



# AMERICAN ACADEMY *of* ACTUARIES

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**Council on Professionalism Cycle Report**  
**Chairperson and Vice President: Kathleen Riley**  
**Assistant General Counsel and COP Staff Liaison: Sheila J. Kalkunte**  
**March 29, 2010**

## **COUNCIL ON PROFESSIONALISM HIGHLIGHTS**

- **The Committee on Qualifications and Academy staff continue to receive and answer various questions on the revised U.S. Qualification Standards, and present at various sessions on the standards.**
- **The Council sponsored (with co-sponsors ASPPA, CAS, CCA, and SOA), four professionalism webcasts throughout 2009, with a webcast on March 27, 2009, on the application of standards of practice and qualification as they relate to the work outside the United States, a second webcast on June 26, 2009 as a refresher on the Code of Professional Conduct, a third webcast on October 7, 2009 on Precept 13 of the Code, and a fourth webcast on December 18, 2009 on ASOP Nos. 36 and 43. The Council estimates that these webcasts were utilized by over 6,400 actuaries to assist in their compliance with their continuing education requirements in a cost-effective manner.**
- **The Council is sponsoring four professionalism webcasts in 2010, one in each calendar quarter, and held its first webcast on the Retiree Drug Subsidy attestations and qualifications on March 24, 2010, and plans additional webcasts on the following topics: the U.S. qualification standards, the “best of” Up To Code articles, and ASOP No. 41 on actuarial communications.**
- **The Council continues to integrate into its functions the Academy Board approved Strategic Plan initiatives assigned to the Council including initiatives such as participating in SOA and CAS professionalism courses, and serving as a professionalism resource for all actuarial organizations. The Council formed a task force to review the professionalism course materials provided by the SOA and CAS.**
- **The Council finalized and published an updated version of the Applicability Guidelines (with the assistance of the other practice councils) in February 2010.**
- **The Council successfully implemented the Academy’s strategic plan by encouraging compliance with the conflict of interest acknowledgment to be signed by all Academy volunteers in 2009 achieving 98.5% compliance. The Council has again circulated notices to volunteers regarding the COI acknowledgment for 2010 and**

**has further streamlined the acknowledgment process by allowing volunteers to acknowledge the COI policy directly online.**

- **The Council formed a task force, chaired by Godfrey Perrott, to consider whether the Council should recommend changes to the Academy's existing Conflict of Interest Policy.**
- **The Academy's Life and Health Qualifications Seminar Task Force members again successfully held its tenth annual Seminar on November 9 – 12, 2009 in Arlington, Virginia, which was attended by 76 registrants. In light of the continuing value of this Seminar, the Council asked the Board of Directors to approve conversion of this task force into a standing committee, the Board approved of the same at its January 2010 meeting. The Committee is gearing up to hold the next annual seminar on November 1 – 4, 2010 in Arlington, Virginia.**
- **The Committee on Actuarial Public Service has begun the process of soliciting Academy membership for possible candidates for the 2010 Robert J. Myers Public Service Award.**

The Council's next meeting is scheduled for May 5, 2010, in Washington, D.C.

## STRATEGIC DIRECTIONS

**I. Inspire and enable our members to attain and keep a high level of professionalism in their work (Strategic Plan Sections 1.4 & 1.7), including development and promotion of practical materials to incorporate professionalism in their daily practice.**

The Academy professionalism volunteers and staff participated in a variety of actuarial organization events throughout 2009 including the 2009 Enrolled Actuaries Meeting in April, the SOA Health Spring Meeting in May, the SOA Life Spring Meeting in June, the SOA's Health Pricing and Valuation Boot Camp in August 2009, and presentations at various annual meetings sessions of the SOA, CCA, ASPPA, and CAS. The Council anticipates that it will continue participation in such events throughout 2010. The Academy continues to participate in the CAS Professionalism Courses and the SOA Fellowship Admissions Courses offered several times throughout the year. The professionalism volunteers and staff also present at various actuarial clubs across the United States on professionalism topics.

The Council formed a task force at its September 10<sup>th</sup> meeting to review the professionalism course materials provided by the SOA and CAS.

The Council finalized and published an updated version of the Applicability Guidelines (with the assistance of the other practice councils) in February 2010 in light of the recent revisions to various ASOPs and the adoption of new ASOPs by the ASB.

At the Council's January 11, 2010 meeting, the Council agreed to sponsor at least four professionalism webcasts throughout 2010, one in each calendar quarter, and held its first webcast on the Retiree Drug Subsidy attestations on March 24, 2010, and plans additional webcasts on the following topics: the U.S. qualification standards and SOA CPD, the "best of" Up To Code articles, and ASOP No. 41 on actuarial communications, with target dates of June 17<sup>th</sup>, September 15<sup>th</sup>, and December 2<sup>nd</sup>, respectively.

**II. Advocate the profession's professionalism standards to our publics and regulators, both within and outside of the United States (Strategic Plan Sections 1.5, 3.2.3 & 8.6).**

The JBEA approved the Academy as a qualified sponsor of JBEA continuing education for Enrolled Actuaries in order to assist members and other actuaries who are EAs comply with JBEA CE requirements. To date, the Academy has issued over 2,000 certificates of attendance in connection with Academy webcasts to assist Enrolled Actuaries comply with the JBEA CE requirements.

The Council and Academy staff continue to implement the Executive Committee directive that volunteers on Academy councils, committees, task forces, and work groups specifically acknowledge the Academy's current Conflict of Interest Policy. Last year, the Council successfully completed this task achieving 98.5% compliance (which resulted in dropping only 15 volunteers for non-compliance). The Council has again circulated notices to volunteers regarding the COI acknowledgment for 2010 and has further streamlined the acknowledgment process by allowing volunteers to acknowledge the COI policy directly online.

The Council formed a task force, chaired by Godfrey Perrott, to consider whether the Council should recommend changes to the Academy's existing Conflict of Interest Policy.

The Committee on Qualifications and the Academy professionalism staff continue to be available to, and respond to, numerous questions from actuaries and others on the revised Qualification Standards, effective January 1, 2008. The Qualification Standards website also contains a list of FAQs at <http://www.actuary.org/qualstandards/qualfaqs.asp> which is updated periodically.

<p><b>III. Promote and coordinate a consistent and evolving continuing education standard in the United States, and facilitate coordination of profession-wide professionalism education (Strategic Plan Sections 1.7.1 &amp; 1.7.2).</b></p>
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The CUSP recommended to the Council on Professionalism that it broaden its scope to address professionalism issues facing all five of the U.S.-based actuarial organizations and the Council has been actively involved in broadening its involvement in other organizations' professionalism programs including co-sponsorship of professionalism webcasts among all the U.S. actuarial organizations.

The revised Qualification Standards have strengthened the professionalism requirements of credentialed US actuaries, by, among other things, increasing the annual CE requirements, and by adding a 3-year experience requirement to the basic education and experience component of the Qualification Standards. The qualification standards are an alternative method of satisfying the SOA's new CPD requirements for its members effective January 1, 2009.

The Council has charged the Committee on Professional Responsibility with updating the discussion paper entitled "Disclosure Under the Code of Professional Conduct" which was originally drafted by the Joint Committee on the Code of Professional Conduct.

**EXTERNAL CONTACTS:**

- ❑ Joint Board for the Enrollment of Actuaries
- ❑ NAIC
- ❑ IAA
- ❑ CAS
- ❑ CCA
- ❑ SOA
- ❑ ASPPA
- ❑ Actuaries Club of Boston
- ❑ Philadelphia Actuarial Club
- ❑ Southeastern Actuarial Conference
- ❑ Middle Atlantic Actuarial Club
- ❑ Baltimore Actuaries Club
- ❑ Arizona Actuarial Club
- ❑ Tri-State Actuarial Club