



Certified Actuarial Analyst: executive summary of the qualification

What is it?

The Certified Actuarial Analyst is a new membership qualification, based on quantitative analysis aspects of most of our Core Technical subjects. In launching the qualification we have created two new IFoA membership categories: Student Actuarial Analyst and Certified Actuarial Analyst. It is aimed at those working alongside actuaries and in the broader financial services sector. It has been developed in response to employer and employee demand, and following consultation with users of actuarial services around the world. It would bear all the hallmarks you would expect from the IFoA: a high quality qualification, robust regulatory framework and attractive membership package.

Rationale – why do this?

Our Royal Charter governs everything we do. The Certified Actuarial Analyst proposal supports the public interest objective in our Charter by professionalising actuarial support roles; bringing those undertaking these roles into our regulatory framework; and promoting awareness of actuarial science and the value it adds to society. As recognised by the IFoA's strategy (published in June 2011 by Council), Fellowship isn't right for everyone. There has been a marked increase in the number of support roles in financial services, and whilst there are numerous successful technical financial qualifications, none of these draw directly on actuarial science and are therefore limited in their use within actuarial employers. This has led to demand from employers and students internationally and in the UK for a membership category and associated qualification at this level.

Who would aspire to the qualification?

As the qualification is generic in nature rather than practice area specific, it has a broad applicability. This includes: employees undertaking processing work and support roles alongside actuaries; employees in international 'back office' functions; bright students with strong maths skills who want to get a job without going to university; post-university students worldwide looking to differentiate themselves in a competitive job market; and employees in markets where actuarial science is just starting to develop and where there is a desire to build basic actuarial ability.

What are the key benefits?

For existing IFoA members, it will underpin the quality and skill of those working with qualified actuaries, giving assurance to employees, employers, clients and the wider public. The new qualification is aimed at substantially different roles to those held by Associates and Fellows; as such there is no requirement for the existing membership categories to be changed. Existing IFoA members would continue to benefit from membership of a prestigious and innovative actuarial body with a global reputation for excellence.

For the IFoA, it will help to ensure our ongoing relevance in global markets, increase employers' awareness of actuarial science, and help us to achieve the objectives in our Charter and strategy.

For potential candidates, it will provide membership of a prestigious professional body and the associated benefits of being part of the global IFoA community, including support from the IFoA throughout their careers. The qualification, will be recognised across the world, and will enhance CVs and open the door to a wide range of career options.

For employers, it will professionalise support roles, aid staff retention and boost morale for those in these roles, help employers to attract the best employees, and provide a level of assurance to clients.

In the public interest, as well as for the profession at large, it will help to assure public confidence by ensuring that those working in actuarial support roles are doing so in an environment requiring professional skills and CPD, bringing them into a regulatory framework, and facilitating the growth of actuarial capacity in countries where it is just starting to develop.

About the qualification

The qualification consists of an entry test (Module 0) which candidates will have to pass before taking the further five exam Modules (Modules 1-5) which will in turn focus mainly on calculations and bookwork. Module 0 will be available to non-members. Modules 0-4 will be assessed by Computer Based Testing. Modules 1-4 will cover: Finance and Financial Mathematics, Statistics and Models, Long Term Actuarial Mathematics, and Short Term Actuarial Mathematics. Module 5 (Models and Audit Trails) is a practical exam, delivered online. There will also be a work based skills requirement. We anticipate that it will take a minimum of two years part time study to qualify.

Certified Actuarial Analysts would be subject to regulation by the IFoA, including the Disciplinary Scheme and CPD Scheme, compliance with the Actuaries' Code, and ongoing CPD and professional skills training requirements. The qualification would not entitle a Certified Actuarial Analyst member to call him or herself an Actuary.

Risks

The key strategic risks of introducing this new qualification, and the mitigating actions, have been identified as follows:

- An unsuccessful qualification is launched, causing financial loss and reputational damage: this risk has been mitigated by involving employers in the syllabus development, so that the qualification meets a clearly defined need.
- The qualification diminishes the perceived importance of Fellowship: the IFoA would ensure that it is understood to be a separate qualification pathway aimed at a different group of candidates. To maintain standards, the IFoA would ensure that the Certified Actuarial Analyst members are subject to an appropriate level of regulation.
- Confusion between different membership levels: we recognise that more can currently be done to explain the different membership categories. If members choose to vote in favour of the new membership category, we will further enhance our external communication and marketing to ensure that the distinctions are made clear.
- There is also a potential competitive risk if the qualification is not introduced.

Any questions?

Some information about the qualification and the results of the vote is available on the IFoA website. You can contact by email – CAA@actuaries.org.uk.