



Institute  
and Faculty  
of Actuaries

# Curriculum 2019

## Why is the IFoA launching a new curriculum?

The employment opportunities available for those with an actuarial skill set continue to develop both within and outside the traditional areas. The Institute and Faculty of Actuaries (IFoA) wants to ensure that, through the qualification for Associateship and Fellowship, members are in a position to take advantage of these opportunities.

To support this, the IFoA is introducing a new curriculum, which has been developed along with the changes to the syllabus made by the International Actuarial Association (IAA).

This document will outline the structure of the new curriculum and how the current system will transfer over.

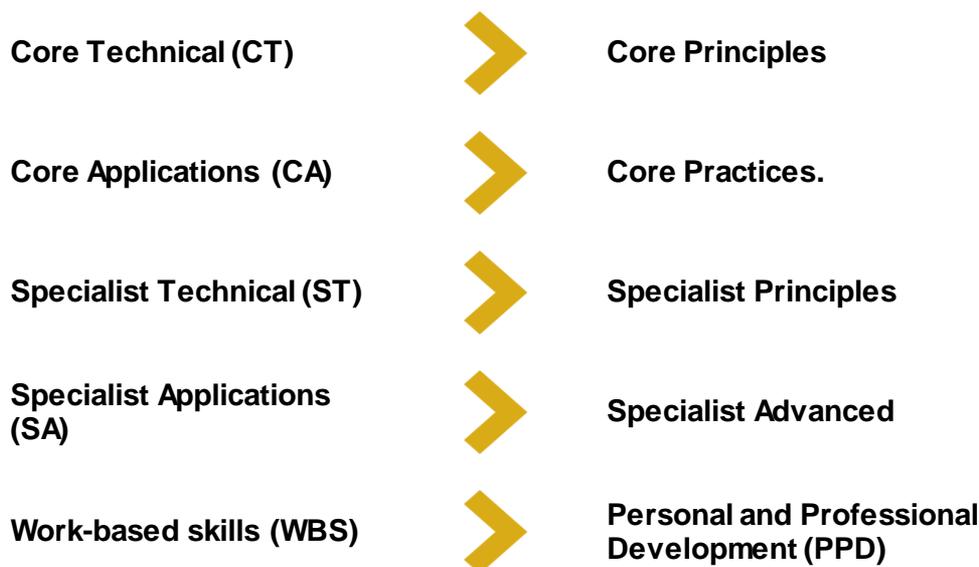
## How will the new curriculum look?

There are three main components to an actuarial qualification – examinations, professionalism, and work-based experience.

In the new curriculum there will continue to be four stages to the examination part of the qualification structure. Two stages are required to qualify as an Associate and four stages are required to qualify as a Fellow.

Work-based skills will also be changing, bringing the requirement into alignment with the IFoA's CPD scheme.

The name changes reflect what is required at each stage.



# What will be required to qualify?



To qualify as an Associate, you will need to have passed or been granted an exemption from all Core Principles and all Core Practices subjects. This is in addition to completing one year of Personal and Professional Development (PPD).

To qualify as a Fellow, you will need to have passed or been granted an exemption from all Core Principles and all Core Practices subjects, two Specialist Principles subjects and one Specialist Advanced subject. This is in addition to completing three years of Personal and Professional Development (PPD).

Students beginning their studies under the new curriculum will not be subject to an increase in the number of study or examination hours from the current system. The curriculum has been developed so that the length of time it should take the average student to qualify will not increase.

It is intended that students who are currently studying, and will continue to study under the new curriculum, should not see an increase in study or examination hours either. This does, however, rely on students having completed their exams in line with the transfer rules set out in this document.

The exams can be sat in any order, and there is no requirement to pass any exam before sitting another. It is, however, recommended that you attempt the Core Principles series first.

# Core Principles

In the Core Principles stage there will be three main modules: Actuarial Statistics (CS), Actuarial Mathematics (CM), and Business (CB). All of these modules need to be passed to be able to qualify as an Associate or a Fellow. The letter C in each of these modules stands for Core.

## Actuarial Statistics



The Actuarial Statistics (CS) module will consist of two subjects. Actuarial Statistics 1 and 2.

Each subject will consist of two exams. One is a three hour paper-based exam and the other is a one hour and thirty minute computer based exam.

These exams can be sat and passed separately.

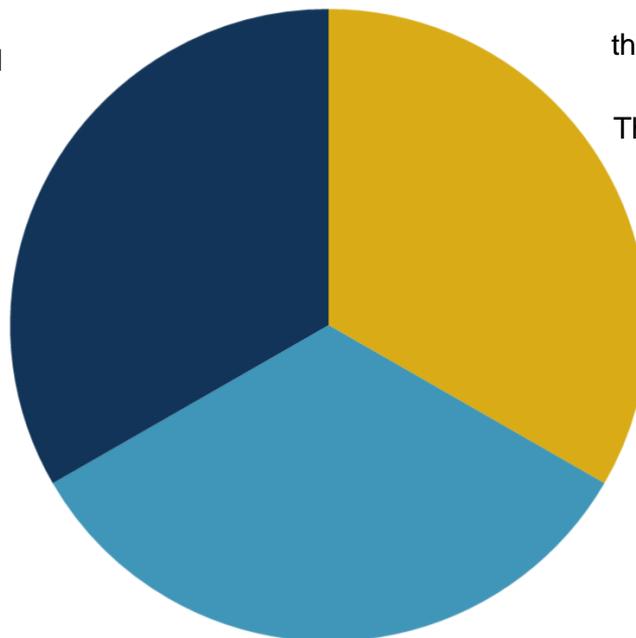
## Actuarial Mathematics



The Actuarial Mathematics (CM) module will consist of two subjects. Actuarial Mathematics 1 and 2.

Each subject will consist of two exams. One is a three hour paper-based exam and the other is a one hour and thirty minute computer based exam.

These exams can be sat and passed separately.



## Business



The Business (CB) module will consist of three subjects – Business 1 (Business Finance), Business 2 (Business Economics), and Business 3 (Business Management).

These are all three hour paper-based exams which can be sat in any order

# Core Practices

In the Core Practices stage there will be three main modules: Actuarial Practice (CP1), Modelling Practice (CP2) and Communication Practice (CP3). All of these modules need to be passed to be able to qualify as a Fellow or Associate.

## Actuarial Practice (CP1)

The Actuarial Practice (CP1) module will be examined by two paper-based exams. The first paper is a three hour paper based exam and will contain questions requiring short answers.

The second paper will have an extended planning time of forty five minutes and an exam writing time of two hours and thirty minutes. This will contain longer case study type questions.

Both papers need to be sat and passed together.

## Modelling Practice (CP2)

The Modelling Practice (CP2) module will be examined by two three hour computer based examinations. These will cover the modelling of data, documentation of work, analysis of methods, communication to an actuarial audience and data analytics.

Both papers need to be sat and passed together.

## Communication Practice (CP3)

The Communication Practice (CP3) module will be examined by one three hour computer based exam. This will cover what and how to communicate, along with preparing a communication to a non-actuarial audience and justifying why you chose a particular method.

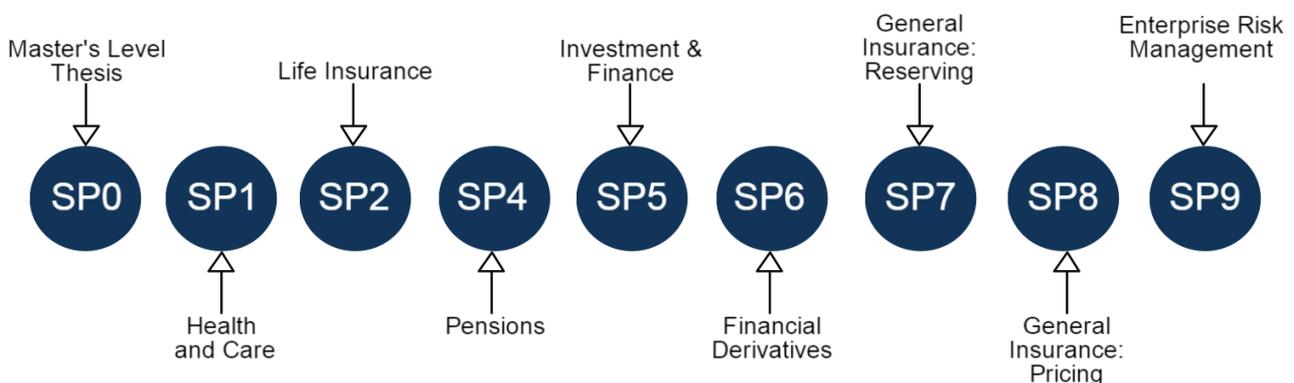
The new format CP3 exam will be launched in September 2017. More details about this new format will be announced on Monday 22 May 2017.

# Specialist Principles

The Specialist Principles modules (SP) require you to be able to demonstrate an understanding of the concepts of specific specialist subjects.

Each subject will be examined by a three hour paper-based exam. An option for those who have obtained an alternative qualification will be offered as SP0.

Two of these subjects have to be passed to be eligible to qualify as a Fellow. It is not necessary to complete any Specialist Principles subjects to be eligible to qualify as an Associate.

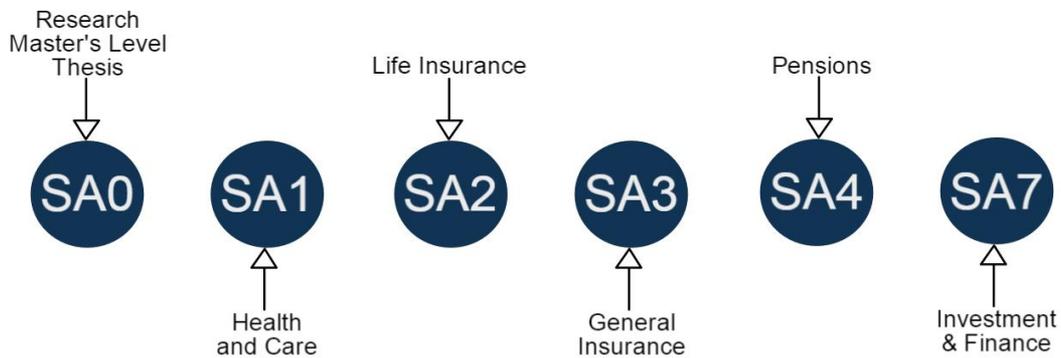


# Specialist Advanced

The Specialist Advanced modules (SA) require you to apply specific knowledge of principles of actuarial practice to the provision of specific practice areas.

Each subject will be examined by a three hour paper-based exam. An option for those who have obtained an alternative qualification will be offered as SA0.

One of these subjects has to be passed to be eligible to qualify as a Fellow. It is not necessary to complete any Specialist Advanced subjects to be eligible to qualify as an Associate.



Throughout their career as an actuary individuals are expected to act within the framework of the Actuaries' Code. The principles of which are:

**Integrity:**

Members will act honestly and with the highest standards of integrity.

**Competence and Care:**

Members will perform their professional duties competently and with care.

**Impartiality:**

Members will not allow bias, conflicts of interest, or the undue influence of others to override their professional judgement.

**Compliance:**

Members will comply with all relevant, legal, regulatory and professional requirements, take reasonable steps to ensure they are not placed in a position where they are unable to comply and will challenge non-compliance by others.

**Communication:**

Members will communicate effectively and meet all applicable reporting standards.

To help members develop their understanding of how to apply this code in practice, the IFoA has developed different stages which need to be completed. For students the main stages are.

**Stage 1, the Online Professional Awareness Test:**

This is a 90 minute, mainly knowledge based, multiple choice online exam, which it is recommended to sit within your first year of membership.

**Stage 2, the Professional Skills Course:**

This is an online course which continues the development of professionalism through case study discussion. These discussions explore the concepts of professionalism, and business ethics. They also provide an opportunity to demonstrate judgement and decision making to resolve issues.

## Personal and Professional Development (PPD)

As part of the journey to become a qualified member of the IFoA, an individual needs to demonstrate relevant skills and experience within a work environment.

To do this, the IFoA requires Personal and Professional Development (PPD) to be completed in addition to the examinations and professionalism requirements.

The PPD requirement will include three categories, subdivided into three key competencies with each competency carrying a credit value. All credits will be recorded online and there will be a minimum annual requirement for each qualification route.

The PPD requirement will be in line with the CPD Scheme which all members need to adhere to.

The three key competencies of the PPD requirement will be.

- Effective Communications
- Problem Solving and Decision Making
- Professionalism

It is anticipated that PPD will be introduced in 2017, and all students, regardless of when they joined the IFoA, will need to complete the annual requirements.

There will be transfer rules when moving from work based skills (WBS) or work experience to PPD and these will be released in the coming months. Any students completing WBS should continue to do so as normal until instructed otherwise.

## General Principles.

In preparing these transfer arrangements a number of general principles have been taken into consideration.

These include the following:

- All subjects in the current curriculum transfer onto a subject in the new curriculum
- The IFoA aims, wherever possible, to achieve a situation where there will be no increase in the number of examination hours
- Subject to the transfer rules below, all passes and exemptions that you already have will be transferred over to the new curriculum
- Where a subject in the new curriculum comprises of two current subjects it is recognised that a student may only have one part. We have, therefore, allowed four exam sessions for the completion of the half they are missing
- The change in curriculum will not create a situation where anyone is granted further passes or exemptions than they have already achieved
- The change in curriculum will not create a situation where anyone will qualify as a direct result of the changes made
- The eligibility criteria (the requirement to have a pass or exemption in one subject before being able to attempt another) will be removed for all exams

## Transfer rules.

In order to obtain a pass in an exam in the new curriculum you must obtain passes in the applicable subjects in the current curriculum by the 31<sup>st</sup> December 2018.

The exemptions process will continue to form a part of the new exam structure. For exemptions from exams in the new curriculum you must have been granted an exemption from the applicable subjects in the current curriculum by the 1<sup>st</sup> February 2019. This does not apply to those universities where an agreement is in place with the IFoA for students still to complete their degree programme.

**If an exam in the new curriculum has two applicable subjects in the current curriculum you will need to obtain passes or exemptions in both of these to be able to obtain a pass or exemption in the new subject.**

**If you have a pass or exemption in only one of these applicable subjects by the time the deadlines have passed you will need to sit the new subject as a whole.**

## Actuarial Statistics (CS1 and CS2)

The subjects covered in the Actuarial Statistics modules CS 1 and CS 2 cover content previously in subjects CT3, CT4 and CT6.

CS1 covers subject CT3, and CS2 covers subjects CT4 and CT6. You will need to have passed or been granted an exemption from both CT4 and CT6 to be eligible for a pass in CS2 during the transfer process.

A number of basic concepts contained within the current CT3 subject will become non-examinable pre-requisites to allow for new material to appear in CS1.

## Actuarial Mathematics (CM1 and CM2)

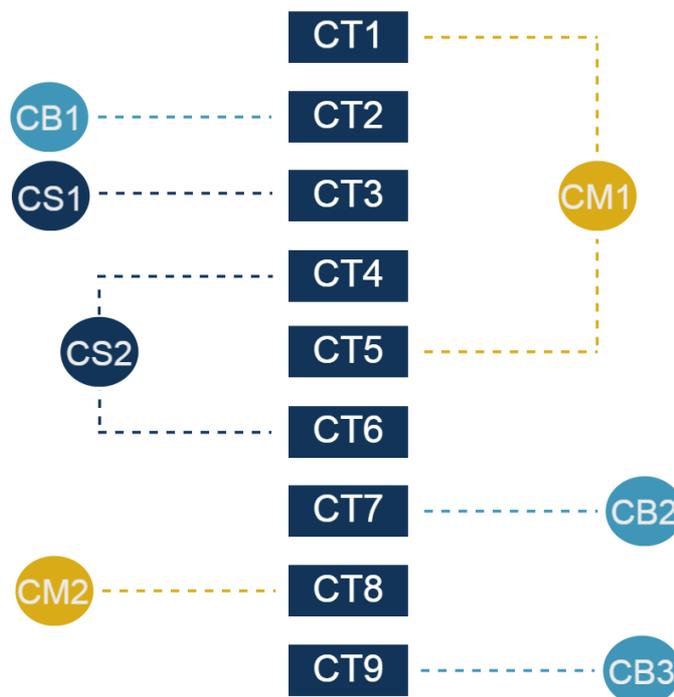
The subjects covered in the Actuarial Mathematics modules CM1 and CM2 cover content previously in subjects CT1, CT5 and CT8.

CM1 covers subject CT1 and CT5, CM2 covers subject CT8. You will need to have passed or been granted an exemption from both CT1 and CT5 to be eligible for a pass in CM1 during the transfer process.

## Business (CB1, CB2 and CB3)

The subjects covered in the business modules CB1, CB2 and CB3 cover content previously in subject CT2, CT7 and CT9.

CB1 covers subject CT2, CB2 covers subject CT7 and CB3 is a replacement for CT9.



## Actuarial Practice (CP1)

The module Actuarial Practice (CP1) covers the content currently covered in CA1.

It will be examined by two paper-based exams. The first containing questions requiring short answers and the second containing longer case study type questions.

The first paper is a three hour paper-based exam. The second paper will have an extended planning time of forty five minutes and an exam writing time of two hours and thirty minutes.

## Modelling Practice (CP2)

The module Modelling Practice (CP2) covers the content currently covered in CA2 .

There is additional material added around data analytics and this module will be examined by two three hour computer based exams.

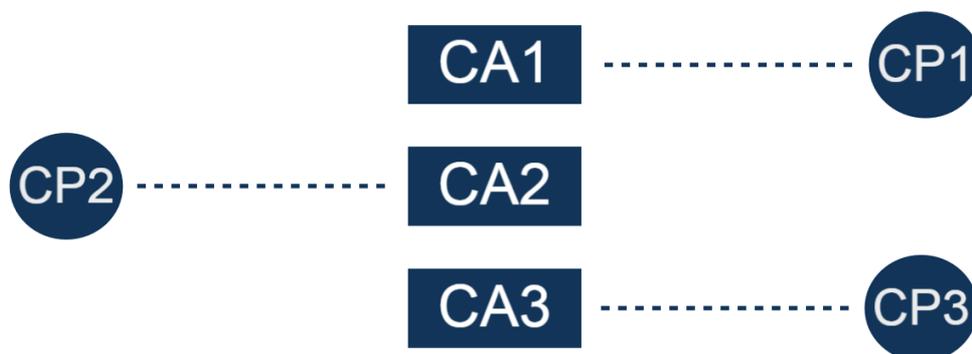
## Communication Practice (CP3)

The module Communication Practice (CP3) will contain content similar to the current CA3 syllabus.

The module will be examined by a three hour computer-based exam, which will cover what and how to communicate, along with preparing a communication to a non-actuarial audience and justifying why you chose a particular method.

The current presentation element of the CA3 exam will be removed.

The new format CP3 exam will be launched in September 2017. More details about this new format will be announced on Monday 22 May 2017.



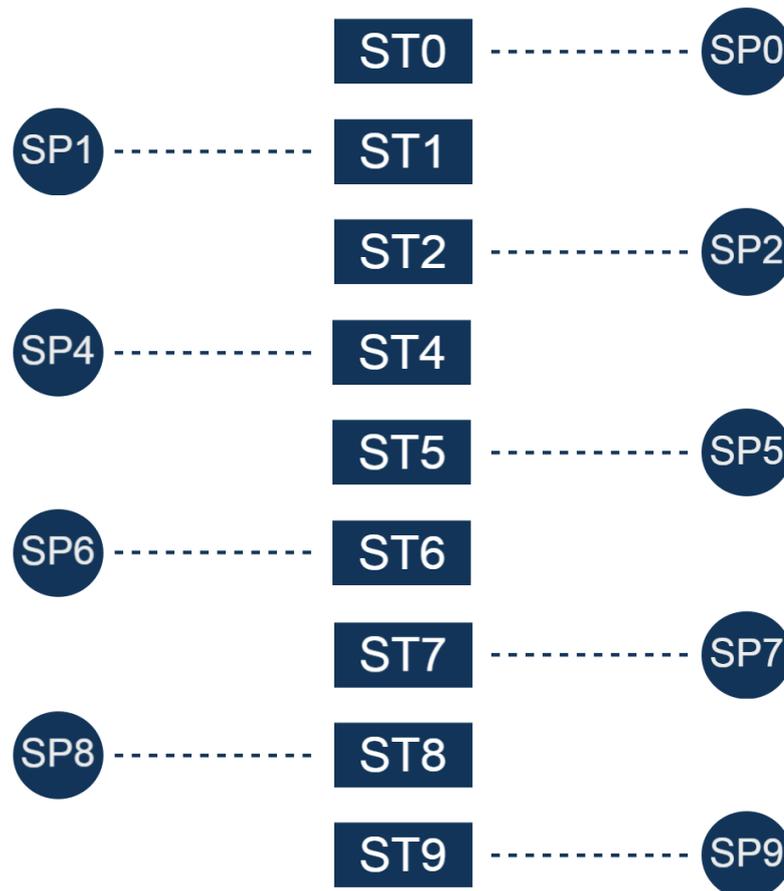
# Transferring from the Specialist Technical (ST) stage to Specialist Principles

The Specialist Principles (SP) modules cover the content currently covered in the Specialist Technical (ST) subjects.

The name change to “Principles” highlights the requirements to be able to demonstrate an understanding of the concepts of the relevant specialist subject.

The Finance and Investment subjects are renamed to better illustrate the content they cover.

Each subject will continue to be examined by a three hour paper-based exam. An option for those who have obtained an alternative qualification will continue to be offered as SP0.



SP1 (Health and Care) covers the content in the current ST1 subject.

SP2 (Life Insurance) covers the content in the current ST2 subject.

SP4 (Pensions) covers the content in the current ST4 subject.

SP5 (Investment & Finance) covers the content in the current ST5 subject.

SP6 (Financial Derivatives) covers the content in the current ST6 subject.

SP7 (General Insurance: Reserving) covers the content in the current ST7 subject.

SP8 (General Insurance: Pricing) covers the content in the current ST8 subject.

SP9 (Enterprise Risk Management) covers the content in the current ST9 subject.

# Transferring from the Specialist Applications (SA) stage to Specialist Advanced

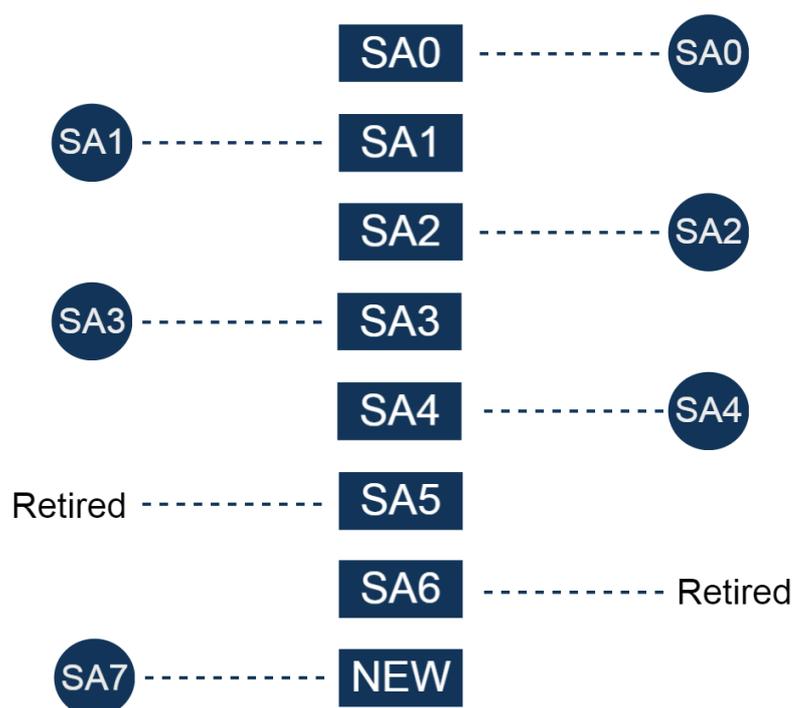
The Specialist Advanced (SA) modules cover the content currently covered in the Specialist Applications (SA) subjects.

The requirement for detailed knowledge of UK legislation and regulation has been moved to the UK Practice Modules (UKPM). The Specialist Advanced modules will still require knowledge of the principles of the UK market and regulatory regimes, but there has been a re-balancing to include comparison between jurisdictions and expansion in non-UK-specific topics.

The two current Finance and Investment subjects, SA5 and SA6, have been combined into one subject (SA7). The majority of the new syllabus for SA7 comes from the current SA6 subject and a number of corporate finance objectives come from SA5.

The Specialist Advanced modules will typically assume knowledge of the Specialist Principles module with the same number, except for SA7, which will assume knowledge of SP5.

SA0 will continue to be offered as an alternative.



Specialist Advanced 1 (Health and Care) covers the content in the current SA1 subject.

Specialist Advanced 2 (Life Insurance) covers the content in the current SA2 subject.

Specialist Advanced 3 (General Insurance) covers the content in the current SA3 subject.

Specialist Advanced 4 (Pensions) covers the content in the current SA4 subject.

Specialist Advanced 7 (Investment & Finance) covers the content in the current SA5 and SA6 subjects.

**Passes achieved in both Specialist Applications 5 and Specialist Applications 6 under the current curriculum will continue to be valid under the new curriculum. These subjects will be retired, but historical passes will be kept.**