
Yes, but it is likely to be "relevant", for the purposes of the requirements for category 1 and category 2, only if it is on the practice board concerned or one of its technical committees. There are guidelines on how much CPD may be counted for these activities: unless there are good particular reasons for counting more time, each board or committee should count for a maximum of 7.5 hours per year and boards and committees in total should count for no more than 10 hours.

Does being an examiner for the Profession count as verifiable CPD?
An assistant examiner can count the assistant examiners' meetings as verifiable CPD, but not the time spent slaving over the scripts. The meeting will be "relevant" for practising-certificate purposes only if it is in the subject relating to the practice area concerned. A senior or principal examiner may count ten hours a year for examining work.

Non-Technical Skills

In my company we regularly review professionalism and professional management issues through in-house sessions. Can this count towards the professionalism part of CPD?
Yes. This activity is likely to count for the annual CPD requirement on professional skills of 2 hours. However, by their nature, such meetings do not automatically lead to best-practice ideas being shared and adopted across the profession so attendance at an external event run or approved by the Profession every 10 years is required to help actuaries develop a wider perspective, and in-house events cannot count towards this requirement.

I attended a course on management skills provided by my employer but presented by an external supplier. Does this count as internal or external?
The requirement for category 1 is that "at least 5 hours of verifiable activities should come from activities that are not attended only or mainly by members of the same firm". For category 2 the requirement is similar, but less rigid. If it was a course tailor-made for your employer and presented only to your colleagues it would be regarded as internal; it would not meet this criterion. If it was a generally-available course also being taken by people from other companies it would be regarded as external.

It is more than ten years since I attended the professionalism course for new qualifiers. Does that mean I must attend the professionalism event for experienced actuaries immediately?
No. The Professional Affairs Board intends that all actuaries should comply with this requirement within five years of the launch of the scheme. All actuaries will be asked

to attend one of these events before 30 June 2011, based on the date of their attendance at the professionalism course. This applies also to those who have not taken the professionalism course, which became compulsory during the 1990s. Actuaries who attended a professionalism course for experienced actuaries before the new requirements came into effect will be required to attend a professionalism event based on the date they last attended such a course, not on the date they attended the course for new qualifiers.

The schedule by which members who are Fully Regulated will be expected to attend a professionalism event has been set as follows. However, this should not be regarded as final.   Actuaries who hold a statutory practising certificate and who last attended a Professionalism Course more than 10 years ago are encouraged to attend as soon as possible.

Year of Attending Prof Course	Deadline
1997; 1976 and earlier	30 June 2007
1998; 1977 – 1981	30 June 2008
1999; 1982 – 1986	30 June 2009
2000; 1987 – 1991	30 June 2010
2001; 1992 – 1996	30 June 2011

I presented some of the professionalism events for experienced actuaries. Do I still need to attend one?

No: you can count this work as fulfilling this requirement.

On the CPD form, do technical skills include general management and business skills?

Some of these are quite "technical" but they could also be "professional", for example understanding internal management accounts. However, if you're in Categories 1 or 2 technical skills would usually be those included in the relevant part of the CPD Handbook. If you're in Category 3 the issue is less clear cut and, in any case, ensuring you comply with the spirit of the CPD Scheme by carrying out a broad range of appropriate CPD activities is more important than worrying about fine details of definition.

Maternity Leave and Career Breaks

I am expecting to go on maternity leave or planning a career break. What are the CPD requirements for when I go and for when I want to work again?

The overriding criterion is that you need to be competent for the work you are doing, so you should consider very carefully your CPD needs before you return. If there are developments that you need to know and understand before you re-start work, you will need to address them, even if you are returning from a short break and have enough CPD saved up from before you left to use averaging to meet the requirement. For the same reason, you may need to resume work at a simpler level than you were used to immediately before you stopped. Undoubtedly, for any period of absence which is long enough to be a "career break", rather than a long holiday, you will need to arrange a CPD programme to complete within a short period of resuming work.

It should be noted that you may not be granted a practising certificate immediately on your return if you do not fulfil the CPD requirements. If this is likely to be a problem then you may want to carry out CPD during your break. The Practising Certificate Committee is responsible for the granting or withholding of practising certificates and considers each individual case on its merits. If you have any concerns about your own situation then you should contact them directly.

For the CPD year in which you return to work, re-establishing competence is the overriding requirement, rather than meeting the minimum number of hours, especially if you return late in CPD year (1 July – 30 June). Likewise, for the CPD year in which you leave for your break, the issue is your competence whilst you are still working: it would be wholly inconsistent with the spirit of the scheme for you to rush through some CPD just before you go on a break so as to meet the minimum number of hours in that year.

Members outside the United Kingdom

Are the requirements relaxed for members who are practising outside the United Kingdom?

From October 2007 those members opting for partial regulation by the UK Actuarial Profession will not be required to comply with the UK Actuarial Profession's CPD requirements but must at all times comply with the CPD requirements of his or her primary professional regulator provided that the body is an IAA affiliated actuarial professional body.

If you are a member of the local actuarial association then you may have to complete its CPD requirements also. There is no objection to fulfilling the Profession's requirements using the same events that you use to fulfil the local association's, so long as they are allowable under the requirements.

The Profession also recognises other actuarial bodies' CPD schemes as being equivalent to our own, (see page ?? for details).Members who remain Fully Regulated can use this method for fulfilling the requirements by ticking the box on the Category Declaration screen and select the relevant association from the drop down box. However those in Category 1 must complete their full on-line recording form.

Section 1.4 Monitoring

Actuaries will be required to keep an on-line record of the activities they have done to meet the requirements. This form can be found on the Members Home Page on the Members' only section of the Profession's website. The form allows individual activities to be entered, showing the number of hours claimed. Personally-assessed activities may also be entered on the form, where members can describe what he or she has done, the learning outcome, and the appropriateness of the activity for the CPD requirements.

CPD events run by the Profession are no longer entered automatically on the records of members who attended and you will therefore need to do this personally. The registration records will be kept from events for which registration was required; and for other events, such as sessional meetings, an attendance record will be taken.

The hours claimed for any event should be only the hours attended.

When renewing a practising certificate, members will be required to certify that they have complied with the CPD requirements. They will need to have completed their on-line record showing their CPD activities in the previous twelve months as part of the application. A member applying for a practising certificate should, therefore, ensure that his or her record is up to date when submitting the application.

All records for members who do not hold practising certificates will be checked automatically once a year to ensure that each member has completed sufficient CPD to meet the requirements of the scheme and has entered his or her category. This check will take place after 30 June in each year and examine activity in the previous twelve months ending at 30 June. A sample of records will be checked manually to ensure that the activities claimed are appropriate and meet the intentions of the CPD requirements, and that enough details have been provided about any personally-assessed activities to justify their inclusion. A subset of this sample will be taken and members asked to provide some evidence that they did, in fact, carry out the activities claimed, although this will not be necessary for the Profession's events.which can be checked internally.

Section 1.5 Enforcement

The CPD Handbook sets out a number of principles and practices which the Profession intends will form part of the fabric of professional life of those members to whom the Handbook applies (members in categories 1, 2 and 3 defined on page 7). Records will be monitored by the Profession's staff, and any that appear not to fulfil the requirements will be referred to a committee with responsibility for CPD compliance.

It is envisaged that, where members are found to have fallen short of the requirements of the CPD Handbook, the Profession will take steps to ensure that the members in question understand the importance of CPD and, where appropriate, the Profession will assist those members to identify CPD activity that is applicable to their work and to find ways to incorporate CPD activity in their professional lives.

Accordingly, it is not the professional body's intention that every failure to comply with the requirements of the CPD Handbook would normally be treated as grounds for complaint under the disciplinary procedures. For example, if the failure to fulfil appears to be a result of misunderstanding the requirements or an accident (such as illness preventing attendance at an event that was relied upon to meet a large proportion of a year's requirements) then the committee will probably discuss the situation with the actuary and will want a plan to be prepared to rectify the situation.

This approach does not, however, rule out the possibility that a member's non-compliance with the requirements of the CPD Handbook may form sufficient evidence, on its own, to justify a finding of misconduct, especially (but not only) if the non-compliance is persistent or wilful. Nor does this approach rule out the possibility that the determination of a complaint under the disciplinary schemes may take into account evidence of the member's compliance with the CPD requirements.

The questions and answers in Section 1.3 indicate the interpretation of the scheme that is likely to be used by the committee.

CPD Schemes recognised by the UK Profession

Institute of Actuaries of Australia
Society of Actuaries in Ireland
Actuarial Society of South Africa
Canadian Institute of Actuaries
New Zealand Society of Actuaries

Professionalism Events for New Fellows and Associates recognised by the UK Profession

Institute of Actuaries of Australia
Society of Actuaries in Ireland
Actuarial Society of South Africa
Canadian Institute of Actuaries
Institute of Actuaries of India
Institute of Actuaties of Japan
USA: Casualty Actuarial Society
USA: Society of Actuaries
Singapore Actuarial Society

Professionalism Events for Experience Actuaries recognised by the UK

Society of Actuaries in Ireland
Singapore Actuarial Society

CPD Handbook

Part Two

Business and Management Skills

Business and Management Skills

The overall framework of CPD presented in the first part of the handbook, identified three main areas for CPD: technical, professional, and business and management skills. The third of these may be further subdivided into management skills, personal-effectiveness skills and principles of related disciplines. The key dimensions of personal-effectiveness skills are self-management, problem-solving skills, communication and presentation skills, influencing skills, teamwork and meetings.

When planning your CPD it is important to think about developments in all three skill areas. The particular balance depends on the type of role that you are engaged in. Many company-based courses are intended to develop these types of skills. The profession is also developing the support it provides to actuaries seeking CPD opportunities in business and management skills. However, this is the area of CPD in which opportunities are most likely to be found from providers outside the Profession, and a large part of members' development in this area will be through events and courses that are not specifically actuarial.

The Management Charter Initiative describes key roles and the associated skills for senior managers. You may use these as a guide when identifying areas for your own development. You may also decide how you wish to develop your skills for the future. MCI can be contacted at Russell Square House, 10 Russell Square, London WC1B 5BZ.

Actuaries are not all senior managers. Key roles and their associated skills may be linked to different job titles in different organisations. It is useful to consider how your CPD needs match the requirements of the current job, perhaps by discussing them with your managers and colleagues, and potential future roles.

Actuaries wishing to develop their business and management skills in the broadest sense might consider the possibility of taking an MBA (degree of Master of Business Administration). An MBA course can provide a broader perspective of the overall business context in which actuaries operate, prepare an actuary for future career development and spread wider understanding of the skills that actuaries possess through mixing with other potential senior managers. A broad range of MBA programmes is now available, including several with a quantitative or financial focus. Options range from full-time or part-time study, including supported distance learning. Further details may be found in the following publications.

- MBA programs. Peterson's Guides. 9th ed. 2004 ISBN: 0768911605
- The official MBA handbook 2003/2004 by Kathy Harvey. The Association of MBAs, Financial Times Prentice Hall, 2003 ISBN: 0273675168
- Which MBA? A crucial guide to the world's best MBAs, by George Bickerstaffe. 15th ed. Financial Times Prentice Hall, 2003. ISBN: 0273688006

CPD Handbook

Part Three

Professional Skills

Professional Skills

All actuaries are professional people. This imposes certain requirements on the way we conduct ourselves during our working lives, apart from the need to remain technically competent, important though that is. Actuaries' requirements as professionals are set out in the Professional Conduct Standards, which govern all work by members of the Profession. As a professional person an actuary:

- is aware of the need to act with integrity
- is aware of the need to be fully competent in all work undertaken as an individual
- is aware of the need to operate a high standard
- knows who the client is
- is aware of the need to maintain a balance between commercialism and professionalism
- is aware of conflicts of interest between the needs of two clients
- keeps in mind the balance between the needs of the client and the wider public interest
- understands the type of support the profession can offer in professional guidance issues
- understands the role of the guidance notes
- is aware of the need to act within the Professional Conduct Standards
- is aware of the need to maintain a balance between the responsibility of the firm and the individual
- understands when and where to go for expert advice
- understands the regulatory and legal framework in which work is performed
- understands the commonality of professionalism issues across professions and in all types of work within the actuarial profession
- appreciates the purpose of CPD
- is not unfairly critical of another actuary's work

Professionalism Requirements

It is mandatory for newly-qualified actuaries to attend a two-day course on professionalism within twelve months of qualification. Attendance at a one-day professionalism course is compulsory for those who want to use the title Associate instead of, or before, proceeding to the Fellowship stage. These should be regarded as entry requirements into the Profession rather than as CPD requirements, although they can be counted as valid CPD.

There are two requirements for carrying out CPD activities relating specifically to professionalism. Firstly, actuaries in categories 1 and 2 must spend at least two hours a year developing skills other than technical skills relating to their work. This should include studying some of the ethical matters set out above, can include communications kills, management and leadership skills etc. Organising committees of the Profession's major conferences will usually include some sessions in the conferences that meet this need; in-house sessions may also do so.

Secondly, all actuaries in these categories must attend a professionalism event for experienced actuaries at least once every ten years to discuss issues such as those listed above. These events will be staged by the Profession, and other recognised providers as noted on page 27 Actuaries in category 3 will also be expected to attend these events, but if their being an actuary is irrelevant to their current work then they may exempt themselves.

[Actuaries who attended the two-day professionalism course for new qualifiers after July 1997 will be required to attend a professionalism event within 10 years of that course. If a member attended a two-day professionalism course before July 1997 or has never attended one they should refer to the table on page 23 for guidance on the date by which they need to attend a course.]

The objectives of the professionalism events have been set as follows.

> As a result of attending a Professionalism Event, an actuary will be expected to understand clearly a variety of matters, their implications for his or her work and behaviour, and the actions he or she must take to meet the requirements. These matters include:
>
> - The content of the Professional Conduct Standards
> - The content of the CPD Scheme, particularly the requirements for the specific role performed by a member.
> - The definition of misconduct that could lead to disciplinary action, and the steps that should be taken by a member to pre-empt such action.
> - Current issues relating to professionalism and ethics.
> - Public interest issues.
> - The value of sharing views about the interpretation of professional responsibility in different contexts.

CPD Handbook

Part Four

Technical Skills

Technical Skills

It is the responsibility of each individual member to keep up to date with current developments and techniques in the area in which they work. To help members assess their needs in respect of skills relevant to their own work area, and plan their individual CPD work programme, the website includes details of the various subjects covered in the main areas of specialism, indicating the type of knowledge and expertise which might be required in the area. However, this is only a guide and you will need to consider the subjects mentioned against the background of your own knowledge, expertise and experience. In whichever area you practice, you will need to observe the requirements of the Professional Conduct Standards and any related guidance notes and standards published by the profession or the Board for Actuarial Standards.

For more information on skills relevant to the main areas of specialism, please visit the website:

Enterprise Risk Management: http://www.actuaries.org.uk/erm/cpd_technical_needs
Finance & Investment: http://www.actuaries.org.uk/finance_invest/cpd_technical_needs
General Insurance: http://www.actuaries.org.uk/general_insurance/cpd_technical_needs
Health & Care: http://www.actuaries.org.uk/health_care/cpd_technical_needs
Life Insurance: http://www.actuaries.org.uk/life_insurance/cpd_technical_needs
Pensions: http://www.actuaries.org.uk/pensions/cpd_technical_needs

for further information

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