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Changes to the Practice Education Course

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Agenda



Today's agenda

- Background and rationale for change
- Overview of changes
- PEC eligibility requirements
- Details – PEC 2017
- Details – PEC 2018
- Key takeaways and closing remarks
- FAQ and Q&A



Background and rationale for change



Background

The Practice Education Course (PEC) is the final educational requirement to become a Fellow of the Canadian Institute of Actuaries.

- Taken when all Fellow-level exams and educational activities are completed.

Candidates must select a practice area track:

- Finance/investment;
- Group benefits;
- Individual life and annuities; or
- Retirement benefits.

Current PEC is a 2.5 day meeting followed by a three-hour open-book written exam.

Property & Casualty (P&C) candidates are currently not required to attend PEC as the CIA sets the syllabus for exam 6C of the Casualty Actuarial Society (CAS), which is where Canadian content is concentrated.

Rationale for change

From its inception in 1965, the CIA has retained the Society of Actuaries (SOA) and the CAS as providers of actuarial education.

PEC was introduced in 2000, when the SOA removed all nation-specific content exams. It included a P&C track.

PEC's purpose was to bridge gaps between the education and examinations provided by the SOA and the CIA's qualification requirements.



Rationale for change

The CIA found these gaps to have closed for most tracks, pursuant to a thorough comparison of exams, their syllabi, and the CIA Syllabus.

The gaps pertained mainly to Canada-specific material and differing opinions on evaluation methods.

The CIA Board was concerned that overlap between SOA exams and the CIA PEC exam resulted in duplication.



Rationale for change

The Eligibility and Education Council (EEC) was asked to redesign the Practice Education Course for June 2018, and the Board approved the changes in December 2016.

It is agreed the CIA must have a Fellowship course that will act as a capstone education requirement for Fellowship with the CIA and that it must be consistent for all candidates, including P&C candidates.

To include professionalism, communications, and business acumen content.

Overview of changes

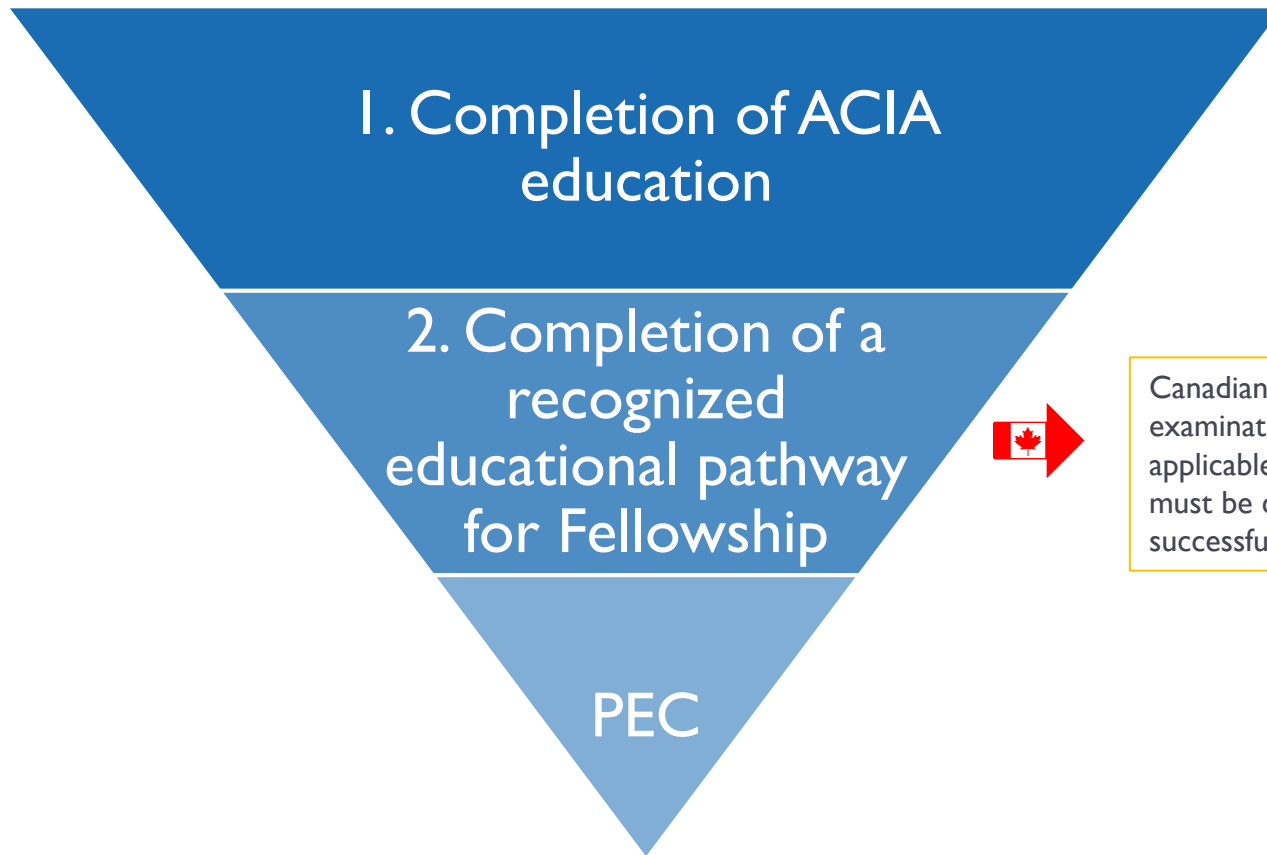


Overview of changes

- The goal is to reinforce the education (traditional examinations) as well as the practical application of actuarial concepts.
 - Envisioned as a two- to three-day course;
 - No exam will be administered on-site for any track;
 - On-site assessments will be conducted in the form of homework and participation.
 - Canadian fellowship exams required for admission:
 - Retirement, Group, Life, Property and Casualty.
- New track will be developed for P&C candidates.
- Addition of professionalism, communications, and business acumen content.



Requirements to attend PEC from 2018



Canadian versions of examinations where applicable are mandatory and must be completed successfully.

Details – PEC 2017



Opportunity to attend PEC in 2017

- Candidates may attend in 2017 if they
 - Have credit for U.S. version of an SOA exam which has a Canadian counterpart; or
 - Pending result of a relevant exam (U.S. or Canadian version) written in Spring 2017.
- No changes in PEC eligibility requirements for the Finance and Investment track (no Canada-specific content).



Opportunity to attend PEC in 2017

Fellowship-level educational activities required for eligibility at PEC 2017:


Individual Life and Annuities: proof of successful completion or pending result for ILALVC or ILALVU exam, or equivalent previous exams;

Retirement Benefits: proof of successful completion or pending result for the SOA RETFRC exam or its equivalent, or proof of successful completion or pending result for the SOA RETDAU or RETDAC or their equivalent;

Group Benefits: proof of successful completion or pending result for the SOA GHCORC or GHCORU or their equivalent;

Finance and Investment: proof of successful completion of all Fellowship-level exams and modules (submission of modules to the SOA suffices), but excluding FAC and DMAC.

Eligibility requirements – PEC 2017

SOA activities				
Corporate Finance and ERM (CFE)	Quantitative Finance and Investment (QFI)	Individual Life and Annuities (ILA)	Retirement Benefits (RET)	Group and Health (GH)
Enterprise Risk Management (ERM) Module	Financial Modeling Module	ACHIEVED OR PENDING RESULT FOR 		
ERM Exam ERM	QFI Core Exam QFICORE			
Foundations of CFE Exam CFEFD	QFI Advanced Exam QFIADV	Life Finance and Valuation Exam ILALVC OR ILALVU	Funding and Regulation Exam RETFRC OR Design and Accounting Exam, RETDAC or RETDAU	Group & Health Core Exam GRCORC OR GRCORU
Financial Reporting Module	ERM Module			
Strategic Decision Making Exam CFESDM	Investment Risk Management Exam QFIIRM or ERM Exam			
Advanced Topics in CFE Module	Financial Reporting Module			



Details – PEC 2017

- Retirement and Life Tracks
 - If have Canadian versions can attend PEC 2018 and beyond.
- Group Track
 - Attend PEC 2017 (if eligible) if you do not wish to write CIA GH exam administered in January 2018 (required for PEC 2018).



Details – PEC 2017

- No changes to June 2017 PEC format.
 - CIA exam will be administered on-site for all tracks.
- No P&C track in PEC 2017.







Details – PEC 2017

- If candidate has credit (or pending result) for eligible U.S. exam and take PEC 2017 be aware of the following:
 - If candidate fails PEC 2017, candidate will have to take the Canadian version of the SOA exam to attend PEC 2018;
 - If candidate passes PEC 2017 but fails the U.S. exam, candidate will have to take Canadian version of that SOA exam to be able to apply to FCIA.

Details – PEC 2018



Eligibility Requirements – PEC 2018

SOA activities					CAS activities
Corporate Finance and ERM (CFE)	Quantitative Finance and Investment (QFI)	Individual Life and Annuities (ILA)	Retirement Benefits (RET)	Group and Health (GH)	Property and Casualty (P&C)
Enterprise Risk Management (ERM) Module	Financial Modeling Module	Regulation & Taxation Module	Social Insurance Module	Financial Economics Module	Exam 5
ERM Exam ERM	QFI Core Exam QFICORE	Life Pricing Exam ILALP	Financial Economics Module	Health Foundations Module or ERM Module	Exam 5
Foundations of CFE Exam CFEFD	QFI Advanced Exam QFIADV	Life Finance and Valuation Exam ILALVC 	Funding and Regulation Exam RETFRC 	Group & Health Core Exam GHCOREC 	Exam 6C 
Financial Reporting Module	ERM Module	ERM Module	Design and Accounting Exam RETDAC 	Group & Health Advanced Exam GHADV	Exam 7
Strategic Decision Making Exam CFESDM	Investment Risk Management Exam QFIIRM or ERM Exam	Life Risk Management Exam ILALRM or ERM Exam	Retirement Plan Investment and Risk Management RETRPIRM Exam or ERM Exam	Pricing, Reserving & Forecasting Module	Exam 8
Advanced Topics in CFE Module	Financial Reporting Module	Financial Economics Module	ERM Module	Group & Health Specialty Exam GHSPC or ERM Exam	Exam 9
				January 2018 CIA GH Exam 	



Details – PEC 2018

- Canadian SOA exams will be a requirement for PEC starting in 2018.
- Candidates who did not write Canadian versions of SOA exams where applicable, or who did not successfully complete PEC by 2017, will have to rewrite the Canadian version of an SOA exam previously completed to be eligible to attend PEC in 2018 and beyond.
- No grandfathering provision for FSAs with U.S. versions of Canadian exams.
- PEC 2017 is the last opportunity to avoid rewriting exams.

PEC 2018 Requirement for GH Track

- Gaps with CIA Syllabus still exist in SOA GH track exams.
- CIA exam will be administered in January 2018 for GH candidates who wish to attend PEC 2018.
 - Success on this CIA exam will be required to be admitted to June 2018 PEC, in addition to all other requirements.
 - If successful at PEC 2017, no need to take this exam.
- CIA GH Exam Syllabus will be published in Spring 2017.
- Format similar to previous PEC exam:
 - Three-hour, written, open book.



Remarks – GH PEC 2018

- The CIA GH exam will be offered as long as required to ensure that candidates currently in the SOA education system cover the required CIA Syllabus material.



Details – PEC 2018

- Candidates who would normally be eligible to register for PEC 2017 in Finance, Retirement, or Life may elect to wait and attend PEC 2018, provided they passed the Canadian exams (Retirement and Life).
 - If they do not wish to write the CIA exam at PEC 2017.
 - May defer their eligibility for FCIA.

Remarks – P&C Track

- First offering of P&C track will be June 2018.
- P&C candidates who meet all the requirements for FCIA must submit their application prior to October 15, 2018 to be exempt from PEC.

Details – PEC 2018

Mutual Recognition Agreements (MRAs)

- MRAs not anticipated to be affected.
- The Eligibility and Education Council (EEC) is still reviewing requirements for such candidates.
- PEC will remain a requirement.

Timeline

February 2017

2017 PEC Registration
Canadian SOA exams not required

April 2017

May 2017

PEC 2017

June 2017

January 2018

CIA GH Exam Registration

**CIA
GH Exam**

GH
Candidates

Fall 2017

February 2018

2018 PEC Registration
Canadian SOA exams required

April 2018

June 2018

2018 PEC
- No exam
- All candidates

Last chance to
complete
Canadian SOA
Exams for PEC
2018

Key takeaways



Key takeaways

- If FSA with U.S. versions or have credit (or pending result for Spring 2017 sitting) for U.S. versions, success at PEC 2017 is last opportunity to avoid retaking an SOA exam.
- Candidates who did not write Canadian versions of SOA exams where applicable or did not successfully complete PEC by 2017, will have to rewrite the Canadian version of an SOA exam previously completed to be eligible to attend PEC in 2018 and beyond.

Closing remarks

- Changes to PEC are the result of a thorough review process.
- New PEC will be a capstone education requirement for Fellowship in the CIA and which will be a requirement for all candidates.
- Individual circumstances may arise.
 - The CIA will be happy to address individual situations.

FAQ



FAQ

Q I have credit for an SOA U.S. exam for which there is a Canadian version. How can I avoid retaking the Canadian version of the SOA exam that I already passed?

A Successfully complete PEC 2017. If unsuccessful at PEC 2017, you will have to retake the Canadian version of your exam.

FAQ

Q I have credit for a Canadian Fellowship SOA exam, but still have some exams to go. Why would I take PEC 2017? Can I wait and attend PEC in future years and avoid the PEC exam in 2017?

A Yes, you can wait for PEC beyond 2017, however you will have to have credit for all three exams (including Canadian) and modules. In addition, if you are in the Group track, you will also have to take the CIA GH exam prior to attending PEC.

FAQ

Q Is completion of the SOA FAC and DMAC required for registering at PEC 2018?

A No. The 2018 Requirements are the following:
P&C track: ACIA (CAS 6C), CAS 7, 8, 9
Other tracks: ACIA, three Fellowship exams and related modules. Canadian exams will be required for 2018 PEC where applicable.

FAQ

Q I am an ACIA and I completed all SOA examinations and modules in the CFE or QFI track in time to register for PEC 2017. Can I attend PEC 2018 instead, avoiding the exam in PEC 2017?

A Yes, although you will delay being qualified for FCIA.

FAQ

Q I am an ACIA and I completed all SOA exams, including Canadian versions, in the Retirement or Life track. Can I attend PEC 2018, avoiding the exam in PEC 2017?

A Yes, although you will delay being qualified for FCIA.

FAQ

Q I am an ACIA and I completed all SOA exams, including Canadian versions, in the Group and Health Track. Can I attend PEC 2018 instead of PEC 2017?

A Yes, but you will have to successfully complete the January 2018 CIA GH exam in order to attend PEC 2018.

FAQ

Q I am an ACIA pursuing the GH track. Can I register for the January 2018 CIA GH Exam even if I did not write the Canadian Group SOA exam yet?

A Yes, but in order to qualify for PEC 2018, you will also have to successfully complete the SOA GHCORC exam by Fall 2017, and have credit for all modules.

FAQ

Q I am a P&C Candidate who meets all educational requirements for FCIA but am still accruing experience as an ACIA. Do I have to attend the 2018 PEC?

A No, provided you that you meet the requirements and apply for FCIA by October 15, 2018. Candidates who are close to being eligible for FCIA but who will not meet the experience requirements for the application period ending October 15, 2018 should attend PEC in 2018 to avoid delays in qualifying as a FCIA.

Questions?

