

MUTUAL RECOGNITION AGREEMENT

BETWEEN: **THE CASUALTY ACTUARIAL SOCIETY**,
a professional membership organization
founded in 1914 and incorporated in the
State of Illinois in 1969, having its head
office and principal place of business in
Arlington, Virginia, USA;
(hereinafter called the "**CAS**")

AND: **THE INSTITUTE OF ACTUARIES** a
professional body incorporated by Royal
Charter in 1884, having its head office and
principal place of business in London, UK;
(hereinafter called the "**UK Institute**")

THE PARTIES HEREBY AGREE AS FOLLOWS:

WHEREAS the CAS is a professional membership organization for actuaries applying actuarial science to property, casualty and similar risk exposures and confers the designation "FCAS" on its Members, which is a designation required by statute in some situations to perform actuarial work;

WHEREAS the CAS currently has three categories of membership, namely "Fellows" "Associates", and "Affiliates";

WHEREAS the CAS traditionally requires individuals to successfully complete the examination requirements set by the CAS, as part of the eligibility requirements for becoming a Fellow of the CAS;

WHEREAS the UK Institute is one of the two professional membership organisations for all actuaries practising in the UK and confers the designation "FIA" on its Fellows, which is one of the designations required by statute in some situations to perform actuarial work;

WHEREAS the UK Institute currently has five categories of membership, namely "Fellows", "Associates", "Students", "Honorary Fellows" and "Affiliates";

WHEREAS the UK Institute traditionally requires individuals to successfully complete the examination requirements set by the Faculty and Institute of Actuaries in the UK, as part of the eligibility requirements for becoming a Fellow of the UK Institute;

WHEREAS the parties wish to facilitate global trade in actuarial services by providing criteria for the recognition of appropriately qualified actuaries from other organizations;

WHEREAS the parties wish to recognize similar educational attainment, to avoid unnecessary barriers, and to enhance the global provision of education, research and professionalism;

WHEREAS each party considers the current education and examination system of the other party for property/casualty (general) insurance acceptable based on their rigour and high standards.

THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

A. THE CAS OFFER TO FELLOWS OF THE UK INSTITUTE

1. The CAS will on application admit as a Fellow of the CAS a Fellow of the UK Institute on the following conditions.

The applicant must

1.1 have obtained a Fellowship qualification in the UK Institute and be a Fellow in good standing with that organization. The applicant must have become a Fellow of the UK Institute by having successfully completed the general insurance specialization within the education and examination system of the UK Institute. Derived qualifications (i.e. where the UK Institute has granted Fellowship to the applicant on the basis of membership in a third actuarial organization) will not be accepted for the purpose of fulfilling the affiliation requirement for becoming a Fellow of the CAS;

1.2 successfully complete the professionalism requirements prescribed by the CAS from time to time;

1.3 demonstrate that he or she has completed a three-year period of full time practical general insurance actuarial work experience within the six-year period immediately prior to the application for FCAS status;

1.4 disclose to the CAS any public disciplinary sanctions that have been imposed against the applicant by any actuarial organization of which he or she is a member. The applicant must also give his or her permission to the CAS to contact the appropriate disciplinary body of the UK Institute. Such record will be taken into consideration by the CAS in determining whether the applicant should become a Fellow of the CAS.

2. The applicants who satisfy condition 1.1 above and who wish to apply for Fellowship of the CAS in due course are encouraged to apply to be enrolled as an Affiliate of the CAS while completing the requirements described under 1.2, and 1.3 above.

3. Upon approval as a Fellow of the CAS, the applicant is subject to the same rights, privileges and obligations as all other Members. All Members of the CAS must comply with applicable actuarial standards, and must comply with the rules of professional conduct of the CAS at all times. In the United States, applicable actuarial standards of qualification are promulgated by the American Academy of Actuaries, and applicable standards of practice are promulgated by the Actuarial Standards Board. In Canada, applicable actuarial standards of qualification and practice are promulgated by the Canadian Institute of Actuaries.

4. Payment of subscriptions to the UK Institute must be maintained at whatever rate the UK Institute deems appropriate.

5. The applicant must send his or her application to the CAS which will administer the process provided for in this Agreement.

B. THE UK INSTITUTE OFFER TO MEMBERS OF THE CAS

1. The UK Institute will on application admit to Fellowship a Fellow of the CAS in good standing on the following conditions; the applicant must
 - 1.1 have attained full membership of the CAS through completion of the examinations prescribed by the CAS.
 - 1.2 attest that he or she wishes to pursue actively the profession of actuary in the UK or Republic of Ireland or to advise on UK or Irish business.
 - 1.3 have at least three years' recent appropriate practical experience of which at least one year was in the UK or the Republic of Ireland;
 - 1.4 have successfully completed a professionalism course approved by the Institute;
 - 1.5 disclose to the UK Institute any disciplinary sanctions that have been imposed against the applicant by any actuarial organization of which he or she is a Fellow (or equivalent). The applicant must also give his or her permission to the UK Institute to contact the Discipline Committee of the CAS. Such record will be taken into consideration by the UK Institute in determining whether the applicant should become a Member of the UK Institute.
 - 1.6 have passed the UK Practice Module in General Insurance
2. Fellows of the CAS who satisfy conditions 1.1, and 1.2 above and who wish to apply for Fellowship of the UK Institute in due course must apply to be enrolled as an Affiliate of the UK Institute while completing any period of experience in the UK or the Republic of Ireland required under 1.3 above and/or in order to be able to attend the professionalism course required under 1.4 above and pass the examination in 1.6 above.
3. Those admitted to Fellowship under this Agreement will have the same rights, duties and obligations as other Fellows of the UK Institute. They will be subject to the Professional Conduct Standards, standards of practice and the disciplinary procedures. Under the former, in particular, Fellows must not offer to undertake duties for which they do not have the relevant knowledge and experience, for example of UK or Irish legislative requirements or commercial practice.
4. Payment of dues to the CAS must be maintained at whatever rate the CAS deems appropriate.
5. The applicant must send his or her application to the UK Institute which will administer the process provided for in this Agreement.

C. OBLIGATIONS OF THE CAS AND THE UK INSTITUTE

1. The CAS and the UK Institute will continue to maintain education standards for property/casualty (general insurance) actuaries that are substantially equivalent. The signing of this Mutual Recognition Agreement is in recognition that these actuarial organizations currently have substantially equivalent education standards. Mutual re-attestation of such

substantial equivalence will take place when significant changes are made in any of these actuarial organizations' education or examination systems.

2. The CAS and the UK Institute will enter into a mutual discipline agreement as soon as is reasonably practical after the signing of this agreement. A violation of the Code of Conduct of one actuarial organization will be considered evidence of a violation of the Code of Conduct of the other actuarial organization. Material on a member's public discipline in one actuarial organization will be forwarded to the other organization for their review and possible action.

3. This Mutual Recognition Agreement will terminate if any of the actuarial organizations signing this Agreement concludes that the obligations in 1 or 2 of this section are no longer being met. Termination of this Mutual Recognition Agreement will not affect rights already granted to individual members under this Agreement.

Signed at **this** **day of** .

CASUALTY ACTUARIAL SOCIETY

President

Board Chair

Signed at **this** **day of** .

INSTITUTE OF ACTUARIES

Michael Pomery MA FIA
President