

## New Year's Resolution

ACCORDING TO THE WEBSITE PROACTIVE CHANGE, about 45 percent of us make New Year's resolutions every year. And by the end of January, 36 percent of us have already failed to keep those resolutions. I have a friend who, wishing to avoid the disgrace of yet again failing to achieve the goals she set for herself in those heady last moments of the old year, vowed this year that she would go for something achievable—perfecting the pear-shaped body form.

Regardless of your success in keeping resolutions, the beginning of a new year is still a great time to ponder your professional development. Think about what the year may bring for you—a change in direction for your actuarial career, additional responsibilities in your current area of practice, or another year in the same job with rapidly changing requirements.

Setting aside time each year to review qualifications and establish a plan of action for continuing education (CE) should be as automatic as scheduling your annual physical. It may be helpful to have this regular review coincide with:

- Your company budgeting process, in case you will need to travel to any seminars;
- Year-end;
- Your birthday.

Use whatever works for you in order to make this a regular part of being professional.

This is a perfect time to think about your responsibilities and the knowledge you expect to need in effectively performing your duties. And don't forget to factor in your current level of expertise. The gap between these two bodies of knowledge should form the basis of your professional development plan. In addition, you must reflect on the requirements of your member organization(s).

A good starting point for your professional development checklist is a thorough review of the U.S. Qualification Standards. Since most U.S. actuaries

who are still active in the profession express opinions while performing actuarial services—and expect others to rely on those opinions—they are subject to the U.S. Qualification Standards. You should examine your professional responsibilities and determine whether you are subject to the general Qualification Standard and also if you are subject



to any additional requirements under the specific Qualification Standards.

### Counting CE

The general Qualification Standard sets out the actuarial CE requirement as follows:

To satisfy the General Qualification Standard, actuaries are required to complete and document at least thirty (30) hours each calendar year of relevant continuing education of which at least three (3) hours must be on professionalism topics and at least six (6) hours must be “organized activities” ....

The standard then discusses specific applicable professional situations, such as issuing opinions in more than one area of practice and statements of actuarial opinion issued by more than one actuary.

Each year, the Actuarial Board for Counseling and Discipline (ABCD), along with other committees, receives a number of queries about CE requirements under the U.S. Qualification Standards. Here's a sampling that may help you as you go through your own checklist:

#### **My company has a rigorous system of training experienced actuaries in new topics. Can these training sessions count toward my 30 hours?**

Yes, though they would generally *not* count as organized activities unless an outside speaker is used.

#### **Due to an illness, I was unable to complete my required CE in the calendar year. Can I still sign a statement of actuarial opinion (SAO)?**

Yes, as long as you complete the required number of hours before issuing an SAO. Also, those hours that you use toward the previous year's requirement cannot count toward your current year.

**How do I know if a particular educational event will be considered “relevant”?**

Actuaries should make a “reasonable, good-faith determination” of what constitutes “relevant.” A couple of guidelines are given: Does it broaden your knowledge of the work you do? Does it expand your knowledge in a related area of practice? Or does it help build your knowledge of a new area of practice?

**Are only technical subjects considered relevant?**

Business and consulting topics such as communication skills or presentation skills may be considered relevant, along with professionalism topics such as attending a session on the Code of Professional Conduct. Note again that a minimum of three hours of professionalism topics is required each year, while there is a maximum of three hours allowed for general business topics.

**I am issuing a joint opinion with another actuary that covers both health and pension subjects. Do we each need to meet the requirements for both pension and health?**

No, but together you must have the required basic education, experience, and CE related to all of the areas of practice covered in the opinion.

CE requirements for specific Qualification Standards are met when the actuary completes 15 hours per calendar year in topics

that are directly related to the issuance of an SAO. Note that six of the 15 hours must involve interactions with outside actuaries or other professionals. Also, the 15 hours earned to meet the specific standard can be used toward satisfying the requirements of the general standard.

**Beyond Minimum Requirements**

While the U.S. Qualifications Standards provide some requirements, the actuary must still be able to say that he or she is qualified to do the work in the true sense of the term, under Precept 2 of the Code of Professional Conduct. Qualification Standards should be viewed as a minimum. In order to be qualified, actuaries often will exceed them. This is especially true when you have experienced a job change (or are anticipating one) or there have been substantial changes to your current area of practice.

Armed with this information, I wish all of you a great new year, meaningful professional development, and perhaps at least one successful New Year’s resolution. □

NANCY BEHRENS, a fellow of the Society of Actuaries, a member of the Academy, and a member of the Actuarial Board for Counseling and Discipline, is vice president—life/health and mutual funds for State Farm Insurance Cos.

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