



29 September 2008

## Actuarial education in universities: Where to now in the big wide world?

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## 1968 – a year of change

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And .... the first university programme with actuarial exemptions began.  
The actuarial profession would never be the same again.

## The world has changed since 1968 How has it affected our profession?

- Technology is everywhere
  - We can do so much more
- We are a global profession
  - Country boundaries are becoming less relevant
  - Actuaries and actuarial graduates are mobile
- Actuaries have greater competition
  - We no longer have a right; we have to earn it
- Most actuaries work in financial services but ...
  - This is an ever changing industry
    - Long term employment is unusual
  - Life insurance and DB super no longer dominate
  - There is no longer a natural home for actuaries

## The world has changed since 1968 How has it affected the universities?

- Universities now perceive an actuarial programme to be desirable
- Remuneration packages for universities are more flexible
- Universities are under greater financial pressure
- Australian universities are seeking overseas students
- HECS is a fact of life
- There are many more actuarial graduates
- Actuarial employers are more selective
- Actuarial university programmes are established

## What are some capabilities that actuarial education should produce?

- An ability to think through issues and not just get the right answer
- A questioning approach – Is the answer reasonable?
- Diversity in graduates  $\Rightarrow$  diversity in the profession
- A sound ability to use IT and modelling skills
- Strong mathematical and analytical skills
- Interpersonal skills, including
  - teamwork skills
  - communication skills
- An ability to think “outside the square”

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Are our current approaches limiting the profession?

## The traditional accreditation process

- Traditionally
  - Does the university programme “match” the Institute syllabus on a subject by subject basis?
  - This was a new venture and some actuaries were suspicious!
  - Macquarie could not be allowed to produce weaker students!
  - Such an approach was needed in 1968
- The profession has moved on during 40 years

## A revised accreditation process

- Engineers Australia
- The criteria for accreditation is based on
  - The operating environment
    - Staff numbers and funding
    - Leadership
  - The academic program
    - Specification of educational outcomes
    - Targeted graduate capabilities
    - Alternative pathways (eg electives, thesis options, etc)
  - Quality systems
    - Engagement with external constituencies
    - Processes for setting and reviewing outcomes
    - Benchmarking

## What are some of the outcomes?

- A “macro” approach to accreditation
- The program could focus on desirable capabilities, not “all the details”
  - The requirements will not be solely based on content knowledge
- Flexibility and some electives would give students greater freedom and engagement. For example:
  - overseas students from different markets
  - research skills
- Students will engage in a wider range of topics  $\Rightarrow$  diversity
- “Exemption pressure” will not drive the education experience
- Universities will have greater freedom in their educational programme
  - They will have a greater incentive to lead!

## The next step – a college after university but before work

- Colleges of Actuarial Practice (Law)
  - Practical skills and training
  - Work management
  - Business skills
  - Strategic thinking
  - Group work
  - Professional values (the new “actuary”)

A graduate who has actuarial understanding and is able to apply his/her skills in a range of situations in different businesses and different countries

- Note: The actual structure of the College has many possibilities

## Where to now in the big wide world?

- Actuarial graduates will increasingly work in diverse fields
- We need to give them flexible skills that attract them and engage them
- We should make very few assumptions about their future work
- If we help them develop the right capabilities they will be more
  - useful to employers
  - useful to our global community
  - likely to associate with the actuarial profession.

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Bernard Benjamin and Alfred Pollard took a huge risk 40 years ago; the actuarial profession is very thankful they did.

**Are we willing to take the next visionary steps?**

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