

CROATIAN ACTUARIAL ASSOCIATION

Martićeva 73, Zagreb

Pursuant to Article 11 of the Associations Act (Official Gazette 88/01) and Article 29 of the Statute of the Croatian Actuarial Association (CAA), the Assembly of the Croatian Actuarial Association, during its regular session held on 5 June 2006, made a

DECISION ON CONTINUING PROFESSIONAL DEVELOPMENT

as follows:

CONTINUING PROFESSIONAL DEVELOPMENT

Article 1

Continuing Professional Development (CPD) is the maintenance of, improvement and increase in knowledge and skills as well as the development of personal and professional qualities that are required throughout the professional life of an actuary.

Continuing professional development includes:

- Personal involvement in the maintenance and improvement in the skills related to the employment;
- Conscious learning in order to preserve professional and technical competence; and
- Development and continuous improvement in personal, business and managing skills required for the successful mastery of the changing demands of a professional career.

Article 2

The personal program of continuing professional development aims to accomplish the following:

- To help an individual develop into an entirely efficient professional who keeps high standards of his/her profession by providing relevant and topical advice;
- To increase effectiveness in his/her present role and develop new skills in the existing areas of work;
- Where appropriate, to prepare himself/herself for a transfer to a new area of actuarial work or for a new business or market role;
- To meet and share business experience with other actuaries and non-actuaries; and
- To make the program enjoyable, useful and intellectually stimulating.

The importance of continuing personal development of all members of the CAA is also emphasized in the Code of Conduct of the Croatian Actuarial Association (the standards of professional behavior), which requires that its members maintain the highest standards of behavior and perform their work only if their knowledge and experience are adequate. The

demands for continuing professional development are also a reflection of the professional responsibility of actuaries to behave in accord with the public interest and to ensure that the given actuarial advice is reasonable.

All members should aspire to continuing professional development and broadening knowledge. Only if all members of the actuarial profession completely accept the idea of continuing professional development, and if outside their profession others view them that way, the actuarial profession can preserve and hope for the extension of its statutory and other public responsibilities.

Each member is individually responsible for adequate professional development in order to ensure that they can continue performing their actuarial work competently. An actuary who signs any form of actuarial report must be able to prove that he/she is certain that his/her knowledge of new techniques and developments as well as relevant topical problems is in accord with the most recent knowledge.

REQUIREMENTS FOR CONTINUING PROFESSIONAL DEVELOPMENT

Article 3

Each regular member of the CAA has to meet the following demands for continuing professional development:

- At least 14 hours of formal continuing professional development per year; and
- At least 52 hours of informal continuing professional development per year (or, on average, 1 hour per week)

Formal continuing professional development can also be achieved through 28 hours over the course of 2 years or 42 hours over the course of 3 years.

Formal continuing professional development is tracked throughout the calendar year.

All other members of the CAA are also strongly advised to meet the aforementioned demands.

FORMAL CONTINUING PROFESSIONAL DEVELOPMENT

Article 4

Formal continuing professional development includes formally organized events of an actuarial nature, which are of great value to the professional development of a member. This usually involves the improvement in actuarial knowledge, comprehension, techniques or assessments, as well as knowledge of new developments in the member's area of work.

As a rule, formal continuing professional development is the one that involves exposure to the ideas of others, an exchange of ideas and/or the application of the principle of structural learning.

Activities which may be considered contributing factors in continuing professional development are:

1. Writing books and articles for professional conferences, conventions or magazines;
2. Active participation in the work of the Board or the Supervisory Board of the CAA, in other words, its technical commissions or work groups;
3. Participation in professional seminars, summer schools, meetings or conventions organized by the CAA, actuarial associations of other countries, International Actuary Association, Groupe Consultatif Actuariel Europeen, or other similar bodies;
4. Participation in workshops on special actuarial techniques or problems;
5. Performing work as an examiner or mentor in professional exams of the CAA or similar institutions, giving lectures as a guest lecturer at an accredited university, or conducting educational seminars for employers or organizations of insurance industry;
6. Participation in formal education which is relevant for professional development; and
7. Education in the field management and other business skills such as communication, presentation, and other personal developments if these are relevant for the professional career.

For every activity the number of actual hours of its duration is calculated at the most, with the following limitations:

- The duration of each of the aforementioned groups of activities can be, within one year, calculated as, at the most, 7.5 hours of formal continuing professional development, except for the activities under 3, which are not limited, and under 7, which are limited to 5 hours at the most per year;
- For a day at a seminar, meeting or other activity, 7 hours can be calculated at the most, while the duration of every multi-day event can be calculated as 15 hours at the most.

When determining the number of hours with which a certain activity contributes to formal continuing professional development, the member has to wisely judge the true value of that activity. This might mean that only a part of the activity which has definitely contributed to his/her professional development can be calculated, in other words, that the entire activity is excluded from the calculation.

The CAA shall organize at least 14 hours of formal continuing professional development in Croatia per year.

INFORMAL CONTINUING PROFESSIONAL DEVELOPMENT

Article 5

Informal continuing professional development implies all activities which are not considered formal or go beyond the hours required for formal continuing professional development, such as:

1. Reading, informal research and informal education;
2. Study of materials for meetings and conventions, which was submitted by the CAA or a similar body;
3. Training in the employer's specific systems (for example, computer packages);

4. Work on the organization of professional conferences and similar events also in other non-technical commissions and work groups within the CAA; and
5. Participation in internet discussions about actuarial topics.

RECORD OF CONTINUING PROFESSIONAL DEVELOPMENT

Article 6

The member must be able to prove his/her competence in performing his/her work if this is required by the employer, client, or as part of the disciplinary procedure. Thus the member shall keep a record of his/her formal as well as informal activities in his/her continuing professional development. Please find enclosed the format of this record.

Regular members, unless they have been granted exemption in writing, shall submit to the Board of the CAA or to a specially established commission, by 28 February, a written record of activities of their continuing professional development in the previous year. If required by the Board of the CAA or a specially established commission, but only if that body does not have enough information, the member shall submit a detailed description of formal activities (for example, the topic, duration and the organizer of the seminar).

The Board of the CAA or a specially established commission shall examine the records of all regular members by 31 May. In the event of failing to meet the demands for continuing professional development prescribed by this Decision, the regular member shall be considered in violation of the Code of Conduct of the CAA.

EXEMPTION

Article 7

Unemployed members or members who fail to provide advice that a client might consider actuarial, may request for their exemption from the provisions of this Decision. The requirement for exemption shall be submitted in writing to the Board of the CAA in accord with the rules prescribed by the Board of the CAA. The Board of the CAA shall, in writing, confirm or refute the exemption.

This decision shall come into force and be implemented as of the day following its making.

Zagreb, 5 June 2006

Gordana Letica
President of the CAA

EXPLANATION OF THE DECISION

The education of an actuary does not end with the formal act of receiving a diploma in actuarial science, but further education and professional development are necessary, particularly in the light of rapid changes in economic surroundings, in the insurance market in Croatia and abroad, in the light of the development of actuarial science and the development of new actuarial techniques. In the Code of Conduct of the CAA (standards of professional behavior) its members are also required to maintain the highest standards of behavior and to perform their work only if they possess suitable knowledge and experience, which can be achieved only through continuing professional development.

Actuarial profession is primarily responsible to the public, which in Croatia is confirmed through special authorizations to perform actuarial jobs (the authorization to perform the activities of an authorized actuary in an insurance company and pension life insurance company that is issued by the Croatian Financial Services Supervisory Agency). In order to retain public recognition, which we have been striving for throughout the existence of the CAA, as responsible and conscientious professionals who can be entrusted with the task of calculating and controlling, for the public, essential items (such as additional resources), it is necessary for all members of the CAA to be aware of the need for continuing professional development.

The Morris Review of the Actuarial Profession in the UK, whose final version was published in March of 2005, has resulted in critical analyses of the way the actuarial profession functions in the entire actuarial world. One of the recommendations of the report is the need for the profession's careful tracking its members' continuing professional development.

Demands for formal continuing professional development are common also in other professions both in Croatia and across the globe.

The recommended decision on continuing professional development is in accord with the Groupe Consultatif Actuariel European strategy of continuing professional development.

Accepting the recommended decision shall help the members of the CAA in their realization of continuing professional development.