Everything You Always Wanted to Know About the 100 Series Exams

Kevin Armstrong
EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT THE 100 SERIES EXAMS...

KEVIN ARMSTRONG, FIA
STAFF ACTUARY,
FACULTY AND INSTITUTE OF ACTUARIES
OVERVIEW

- Education Strategy
- The 100 Series Examinations
- What’s In and What’s Out
- Opportunities to Learn More
- Discussion
EDUCATION STRATEGY
REASONS FOR
THE RECENT CHANGES

• Syllabus content
• ‘Future of the Profession’
• Concern about pass rates
• IAA Syllabus
• Groupe Consultatif Syllabus
THE 1999/2000 SYLLABUS: 100 SERIES SUBJECTS

• 101 Statistical Modelling
• 102 Financial Mathematics
• 103 Stochastic Modelling
• 104 Survival Models
• 105 Actuarial Mathematics 1
• 106 Actuarial Mathematics 2
• 107 Economics
• 108 Finance and Financial Reporting
• 109 Financial Economics
THE 1999/2000 SYLLABUS:
200 SERIES SUBJECTS

• 201 Communications
THE 1999/2000 SYLLABUS:
300 SERIES SUBJECTS

• 301 Investment and Asset Management
• 302 Life Insurance
• 303 General Insurance
• 304 Pensions and Other Benefits
THE 1999/2000 SYLLABUS: 400 SERIES SUBJECTS

- 401 UK Fellowship Investment
- 402 UK Fellowship Life Insurance
- 403 UK Fellowship General Insurance
- 404 UK Fellowship Pensions
SUBJECTS 1-6 (pre 1994)

• 1 Probability and Basic Statistics
• 2 Compound Interest
• 3 Life and Other Contingencies
• 4 Economics and Accounts
• 5 Applied Statistics
• 6 Mortality
(eight independent examinations)

- A1, A2: Fundamentals of Actuarial Mathematics
- B1, B2: Economics and Finance
- C1, C2: Statistics
- D1, D2: Actuarial Mathematics
100 SERIES AIMS

- Develop mathematical and statistical base
- Broaden applicability to Wider Fields
- Provide access to Financial Economics
- Understand nature of modelling
- Communicate with other finance professionals
100 SERIES SUBJECTS

- 101 Statistical Modelling
- 102 Financial Mathematics
- 103 Stochastic Modelling *
- 104 Survival Models
- 105 Actuarial Mathematics 1
- 106 Actuarial Mathematics 2
- 107 Economics
- 108 Finance and Financial Reporting
- 109 Financial Economics *
TRANSITIONAL ARRANGEMENTS (exemptions)

- A1 → 102
- A2 → nothing!*
- B1 → 107
- B2 → 108
- C1 → 101
- C2 → 106
- D1 → 105
- D2 → 104
- *A-D → 101-109
WHAT'S IN THE 100 SEREIS

- a large amount of A-D!
- but with more emphasis on:
  - modelling
  - stochastic approaches
  - financial economics
- plus some material from E-H, eg
  - asset shares
  - product descriptions
WHAT'S OUT OF THE 100 SERIES

• UK - specific material, eg
  – 20th century mortality experience
  – detailed knowledge of standard mortality tables

• out-of-date concepts, eg sinking funds

• reduced emphasis on historical techniques, such as commutation functions
CPD Courses in 103 and 109

- Pilot course in November
- Deals with aspects of 103 and 109
- Further courses will be available depending on success of/demand for the pilot
- (details are still to be finalised - more information will be available at GIRO)
DISCUSSION

- Are the changes welcome?
- What do employers/students think?
- Will the education strategy help attract the right people to the profession?
- What are the advantages and disadvantages of the increased emphasis on wider fields and other professions ("big tent")?
- Is there too much/too little theoretical mathematics in the 100 Series?
- Is the balance right between mathematical topics and practical actuarial work?
- Should we have electives in the 100 Series to allow a greater range of exams?
- etc, etc ....