

# SOA Town Hall Aug. 9 for Candidates and Members

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## SUMMARY KEYWORDS

candidates, exams, courses, fsa, actuaries, pathway, soa, material, modules, fellowship, current, stuart, tracks, question, actuarial, dirk, meet, curriculum committees, employers, today

## SPEAKERS

Dirk Sack, Tim Rozar, Mike Nowak, Stuart Klugman

## SUMMARY

- Introductions. (0:08)
- Supply and demand factors for the actuarial profession. (4:24)
- The components of the new system. (9:54)
- Feedback and feedback for candidates. (14:16)
- Flexibility of track courses. (22:33)
- How do we plan to preserve the rigor of the pathway? (27:54)
- Transitioning to open book exams. (32:38)
- How long does it take to become an actuarial practitioner? (37:30)
- How will this affect pass rates? (44:54)
- How will exams be taken in order? (50:28)
- How will this change impact appointed actuaries? (55:02)

### Mike Nowak 00:08

Hello everyone. My name is Mike Nowak, I'm the communications manager at the Society of Actuaries. And we're gonna get started now. So with that I wanted to do a brief introduction. And from that if we could look at Stuart, and Dirk, I'd give a brief introduction, followed by Tim and then Tim will start walking us through materials. And at the end, we'll save that for q&a. So we'll we'll have we've got a full hour so we've got plenty of time for for q&a, and please feel free to submit your questions as you see fit.



**Dirk Sack 00:41**

Stuart, Dirk.

**Stuart Klugman 00:43**

I'll start. Hi, everyone. I'm Stuart Klugman. I'm a senior staff fellow in the education department at the Society of Actuaries. I've been working on this project since its inception a couple of years ago, and I've been working for the Society of Actuaries for the past 14 years. For 35 years previous to that I was a university professor at the University of Iowa and Drake University. Excited to be here to talk to you today about these changes and turn it over to Dirk to introduce himself.

**Dirk Sack 01:15**

Thank you, Stuart. Yes and Dirk Sack did volunteer the SOA exams for the past 27 years and currently the past general chair on the education executive group and will chair the new fellowship pathways implementation and development task force which kicked off a few weeks ago. So looking forward to all of these changes and implementing them successfully over the coming year. With that over to Tim

**Tim Rozar 01:44**

Oh, Tim, you're muted. Thanks. And thanks, Dirk and Stuart. So yeah, I'm Tim Rozar, currently president elect of the Society of Actuaries. My day job I'm Chief of Staff to the CEO at RGA reinsurance company. We are going to be talking today about the enhancements and improvements that are coming to the FSA pathway over the next couple of years. I think we're all very excited about it and interested in hearing everyone's feedback and questions today. So the SOA in my I guess, admittedly biased opinion is the premier organization in the world for actuarial education. And as such, we do need to keep ensuring that we're evolving our education system to respond as the needs of employers and candidates change. Of course, we will always ensure that we're maintaining that standard of excellence and rigor that we've had for so many years, while also actively listening and responding to the feedback that we hear from candidates and employers. We're trying to identify what we need to do to meet the needs more effectively. I hope you'll see how the changes that we're proposing today will address the feedback that we've heard. Next slide, please. So we're going to cover a number of items today. And of course, we will have time for questions at the end. So we're going to start by taking a look at some of the macro trends that we're seeing for the global actuarial profession and also for the society that will talk about the feedback that we have heard from candidates about the current FSA pathway, and then discuss how we're addressing those challenges and those macro trends with the new design for the FSA pathway. Next slide, please. So first, let's take a look at some of the trends we're seeing and how those trends inform the improvements that we're making to the FSA pathway with recent updates to the ASA pathway, which have garnered success in candidate engagement,

we're now changing, making changes to enhance the FSA pathway. It will meet the needs we believe of candidates employers and power the profession for long term growth. We are committed to maintaining our standard of excellence in strengthening the value of our global credential. Next slide, please. So to set the stage for some of the enhancements you're going to hear about. Let me take a step back and talk about some of the supply and demand factors that we've observed for the global actuarial profession. So starting on the demand side, we do see a growing demand for actuarial talent or at least for the skills, the knowledge, the capabilities and the professionalism that actuaries can bring. This is especially true in markets outside of North America, which are as you know, markets where the SOA sees some of its fastest growth in candidates and and members. Now on the supply side, though, we do have some challenges as an organization and more broadly as a profession. The SOA and other professional organizations both actuarial and non actuaries have seen a decline in new candidates into their credentialing pathways. We also observe that through slower growth among university students that are enrolling or graduating from actuarial science degree programs. All of that, of course, is going to be influenced by an increase in the career options that the students have, including, but not limited to data science. There's a lot of options out there. And we're trying to make sure that the actuarial profession and the SOA pathway is attractive to those candidates and also meets their educational and career goals. So when we see these trends, we have a sturdy, global demand for the talent and the skills that actuaries can bring. But we have a declining supply of new actuaries. We know we have to better understand what is driving that like what's behind that. And what can we do to improve the candidate experience to address those challenges, while still maintaining the respect and excellence and the rigor of the SOA credentialing process? Next slide, please. So we've previously made changes to the ASA pathway to help address some of those challenges and some of the other challenges you'll hear today. But now we're moving that into the FSA pathway, really with the goal of meeting the needs of employers of candidates and of the profession. These enhancements will provide candidates with a better learning experience increased flexibility, again while maintaining rigor and it will provide greater global relevance to our credential. The path the new pathway is candidate Centric and the changes that we're enacting are in direct response to feedback that we've heard from candidates. That feedback has been collected through extensive market research and in depth interviews, both with candidates and with employers and other members. So what have we heard? So, so much, we've heard from candidates about the entire journey their entire experience from candidates outside of the US and Canada. We've heard that some of the content is less relevant to their particular jobs and global markets. We've heard that our current process with strictly defined tracks doesn't allow for customization or flexibility that is relevant to their careers. And we've heard a lot about the exam process itself. candidates don't always know exactly what to study or how to go about studying it. They feel like it takes too long to get results after they've taken an exam. And then when they fail an exam but we're close to passing. They aren't receiving feedback on how to improve for their next attempt. Next slide, please. So I'm an optimist. So the good news is we have plenty of things to improve on. And the new pathway is attempting to do just that. I'm not I don't want to steal Stewart's thunder. He's going to go through all the details and explain what all these changes mean. But at a high level, the new pathway will be more flexible, allowing candidates to study different practice areas and different specialties within the the FSA pathway. We are going to speed up the grading process which in turn is going to enable more flexibility in terms of how many exam settings are available each year. One of the larger changes, which I'm sure we'll discuss in more detail, is that the more advanced country specific regulatory material is going to be covered outside of the FSA pathway with optional certificate

programs. And we are addressing concerns on the syllabus materials, the study materials and on providing exam feedback. So with that, let me turn it over to soon



The Actuarial Profession is at a Point of Inflection.  
 The SOA is committed to advancing the profession in an increasingly complex and ever-changing environment.

SOCIETY OF ACTUARIES

Macro Trends and the Case for Change

The global demand for actuarial talent is growing; however, the overall pipeline of actuarial candidates is slowing. The SOA is adapting to meet future employer demand.

Demand ↑	Supply ↓
<p><b>Growing Global Demand</b></p> <p>Increasing demand for actuarial talent in global markets</p>	<p><b>Decline in New Candidates</b></p> <p>New actuarial candidates have declined along with other certifications</p>
	<p><b>Low Graduation Growth</b></p> <p>Graduation growth in Actuarial Science is low compared to competing programs</p>
	<p><b>More Career Options</b></p> <p>There is an increasing number of career options in related fields</p>

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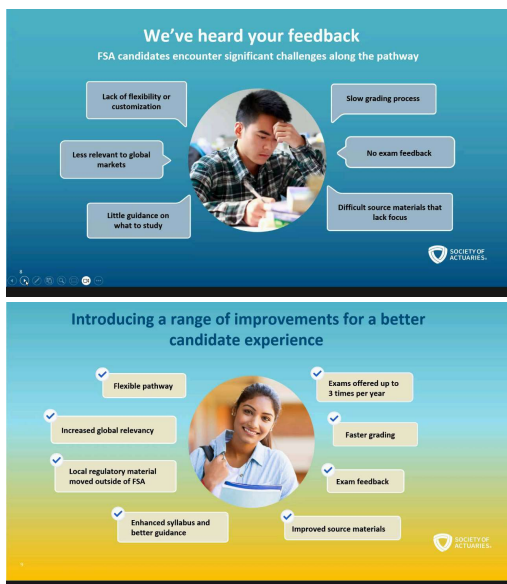
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SOCIETY OF ACTUARIES

The SOA is evolving the FSA pathway to better meet the needs of employers, candidates, and the profession.

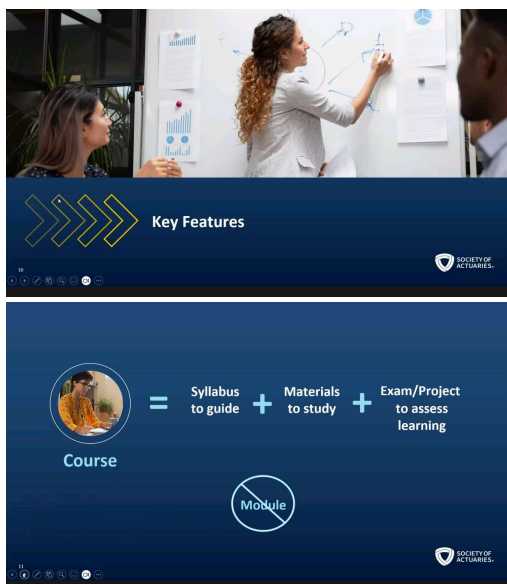
<p>A Better Learning Experience</p>	<p>Increased Flexibility</p>	<p>Greater Global Relevancy</p>
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SOCIETY OF ACTUARIES



09:35

All right. Thanks, Tim, for setting this up. My job now is to go through the details of the items that were on the previous slide. And so let's begin though with a definition. So go to the next slide. The components of the new system will be referred to as courses today. Our fellowship pathway has two different types of components when we call exams when we call modules. And this new system will just refer to everything as a course and courses an all encompassing term. It represents the syllabus that that tells candidates what it is we want them to know and what it is we want them to be able to do on that topic. That it includes materials to study to provide a way for candidates to learn how to do those things and acquire the knowledge that we expect them to gain. And then the final component of a course is an assessment to verify that a candidate has indeed mastered the concepts that were in the syllabus in the materials. We've using exam slash project here. Because we want to be flexible in this way in the new system, to not necessarily have every course be assessed with a traditional exam. We want the assessment to relate to the material being assessed and give us the best opportunity for candidates to display their knowledge and for us to verify that they've acquired that knowledge. So while today, an exam across the board and our fellowship exams are timed, are fully proctored and are closed book. We want to have the opportunity to consider relaxing any of those constraints that we put on candidates today as we develop the assessments in these new courses. The other item on the screen is a reminder that with the exception of DMAC modules as we currently present them will not be part of this new pathway. So when I say module as current, that means elearning with a light touch assessment. That doesn't mean there won't be elearning components in the new courses. That doesn't mean we will avoid take home assessments, but they won't look like the current modules. And again, we'll use the the phrase term course to define each of the components. So with that, let's go into the new elements and changes that we're making.



### Stuart Klugman 12:12

So there's two on this first slide. We want to give candidates an opportunity to get either through the pathway quicker, or give them some flexibility of when they choose to devote their energies to completing courses. So our plan is to offer high demand exams and we've yet to determine where that boundary is between high and low demand. If you look at the exam statistics, there's quite a difference and take up among the various exams. So there is a boundary there somewhere that will define what's a high demand exam to be offered three times per year. We'll divide the calendar year into three four about segments and there'll be courses available in each of those four months segments for high demand exams. lower demand exams will still be available two times per year with one of those periods being taken off from offering that exam. So candidates who want to hurry can get through quickly by writing three times a year. Those who want four months off for personal or work activities that can do that as well. To facilitate that we have to have a faster grading process. So I will have candidates have always complained about the length of time particularly relevant to say how they were able to get university exams back in a week or two. The necessity wasn't necessarily there. But now it is if a candidate wants to know what they'll do in the next four month period, they have to have the results from the current four month period. So we're looking to cut that time to about three to four weeks for turning grades around. That's going to be quite a challenge for us. We've already started some meetings to figure out how we can improve processes and how we grade to get that done. We have a lot of good ideas on the table. And now we've got some time until this whole thing is implemented to figure out how we're going to make it work. Next slide. Feedback. As you may know, today, we don't give much feedback on a fellowship exam. If you fail for each question number, you get a percentile score of how you did relative to other candidates. This is not fully helpful in a couple of ways. If the question is easier, or I'll say if all candidates do well a candidate might have a low percentile score, but actually have demonstrated mastery and doesn't really need to improve in that area. And similarly, if a question was really challenging, or many candidates did poorly, a high percentile ranking may not actually indicate that there's no room for improvement. So we want to give some feedback that's more direct to how the candidate did in absolute terms. In addition, we're going to look into giving that feedback at the question part level, or fellowship exam questions almost always have an ABCD etc part

and they're often quite different. One part might be written the answer to explain something. The other part might be a calculation that results in a number. And at the question level, a candidate may not know whether they were doing well at explaining or doing well at calculating and more granular results will be helpful. And then for those candidates who come close to passing, so we're thinking about a score of five for that they have the opportunity for a fee to get detailed written feedback where someone will look at their exam and the model solution and give them a detailed indication of where they did well, where they came up short and what they can do to improve when they encounter that material the next time. Next slide. Improved syllabus. So right now we tell candidates what to read and then send them off with those readings and ask them to come back and be successful on an examination. There are some issues that we can resolve to make this work better for candidates. One of them is simply to tie the readings more closely to the learning outcomes. Currently, they're tied to higher level learning objectives, and to give candidates a recommended order to work through those readings. In addition, in some cases, it's not always obvious from a given reading exactly what it is. We want candidates to know or be able to do when they finished and so some additional guidance and that direction will be provided and where appropriate when there's not enough of that material in the reading some examples or illustrations to again help candidates see what it is we're hoping they'll be able to do after they've completed the reading. Our goal here is not to replace the services provided by the third party providers who are out there helping candidates learn the material, but we think we can do considerably better than we're doing today. Next up so everything I've talked to up to this point has been about the process and ways we handle our exams currently the remaining topics are shifts in how what we'll actually be asking candidates to learn and what their pathway to fellowship will look like. Today on our for practice area, tracks, group and health individual life and annuities, retirement benefits in general insurance. We have a guarantee that when a candidate earns fellowship and those tracks for web for the US or Canada depending on which subset of exams they've selected. They're fully qualified to meet all regulatory roles in their respective countries in the US. That term would be they meet the specific qualification standards to be appointed actuaries are signed the NAICS statement of opinion and similar for Canada fully qualified to meet the regulatory roles in their practice area. That requires us to include in the pathway to fellowship very detailed regulatory material that relates specifically to how to fulfill that role. We find that many of our international candidates are just not interested in learning that material, that it's too specific for what it is they want to do for their careers and even in the US and Canada. Not every one of our fellows takes on a valuation type for oil and needs to be grounded in that very detailed material. So what we're going to do is shift that material to outside the FSA requirements. So the courses in the pathway will no longer cover that material. And I want to really emphasize the slide here on the upper right detailed local regulatory material that does not mean ALL OF US or Canadian practice will be moved outside the fellowship pathway. It does not mean fundamental regulatory principles and frameworks such as IFRS, GAAP, solvency, two etc. will be moved out. Those are things that all actuaries need to know. And we want to make sure our new fellows know those things as well. What we do want to move out are the very specific details of local regulatory requirements and Derek I'll alert you I pressed you're expecting this but perhaps you could give us a quick example of what we're talking about in a Canadian life insurance environment.


### More Frequent Exams and Faster Grading

**Current Challenge**

- Infrequent exams (2 times per year)
- Slow grading process

**SOA Shift**

- High-demand exams offered up to 3 times per year
- Faster grading process




### Improved Syllabus and Source Materials

**Current Challenge**

- Challenging source materials that lack focus and prioritization

**SOA Shift**

- Improved source materials with worked examples and practice problems
- Enhanced syllabus with guidance on order/path through the readings.



### Regulatory Material Shift

**Current Challenge**

- In-depth U.S. and Canadian regulatory material lacks relevance to global markets

**SOA Shift**

- Detailed local regulatory material moved outside of the current FSA requirements
- Fundamental regulatory principles and frameworks will still be covered in the FSA pathway
- FSA will qualify actuaries to sign General Statements of Actuarial Opinion

**CERTIFICATES:**

- Stand-alone, optional regulatory certificates will be offered. Certificates can be taken when needed.
- The SOA is collaborating with regulatory bodies to develop the certificates



**Dirk Sack 20:14**

Yes, we'll do. Okay. So just as an example, as Stuart has mentioned in Canada in particular OSFI mandates a lot of regular regulatory requirements things like the e 15. Appointed actuaries legal requirements, things like sound reinsurance practices, the B three standard there ca standards of practice there's the par account management and disclosures to purpose facility policyholders. There's guidance on the fairness opinions. There are things like mortality improvement and lapse experience. Now Oscar is also doing five or six other requirements over the next coming years where it's around enterprise wide risk management including model governance, the e 21. Regarding requirement and operational resilience, B 13. On technology and cyber risk, there's B 10 on third party risk management. So just sort of to capsulize this, when you come out and get your designation we do not need you do not need to have knowledge on on those regulatory requirements. You need to be competent and how to price and value an insurance product, whether that's in the United States and globally with IFRS 17 standards and solvency to things when it comes to regular regulatory is something you can learn after the fact. And that's sort of the key here are trying to get at

**Stuart Klugman 21:30**

okay, thanks dark. Similarly in the US for example, and, and property and casualty insurance, things like the nai crbc formula doesn't mean such formulas aren't important but doing this specific formula, or being able to complete schedules P F and ice for the annual statement. What we will do then is make that knowledge available for those who need or want to learn it as a standalone regulatory certificate



that will be administered outside the fellowship pathway. And that the last bullet in the lower right it's really important we are in the process of already in the process of collaborating with the regulatory bodies that develop the certificate programs. And most important to make sure that when we're done, those who've completed the requisite courses and earn the certificate will be recognized by the regulators as meeting the education requirements to fulfill those particular roles. Let's go into the other and final big change. Tim talked about flexibility. Today. The only flexibility is your choice of track. Once you've picked one of our six practice area tracks you're locked in, and everything you do is specified within that track there. There may occasionally be an optional module along the way. But the vast majority of what we ask candidates to learn is fixed and if you want to change tracks, everything you've done previously is lost. And and you have to start over again. Some candidates want more flexibility to work across practice areas. That's particularly true in international markets where the lines between products and practice areas are less clear. That's in regard both the company organization and into the roles actuaries take on. So we want to give our fellows the option of spreading their learning across multiple practice areas. So as a result, the concept of tracks will no longer exist. Candidates will have the flexibility to focus in a single practice area, as we do today, but if they want, they can create a combination of courses that are relevant to their goals. To be a fellow in this new system, you must complete five courses. Four of them will be technical courses, two of which must be in a sequence. So we're one is an advanced version of the previous one that hasn't as a prerequisite. The fifth course will be decision making and communications. In the short term, the only real change is not calling it a module anymore and calling it a course instead. Excuse me, but the structure will be very similar that we are thinking of adding a couple of topics to that course. And the fellowship admissions course will continue. My next three slides are designed to give you a better idea of what this is all about. And how it works. So here's the schematic. Don't think of those areas at the top as tracks but think of them now as practice areas. Or if you want to be labor, a University Catalog analogy. These are courses offered by departments. So the life and annuities department might have 101201 and so on the health department and so on. We've crammed a few departments into the last box finance investment in the era of but that's mostly just for making the graphic look better. We haven't really decided what these department names will be and how many there will be. To earn fellowship, a candidate might choose all of their courses from a single department or a single practice area. So that's the generic candidate on the left, who's chosen all four courses from life and annuities. And I should also add that again this the schematic that does not imply there'll be exactly four courses in each of these areas. The candidate on the right is taking advantage of the new flexible pathway. They've chosen their two course sequence from the life and annuities department but want to learn something about retirement benefits are about investments or aim to complete their fellowship experience. I have two more slides with some specific examples. Now the course names you see here are just made up for the purpose of this presentation. Our curriculum committees are already at work designing the new courses, and we'll give them names that are appropriate to the content that they've developed. So don't think of these as, as what you will see in a couple years when actually next year when this is all finalized, but just gives you an illustration of say on the left our candidate who wants to specialize in life insurance. I could do so by picking four courses that actually look fairly similar to the ILA track courses right now. candidate on the right is exclusively specializing in US health insurance. Some of these names are a little bit different, as a reminder that the exact courses won't necessarily look the same as our current exam titles. On the next slide, we have a couple candidates are mixing things up. The one on the left is interested in learning about short term insurance and wants to learn both about general insurance and about health

insurance. This candidate knows there's a lot of overlap and techniques and methodologies and could maybe benefit by being able to see how they are done in both of these areas, and may actually work in an environment where their actuarial work takes them into both areas. So this candidates pick two courses from each of those areas. The one on the right, is like one a couple slides ago. This candidate with an interest in long term insurance takes the two course sequence from individual life and annuities, but then wants to add retirement benefits pension plan expertise, and then maybe also is more interested in the asset side taking introduction to investments cars, or for number four might decide to get a CRA and could take the E RM course. And there's an opportunity for me to state that the CR era will continue to be offered by the SOA, it will be part of this new pathway. It does present some challenges as we put it together the ability to offer and the structure of the requirements for our CRA are governed by the CRA global association. They set the learning objectives for the components that make up the CRA and they also have some guidelines on how those components are to be assessed. So our curriculum committees are are working to make sure that those learning objectives and a pathway to CRA will be part of this new system. Next slide. So Tim showed you the slide earlier but now you'll see some bullet points at the bottom. This is to indicate how we've gone about through these changes and dressing those larger issues that he identified. So providing a better learning experience through faster grading, exam feedback and better materials, more flexibility with three sessions per year and choices in the courses and helping our global candidates by moving detailed Vogel regulatory material out and again giving a flexible path to fellowship. I want to alert the audience I have just two more slides. And so when they are done, we will be opening up for the q&a. So it's good time to start thinking about your question and typing it into the q&a box. So my last slide is about timing and transition. Our board of directors approved these changes at their April meeting we held off for a bit and making the public announcement because we wanted our fellowship candidates to finish their spring exams, get their results, and then have the opportunity to see these changes and start thinking about what what it might mean for them. The next big deadline is spring of 2024. There's a board meeting in March for that meeting. We'll have to bring to them the course catalog. What are the courses that are going to be offered? And what are the learning objectives for those courses. The board will have to approve those because it is their responsibility. To set the rules for how one becomes a fellow. Another critical component will be the transition rules from the current system to the new system. As part of what was approved in April we are going to do an smoothen I think a straightforward transition every exam and the current system will translate to a course in the new system. Passing all three non D Mac modules will translate to one course and the new system and of course D Mac will stay D Mac and fac will stay fac so everything a candidate accomplishes in the interim will translate to something equivalent in the new system. However, many components are remaining or be equivalent, when we do the changeover in the fall of 2025 when the new courses will be given for the first time, probably on the customary fall timetable, and then we'll switch to three times per year in 2026. And that is my last slide. And so I asked my colleagues to come on screen with me. And Mike's gonna take care of asking the questions that have been submitted. Great.

## Flexible Pathway

### Current Challenge

- Forced track structure lacks flexibility and customization
- Highly specialized tracks are less relevant for developing markets

### SOA Shift

- Shifting from "tracks" to a flexible pathway
- Flexibility to focus on a single practice area or create a combination of courses relevant to you
- 5 courses required:
  - Technical courses (one must build on another)
  - Decision Making and Communications Course (DMAC)
  - Fellowship Admissions Course (FAC)

## Choose from About 20 Courses

Life/Annuities

Retirement Benefits

Health

General Insurance

Finance/Investments / EDM

### Focus on a single practice area

### Choose a combination relevant to you

## Theoretical Examples – Single Practice Area

### Life Insurance and Annuities Candidate

An actuary working exclusively in life and annuities might choose:

- Introduction to Individual Life and Annuities
- Individual Life and Annuity Pricing
- Individual Life and Annuity Valuation
- Individual Life and Annuity Modeling and AIM

### Health Insurance Candidate

An actuary working in U.S. health insurance might choose:

- Health Economics and Foundations
- Pricing and Reserving for Medical Benefits
- Pricing and Reserving for Disability, Long-Term Care, Group Life, and Dental
- Risk Mitigation or Employee Benefit Design for Active and Retired Employees

## Theoretical Examples – Combination of Courses

### Short-term Insurance Candidate

An actuary working in short-term insurance might choose:

- General Insurance Ratemaking and Reserving
- General Insurance Advanced Ratemaking and Reserving
- Health Economics and Foundations
- Pricing and Reserving for Disability, Long-Term Care, Group Life, and Dental

### Long-term Insurance Candidate

An actuary working in long-duration products might choose:

- Introduction to Individual Life and Annuities
- Individual Life and Annuity Pricing
- Introduction to Retirement Plans and Design
- Introduction to Investments

## Key Benefits of the FSA Pathway Enhancements

### A Better Learning Experience

- Faster Grading
- Exam Feedback
- Improved Syllabus and Source Materials

### Increased Flexibility

- Exams Offered Up to 3 times Per Year
- Flexible Pathway

### Greater Global Relevancy

- Regulatory Material Shift
- Flexible Pathway



**Mike Nowak 31:42**

So, one of the first questions Stuart was someone who said they're a bit confused, will these courses be replacing modules or replacing exams? If they're replacing or exams? How do we intend to preserve the rigor of the pathway?

**Stuart Klugman 31:57**

Okay, so these courses are replacing. So again, maybe our backup modules are gone. So the courses are, I'll say replacing exams as far as rigor is concerned. Keep in mind the course syllabus will still be detailed, will be robust and might ask Dirk to talk a little bit about what he's hearing from the curriculum committees as, as they're already at work on what we're going to ask candidates to learn. So part of rigor is just asking candidates to learn a considerable body of material and the assessments will also be at a I'll say at a high stakes level as we have done. So they will be a thorough and they will but we want the flexibility to do them in an appropriate manner. So for example, we've noticed that some of the other actuarial associations are moving to open book exams, so we want to consider that as an option, but would only do it if we could still test it. And assess candidates in a way that that ensures that we're understanding who has gained that knowledge. Dirk, do you want to add anything to that?

**Dirk Sack 33:08**

Yeah, that's like this sort of add on to that so you know, things around the modules just sort of you know, they are they were excellent learning material, that continue use of those modules are still to be determined they will not be tested. They may become pre read materials before you take a font if found the introductory course or the foundations course we will call it that. So that's still up for grabs. The committee's are absolutely the curriculum committees are absolutely weighing and looking at, you know the amount of pages that will be on each of those respective courses. They are looking at creating uniformity across any and all courses so whether a course is a foundations course, an advanced course, an elective, they'll all be of the same general level of of difficulty across those courses. So that's something that the curriculum committee is looking at and will be solving for as they deliver those new courses going forward. And further clarity around the use of US versus Canadian content as there's some confusion around it. Right now on the Isley track, there's an LF MC and an Ismu. Because you're going to map one course or current exempt to a course that will continue. So you'll continue to have the kainate course might be called an international course going forward, and that'll cover things like IFRS 17, which are going to be key concepts that the SOA will continue to, to provide going forward.

**Mike Nowak 34:37**

Thank you. Another question is my students are most concerned about potential extra requirements or potentially even losing credits for prior exams past and the potential extra requirements they were referring to was like the retro requirements for the PA exams. Yeah,

**Stuart Klugman** 34:53

I can I can take that one. As I mentioned, we're planning an easy and smooth transition. No cut off dates where if you don't do something within a certain time, credit becomes lost. No partial exams where if you don't make up a gap, you have to take the whole exam. So we have done those kinds of transitions in the past. There's none of that here. The only thing that will be time sensitive is because modules the current modules that can be taken over a period of time, we will have a date at which you can no longer sign up for the module and then a date probably a year or two after that by which you must complete the module to earn the credit, but the module timing is the only one I could think of that could present a little bit of challenge for candidates. But those who want to make the trans are concerned about the transition already have a couple years notice that getting those three modules done would be a value in the transition.

**Mike Nowak** 36:01

Thank you. We have more questions about the transition roles. One is a looks like you can get the FSA with three introduction level courses from different tracks plus one more advanced level course is that kind of a desirable incomes

**Stuart Klugman** 36:16

outcome. Yeah, so this is something we've been learning as we talk about this and and I sometimes might get my comments but I forgot to do it today. The word introductory is a bit of a misnomer. And we're not going to use that in the courses when they're developed. So they aren't introductory. They're fellowship level courses. They already contain advanced material. That is quite challenging. And so I think we're going to have to be careful about how we present those courses. And we trust that when the curriculum committees are done, it will be obvious that those three I'll say first level courses are robust, challenging and contain a significant amount of material. And so a candidate will have obviously as part of the goal here, these candidates will have more breadth than depth. But that is one of the things we are viewing as a desirable outcome. And we should keep in mind and in normal wet dirt, dirt, you've said this pretty well and other contexts about about the age of actuaries and who you know what I'm getting at when so you want to talk about that a little bit.

**Dirk Sack** 37:30

Sure. Absolutely. So as as, as our candidates go through these these courses, yes, we expect them to be finished at a at a at a younger age called your mid 20s. And it's probably not expected with somebody in their mid 20s Those that works for their employer or consulting firm that they're going to be extremely good at, at some of the things that take time to develop and for you to just know on the job. So that gets into the whole regulatory concepts, etc. So here the key is, as Stuart is saying it's breath, understanding the concepts of whether it's individual life and annuity retirement benefits, health insurance, group and general insurance, you want to you want to have a good breadth of knowledge of what an actuary can do. And whether that includes the pricing and valuation components of that to be determined by the curriculum committees. It's when you pick which one you get your fellowships. That's

where the certificates are going. To help you out to further out that knowledge that you're going to probably look at, that you're going to want to require and obtain over time. Thank you.

**Mike Nowak** 38:37

And we have a question about elearning modules. elearning modules has originally been introduced as a best practice and continues to serve their purpose as an educational tool. Can you explain why the new courses will not consider them?

**Stuart Klugman** 38:51

Oh, I don't think we said that. Actually, I think Dirk said the same thing. There's a lot of as a device for helping people learn material. elearning modules may still be incorporated. There's a lot of good stuff. The Introduction to ILA module has a lot of good information that that's presented in a logical way. A couple of the modules in the qf eye track really give candidates a chance for some hands on practice. With various models that are being introduced up there's no reason we can't use those as educational materials. And that will preserve that information for us as as part of the curriculum for these new courses. The part that's different from the modules is the assessment that when modules were originally created back in 2006. The notion was that a module was something that didn't need to be tested as robustly as other material. And we've actually gotten away from that a little bit. There's actually some or I'll say more important material in those modules that that could be tested heavily, more rigorously, but we didn't have the mechanism to do so. So now we need the right combination of learning materials but then followed by a more thorough assessment of candidates knowledge.

**Mike Nowak** 40:19

We have some questions about volunteering and getting this work done. How will the SOA engage actuaries particularly North American including like with health actuary is to develop all this curriculum material and faster grading.

**Stuart Klugman** 40:35

Okay, and by the way, Mike, I saw the beginning part of one of the I was gonna revisit that too. Yeah. Okay. So so. So, and I think this is an important because it relates to something Dirk mentioned when he was talking. We, when it comes to global relevance, as I think we all know, US health insurance is is pretty much an outlier in its own thing. And it's true, there are no global group and health candidates but the reason there are no global group and health candidates is our current curriculum is exclusively focused on the US and Canada. And so they find it of little relevance. So we're not going to do away with the US version. You saw that sample candidate I have who's got four courses there that that very much relate to how things are done in the US. So what would be incumbent on us is to develop as not replace it or eliminate what we do for the for the US, but to find ways in this system to have health courses. That would be relevant to our international candidates into those markets. As far as the volunteer goes, one of the things we're going to do to help this along is put the current exams on pause. So when it comes to the curriculum, for our current exams over the next two years, we're only going to be making changes when they're absolutely necessary. So that could meet a new regulation, some development and new products. Something that we feel we just have to add because it's necessary for new fellows to know in that the current framework of each current exam, that's already freeing up some of our curriculum committee members to start working on these new ones. And so they

will be I'll say redeploying the resources from those committees to do to do this work. Derrick, anything to add, as you know, kind of starting to oversee the process of getting this done.

**Dirk Sack** 42:42

Yeah. And there's also going to be some, some support that the SOA will find from firms that will help us create and craft some of that says that syllabus content and those readings and things that we're contemplating doing is going to, for example, previous exams, pulling in some exam questions and where those apply to a particular reading. We would insert some of that as content within that to give candidates a better understanding of how the material will be utilized more effectively on a on a course assessment going forward.

**Mike Nowak** 43:18

And a follow up to that is, you know, what increase in volume of volunteers or SOA staff is projected to support these efforts.

**Stuart Klugman** 43:26

So we're definitely going to be adding some SF SOA staff. There's actually we're developing job descriptions for those right now to help support this new system. We also while rope continuing to rely on volunteers as we have been, there's also some money budgeted for some some resources particularly to develop those enhanced curriculum materials. To ask people to write, improve an existing paper or write some new materials is something we would say is reasonable to ask somebody to receive some compensation for doing and that's something we've done in the past a lot of our module materials or some of them have been developed using a consultant help as well. So it'll be a combination of of additional budget resources, as well as relying on the expertise and enthusiasm I should add for volunteers.

**Dirk Sack** 44:27

find is that onto a little bit more to that, Stuart, when the current when the course catalog is launched in the fall of 25 will be 20 courses approximately being offered. There's already a vision from the curriculum teams that that course catalog may be expanded going forward. So many more other elective courses being made available. So I think the number of volunteers that are going to be needed to help maintain a support this will probably go increase in particular on the curriculum teams.

**Stuart Klugman** 44:54

Yeah, and that's a good point. Dirk that I didn't mention is our immediate goal. is to make sure the new courses are such that everyone can transition into them and complete their fellowship. So that that's a must do but but with the flexibility we now have the opportunity to offer courses that may not relate to to any current practice area or across practice areas. So for example, we might have yet another even more advanced course in predictive analytics that wouldn't relate to a specific practice area, but could be part of the fellowship offerings, or there could be other. We've recently introduced a climate risk certificate, and maybe there's a course in climate risk that we wouldn't feel worthy of adding to the fellowship portfolio. Thank you.

**Mike Nowak** 45:46

Another question, and I'd like to start with Tim on this. But, but Dirk and Stuart please do add onto is a question is given a shorter travel time with three sittings per year, I would expect that a higher percentage of asase will attain their their fellowship. Is this one of the goals of the transition? And do you see this as watering down the FSA?

**Tim Rozar** 46:10

I think that's probably a fair assessment. Stuart might be a little closer to the numbers in terms of where we are right now. But it's but I would say that it's probably likely that more asase will continue on for the FSA. I would think that would be a desirable outcome as well.

**Stuart Klugman** 46:31

Yeah, that's right now about a third of our associates do not earn fellowship. And we'd like that to increase. It's obviously up to the individuals if they think being an FSA will add value to to themselves or to their employers. But we're hoping that so that was a direct goal of what we wanted to do with this new setup. A question that sort of goes along with it. Do we expect to see an increase in pass rates as a result of these changes? And I will say that was not a direct goal of our thinking. But we hope that if we indeed are able to provide better course materials that are indeed better, candidates will be better prepared, and do better on their assessment. If we provide useful feedback. Candidates who fail will be more likely to pass the next time. So we wouldn't be surprised at all and would actually, I think, be pleased if the result is a higher pass rate, not because we've lowered standards but because more of our candidates are demonstrating the expected knowledge.

**Tim Rozar** 47:46

Yeah, I think that's exactly right. I mean, I think the the outcome, you know, the desired outcome, as we talked about in the beginning, you know, there is supply and demand drivers here and you know, we do want to increase the supply of fully credentialed FSAs that have gone through a rigorous process, like Stuart described, and, and yeah, so I think that all of the candidate centric changes that we're putting forward hopefully do prepare people through in through the exam materials for the syllabus changes through the flexible pathway options to construct a learning a learning process that does that for them.

**Mike Nowak** 48:40

And then we've got a question. A few questions on EA. Well, one is will older exams Beach has transitioned as well. I have a student that completed a retirement exam for ea a number of years ago.

**Stuart Klugman** 48:52

So let me start with the EA. So that's another one like the CRA that's with our curriculum committees right now, to figure out how the EA exams will be incorporated into this new structure. This is another set of exams of course, that the SOA does not have control over. So how this the curriculum for the exams, the tasks, pass marks, all done by the Joint Board. So that's external to us, but they do have to figure out, you know, how that will fit in, in in this new program, so they're well aware that and this has happened before every time we do a change to the FSA that we have to figure out the best way to treat the eating exams as part of that process. As far as people with older exams, I can only tell you what our usual processes that we've always done for candidates who reenter the system after being out for a long time, is you just have to take everything they've accomplished, and literally move it through every



change that we've made since then. And so we just put them through every transition one transition at a time, that then indicates where they are currently and what they have left to do. And they're our staff and if a person is not expected, we don't expect people particularly those who did their work a long time ago to do it themselves. And we do have staff through our customer service department who who will do that analysis for a candidate who's interested.

**Mike Nowak** 50:28

Well, the exams within a practice area need to be taken in order.

**Stuart Klugman** 50:33

So the the way we're looking at it is as we do today. Prerequisites are often not enforced, as they are we have recommended orders but we don't have required order. We're envisioning the same thing that there will be not enforced prerequisites, there might be presumed knowledge that is expected from candidates when they take a particular course, but not a strict order. And we also don't I don't want to think about it as in a practice in one of those departments that there's course one course to course three course four course five or however many that build on each other. There could be course one and then course two to be and to see all of which depend on our assume the knowledge of course one. So it'll it'll depend on the material and what makes the most sense, because I think as was sort of noted the other question, if the fourth course depends on all three The only people who might take that fourth course or those who are sticking in that practice area, and that's not really a desired outcome. We'd like as many of our courses as possible to be useful to candidate no matter what else they've done.

**Mike Nowak** 51:54

Could you help clarify Stuart, the CFP, someone had asked you mentioned this this era in your example. So be supported. How other current CFP track exams to be carried

**Stuart Klugman** 52:07

over. Yeah, so again, this because of things were a bit squeezed in in that graphic. Our goal out of the box is to have everything that we're doing today be present in the new system. And Dirk I think you can confirm that step approach to curriculum committees are taken. So the current CFA exams will try and there'll be something equivalent to transition to the new system and there'll be a way to complete again, if you want to stay in that practice area, a way to do that when you make the transition.

**Dirk Sack** 52:41

That's correct. So there's nothing lost in what's in the current exams. There'll be something there on the course equivalents for the candidates.

52:53

Next. How will you keep all the courses at the same level of difficulty to avoid cherry picking?

**Stuart Klugman** 53:05

It's going to be a challenge. And part of that challenge comes up from the fact that today we don't we try to be careful, we don't want candidates picking tracks because one is perceived easier than the other. Although we do know there are some differences. And in particular, if you've ever looked at the

material and the qf I track you know, it's extremely challenging, and only kind of suitable for candidates who are really keen to do stochastic calculus. Now we have to bring that down not to the track level, but to the individual course level. So it's going to be on us to enforce discipline on on the committee's and oversight, so that there is a reporting structure that every course committee curriculum and an exam will be scrutinized to make sure they're they're upholding those standards.

**Mike Nowak** 53:59

If candidates are wanting to continue their progress now, how can they identify the advanced courses in their current tracks?

**Stuart Klugman** 54:09

I'm not sure Mike what that question means. So I'm going to answer what I think it means. Well, maybe I'm not sure so

**Tim Rozar** 54:17

I think I think that you laid out in the timeline when the new exams will be announced. And yeah, spring I would say the guidance would be to continue on the path that they're on.

**Stuart Klugman** 54:31

Yeah. Yeah. So for sure everything that you do in the next year. will transition to a course in the new system. We just don't know what those courses will be until the board signs off on them and March. So there is that? That delay but can't see it being a reason for candidate to postpone their progress.

**Dirk Sack** 54:52

Exactly thickness, add on to that what makes an advanced course from different from a Foundation's course, has yet to be defined by the curriculum team, but by March of 2024. That'll be very clear.

**Mike Nowak** 55:06

In regards to the certificate that was mentioned from regulatory will there be some type of grandfathering in for for this program and how might this impact appointed actuaries?

**Stuart Klugman** 55:18

Okay, so, the answer is no. And what I mean, but it's not a knowing that in a bad sense, it's that it's not necessary under the US qualification standards, you're only required to meet the education requirements once to be assigning actuary to meet this general or specific qualification standards. So anyone who got an FSA and the current system has met the education requirements and so doesn't need to be grandfathered into anything because they're still good. We know that the profession is protected by the fact that those actuaries are still required to have continuing education from fellowship and beyond in the area in which they're working. In particular, the US call standard says half your CPD has to be in and related to being an appointed actuary. And so that will continue. So there's actually no need to grandfather in the certificate. Now some folks may choose to take the certificate program as a way to regain skills if they've been away from that area for a long time. Currently in the life and health area. As you may know, the Academy offers the life and health qualification seminar, which essentially serves that purpose for those who either want to re up their skills or transition from another education

track into into wanting to be an appointed actuary in life or health and, and this certificate program would would work much in the same way so it gives an opportunity for people to refresh their skills to maybe meet some CPD requirements. But there would be no necessity to present possess the certificate to fulfill that role, except for those who get their FSA under the new system.

**Mike Nowak** 57:18

And I'm just looking for maybe one more question or so. One we had was a comment about watering down FSA leads to higher supply which leads to lower wages lead to alternate career paths. How are you addressing this with employers with this new FSA change?

**Tim Rozar** 57:37

I guess I'll start by sort of rejecting the premise that we're watering down the FSA. I think it's absolutely not something that you know the new system does and certainly not something that the board would support. In terms of feedback with employers. We have an act we have active engagement through employers Council. There's in terms of ensuring that the qualifications that we are that the education system does need is meeting their needs in fact, a lot of the changes that are going through is related to feedback that we've received from employers. So I'd say that, you know, this system like you know, has been the case for many years as it's trying to continue the excellence that that we've had, in terms of what the credential means for employers.

**Mike Nowak** 58:38

Thank you. Thank you, Jess. I'm just looking at Stephanie. just squeezed maybe one more last question. Well, this is one is, from an international perspective, will the FSA exams to still be eligible for exemptions from if away in the UK

**Stuart Klugman** 59:02

so I don't know which direction that question is going.

59:05

Oh, yeah. So just to rephrase that, will the FSA exam still be eligible for exemptions from the IFoA?

**Stuart Klugman** 59:14

I fly Yeah. So whenever this is, exam exemptions are different from mutual recognition mutual by definition, is each side agrees to accept the others designation. When it comes to exam exemptions. Those are one way. We have a total ability to decide which I have full exams we will give credit for the AFL A is solely responsible for deciding which SOA courses now they will give credit for. So as it's been in the past every time there's been a change the IFRA is when they make changes, we we decide them what what we should give exemptions for when we make changes they do the same so it'll be up to them to respond and decide what they want to do. Thank you.

**Mike Nowak** 1:00:05

So we're while we're at time, I do encourage anyone to submit any other questions to us via email at FSA 2025 and soa.org. And Tim, Stewart, Dirk, any final thoughts? Or, you know, as we wrap up here,

**Tim Rozar** 1:00:24

I'll just reiterate what you said. We do want everyone's feedback. You know, please send the questions and, you know, even this webcast, which is not the first one we've done, we've tried to incorporate some of the questions we received previously into the comments that we made up front and we continue to get, you know, new questions, and I know there's still some time that you know, the work the hard work is now going, you know, now going on in terms of executing on what the board has approved. So, yeah, please continue to provide your feedback.

1:00:58

And I'll just add that though, all of this feedback we're getting in the questions is being made available to Dirk's committee and as they do the implementation, and it helps them know what's important to our members and candidates and employers and also we, we hear about issues that we may not have thought about, and now we make sure they're on the table for the group to work on.

**Dirk Sack** 1:01:22

Great, yeah, agree agrees to it. Yeah. Thank you for all your input and feedback. The these have been great discussions that we've had over the last two and a half weeks and we look forward to ensure all of those comments and concerns are reflected in an excellent product that we'll develop that will deliver come 2025 in the fall.

**Mike Nowak** 1:01:39

Tim, Dirk Stewart, thank you and thank you everyone for submitting your questions. And kind of this wraps up for today's session. And again, feel free to drop us any other emails and anything we didn't cover. And thank you all I'm really appreciate it. Right your recording stopped