

NEW ZEALAND SOCIETY OF ACTUARIES
PROFESSIONAL STANDARD NO. 10
CONTINUING PROFESSIONAL DEVELOPMENT
MANDATORY STATUS
EFFECTIVE DATE: 1 JANUARY 2008

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1 Introduction

1.1 Application

This Professional Standard sets out the minimum standards of Continuing Professional Development required to be met by Members of the New Zealand Society of Actuaries.

1.2 Background

1.2.1 It is in the public interest that actuarial advice is soundly based and that actuaries are fully informed and developed as professional individuals. The overriding duty of Actuaries as set out in the Code of Professional Conduct is to maintain professional knowledge and skill at a level required to ensure that their Clients receive competent Professional Services based on current legislation and generally acceptable practices and techniques.

1.2.2 The Profession cannot expect to hold or extend the confidence the public has in it or the roles, statutory or otherwise, with which it is entrusted, unless it is fully committed to Continuing Professional Development and is seen to be so.

1.3 Purpose

The purpose of Continuing Professional Development is to ensure that all Members maintain, improve and broaden their knowledge and skills, and to develop the personal and professional qualities needed for the provision of Professional Services throughout a Member's working life.

1.4 Previous Versions

The Society has had a Guidance Note on Continuing Professional Development in place since 1st March 1994.

1.5 Legislation

There is no legislation applicable to this Professional Standard.

2 Effective Date

This Professional Standard replaces the existing Guidance Note 2 (effective 1 March 1994) with effect from 1 January 2008.

3 Definitions

Actuary: A Fellow of the Society

Actuarial Advice: As defined in the Code of Professional Conduct of the Society

Advice: Includes any conclusion, result, opinion or recommendation

Business and Management Skills: Skills gained to improve personal effectiveness and a Member's ability to succeed in a diverse business environment

Client: The person or organisation, including an Employer, to whom a Member's Advice is primarily directed

Continuing Professional Development or CPD: Activities that have the objective of the maintenance, improvement and broadening of knowledge and skills and the development of the personal and professional qualities needed for the provision of Professional Service throughout a Member's working life

Member: A Fellow or Ordinary Member of the Society

Practice Area: An area of work in which the Member provides Professional Services. Practice Areas include but are not limited to life insurance, general insurance, superannuation, investment management and risk management

Professional Service: A service provided by a Member in a professional capacity, including Actuarial Advice, and including a service provided on a pro bono basis

Professional Skills: The professional and ethical standards that the public and those who employ Members expect the Member to be well versed in and display in carrying out his or her obligations under the Code of Professional Conduct irrespective of his or her Practice Area

Society: The New Zealand Society of Actuaries Inc.

Technical Skills: Actuarial, mathematical, modelling, legal and other similar skills that are core to the work of a Member and specific to the Member's role(s)/Practice Area(s)

4 Continuing Professional Development (CPD)

4.1 CPD

Members have a continuing duty to develop and maintain their professional knowledge and skill. CPD is a significant component of the process by which a Member maintains his or her capacity to practice in accordance with the Society's Code of Professional Conduct and Professional Standards and Guidance Notes.

4.2 Requirements

- 4.2.1 A Member must complete a minimum of 40 hours of CPD per calendar year, or 80 hours of CPD over two consecutive calendar years provided that at least 20 hours is completed in any one calendar year.
- 4.2.2 It is expected that the activities which comprise CPD will consist of a mixture of Technical Skills, Professional Skills and Business and Management Skills appropriate to that Member's work and role.
- 4.2.3 A minimum of 20 hours of CPD per annum, or 40 hours of CPD over two consecutive years must be specific to the roles and Practice Areas in which that Member works provided that at least 10 hours of this requirement must be completed in any one calendar year.
- 4.2.4 A Member who works in more than one Practice Area must give consideration to the number of hours of CPD required to maintain their core Technical Skills in each of the areas in which they practise.
- 4.2.5 A Member who joins the Society during a calendar year can meet the requirements of CPD on a pro-rata basis for that calendar year.
- 4.2.6 A Member who becomes a Fellow of the Society after the 1st January 2008 and who has not previously attended such a course must attend a course on Professional Skills approved by Council within twelve months of becoming a Fellow of the Society.
- 4.2.7 A Member who is residing and practising in Australia and who satisfies the CPD requirements of the Institute of Actuaries of Australia, or a Member who is residing and practising in Canada and who satisfies the CPD requirements of the Canadian Institute of Actuaries, or a Member who is residing and practising in the United Kingdom and who satisfies the CPD requirements of the Institute of Actuaries of London or the Faculty of Actuaries in Scotland will be deemed to have satisfied the requirements of this Professional Standard. The Society at its discretion may enter into agreements with Members who are residing and practising outside of New

Zealand, and not in Australia, Canada or the United Kingdom, who satisfy the CPD requirements of the Actuarial body in the country in which that Member is residing and practising to be deemed to satisfy the requirements of this Professional Standard.

4.3 Activities

CPD requirements can be met in a number of different ways. Set out below are examples of mainstream CPD activities. Other activities meeting the requirements of this Professional Standard are also appropriate, particularly for Members working outside of traditional Practice Areas. Appropriate CPD activities include but are not limited to:

- 4.3.1 Participating in seminars meetings or workshops organised by the Society, other Actuarial Professional bodies, other Professional bodies or Industry bodies. Only business sessions attended can be recorded as CPD hours. Participation can be in person or by electronic means. Participation may be by attendance only and does not require the person to speak at that session.
- 4.3.2 Reading technical papers presented at a seminar, meeting or workshop provided by the Society, other Actuarial Professional bodies, other Professional bodies or Industry bodies or reading technical or professional papers or journals. This can also include listening to delivery of and discussion of such presentations by electronic means after the event.
- 4.3.3 Undertaking courses conducted by the Society, other professional body or tertiary institution leading to a degree, diploma or post graduate qualification.
- 4.3.4 Participating in formal training or education (in house or external) relating to actuarial or industry developments. Participation can be by attendance in person or by electronic means (including after the event). The requirements to attend a Professionalism course prescribed in paragraph 4.2.6 of this Professional Standard can only be satisfied by actual attendance in person.
- 4.3.5 Undertaking self-study courses, including self-study by electronic means.
- 4.3.6 Serving on a committee, taskforce, interest group, technical or research committee of the Society or other professional Actuarial body which is a member of the International Actuarial Association.
- 4.3.7 Serving as a member of Council at Council meetings of the Society.

- 4.3.8 Serving as a lecturer, examiner, tutor or marker for any professional Actuarial body which is a member of the International Actuarial Association.
- 4.3.9 Writing papers for professional meetings, conventions or journals. Time spent on researching material and writing technical papers can be recorded as CPD. Time spent on layout, design or artwork must not be recorded as CPD.
- 4.3.10 Attending courses to develop business or management skills either in house or external to the place of employment. A business degree course at a university is included in this.
- 4.3.11 A commercial activity may be recorded as CPD provided that the activity results in the improvement of the Technical Skills, Professional Skills or Business and Management Skills of the Member.

4.4 Use of Judgement

CPD needs differ between Members and across the career of a Member. Therefore, a Member must exercise his or her judgement regarding the activities that he or she undertakes to develop his or her personal and professional skills, and a Member must decide what activities can be recorded as CPD in accordance with section 4.2

4.5 Records

- 4.5.1 A Member is required to maintain a personal record of the hours spent on CPD activities. Sufficient detail must be recorded to demonstrate the nature of the activity to enable the Society to verify compliance with this Professional Standard. Such records must be retained for five years after the end of the calendar year to which they relate.
- 4.5.2 A Member is required to record the details of his or her CPD activities consistent with the detail contained in Appendix A (CPD Records Form).

4.6 Verification

- 4.6.1 The Society may verify Members' CPD records from time to time. Members are required to provide their CPD records in written or electronic form within 14 days of receipt of a request from the Society or such other reasonable time as agreed by the Society. The Society will make such request in writing or by email.
- 4.6.2 Any records provided to the Society will not be disclosed to other parties except as necessary to carry out verification and compliance with this

Professional Standard or as part of a disciplinary investigation of the Society or as may be required by law.

- 4.6.3 If, during verification, the Society has concerns about the adequacy of the CPD records, it will initially seek additional information from the Member and provide him or her with a reasonable opportunity to amend the records.

4.7 Exemptions

A Member who is not providing a Professional Service and is either retired, on extended leave or has special circumstances can apply to Council in writing for an exemption from the requirements of this Professional Standard. Council or its delegate will consider the application and notify the Member in writing if the exemption application has been approved and of any conditions attached to that exemption.

Appendix A: Example of a CPD Record Form.

Name

Calendar Year to which this record applies: - YYYY

| Date | Event/Activity | Detailed Description of CPD Activity | Learning achieved | Practice Area/Type of Activity | CPD Hours |
|----------|---|--|--|-----------------------------------|-----------|
| dd/mm/yy | NZSA Life Insurance Seminar | Attended session related to new Life Taxation basis | More detailed knowledge of new tax basis and impact on product pricing | Life Insurance /Technical skill | 1.5 |
| dd/mm/yy | UK Institute of Actuaries Paper and webcast | Paper on the new Solvency II capital requirements and webcast of discussion on the paper | An understanding of the issues being addressed in assessing the risk capital requirements under the new EU rules and how the risk assessments may be applied in my NZ employers business to allow management to understand the risks being taken on. | General Insurance/Technical Skill | 2.5 |