

THE ASSOCIATION OF ACTUARIES OF LATVIA CONTINUING PROFESSIONAL DEVELOPMENT REGULATIONS

The Association of Actuaries of Latvia (hereinafter the Association) continuing professional development Regulations (hereinafter Regulations) developed on the basis of Association Statutes articles 3.3; 3.4 and Actuarial Association of Europe Continuing Professional Development Strategy. Regulations apply equally to both Fellows of the Association (FAA) and the Associates of the Association (AAA) (hereinafter both categories – Members, if explicitly does not specify a particular membership category).

Continuing professional development Regulations approved by the General Meeting of Members on 24 March 2010.

The need for Continuing professional development

The Member of Association is characterized by specific professional strength potential. The situations and the systems (financial, economic, demographic, environmental, etc.) faced actuarial profession changing and evolving. To maintain high level of professional strength potential, the Member needs constantly update their knowledge and skills. Therefore one of the conditions to maintain status of the Member is to engage with Continuing professional development (hereinafter - CPD).

Association is an organization that maintains by themselves professionalism requirements and formulates the criteria for enforcement and control. Therefore Association adopts and set mandatory for its Members Continuing professional development Regulations.

Content of Continuing professional development

Members of the Association are working in various positions and perform certain tasks. Positions and responsibilities can be very different, so the Continuing professional development Regulations does not provide specific training topics. Taking in account the position, the nature of work and the job responsibilities Member establish their own Continuing professional development needs in order to maintain a high professional strength potential. However, Continuing professional development topics must correspond to one of the thematic groups, which are characteristic for the actuarial professional work:

- Classification of risks, risk measurement, risk modelling;
- The minimization of risk, or transfer (for example, reinsurance, hedging etc.);
- ERM (Enterprise risk management), risk management and the regulation of financial institutions (Basel II, Solvency II and related issues);
- Asset/liability modelling;
- Financial statements, international accounting standards and international financial reporting standards (their application and interpretation);
- Specific types of insurance problems and their solutions (for example, the development of mortality, health insurance and pension system, etc.);
- The global economic, financial, ecological, etc. process impact on insurance activities.

Forms of Continuing professional development

Regulations don't prescribe any compulsory CPD form; they may be different, for example:

- Actuarial workshops, summer schools or other organized events;
- Scientific and practical conferences, seminars, congresses, etc..;
- Specially organized training courses (including distance learning or e-courses);
- Other organized activities.

In accordance with the Statutes of the Association the promotion of actuarial education, science and practice is one of the Association tasks, so the Members' pedagogical and/or scientific activities are considered as CPD activity as well.

Significant form of CPD is individual actuarial professional literature studies.

In the event the Member works in significantly different profession, a Member shall submit to the Association Board a motivated request for thematic areas, in which he will realise CPD activities. The Association Board shall examine the application and consider whether the individual CPD activities meet the requirements of the Regulations, and shall inform the applicant on the decision taken.

Tracking of Continuing professional development activities

To ensure CPD process is transparent, each Member should constantly record his CPD activities.

Participation in organized activities (documented) is counted as formal CPD hours. Professional literature studies are counted as in-formal CPD hours.

Each CPD activity Member should score themselves, however, in order to achieve a uniform level of evaluation, it is necessary to follow to the guidelines:

- one full day of the seminars, conferences and other organised events is treated as a 5 formal hours;
- study one professional article is equivalent to 1-2 in-formal hours, one professional book -10 in-formal hours;
- a lecture course (actuarial education), which Member taught for one semester is treated as a 5-10 formal hours (depending on volume);
- scientific article or presentation in public event (Conference, workshop) on topics that meet CPD thematic areas, is treated as 10-20 formal hours.

Minimum requirements of Continuing professional development

Fellow (FAA) for each calendar year must acquire at least 30 hours of CPD, of which:

- 10 formal hours;
- 20 in-formal hours.

For Associates (AAA) minimum number of CPD hours is not prescribed.

Continuing professional development compliance control

Each year, before 31 January Member must submit to the Board CPD report for the previous calendar year. The report form is approved by the Board. The Board collects information about Members CPD activities and report on them during the General Meeting.

The consequences of non-compliance with CPD Regulations

If the Member within the time limit laid down in the Regulations did not submit a CPD report on the previous calendar year, Board requires a written explanation. Reasonable grounds for not filing a report can be recognized illness, parental leave or similar equitable reasons.

If the Member in 2 consecutive calendar years not presents a CPD report, the Board shall prepare decision on the membership in the Association and submit it for consideration at a General Meeting. The General Meeting deciding on the Member's removal from the Association should take into account Member's explanations.

If the Fellow has not fulfilled the minimum requirements (amount of hours) of CPD, Board requires an explanation. Reasonable grounds the minimum CPD requirements could be lowered can be recognized illness, parental leave or similar equitable reasons.

If the Fellow in 2 consecutive calendar years has not fulfilled the minimum CPD volume requirements, the Board shall prepare decision on the transfer of membership from Fellow to Associate and submit it for consideration at a General Meeting. The General Meeting deciding on

the transfer of membership from Fellow to Associate should take into account Member's explanations.

Candidates of Association membership and Continuing professional development requirements

Although Continuing professional development requirements do not apply to Candidates, they are encouraged to prepare and submit a CPD. The report could contain actuarial education training courses and completed exams as well.

ANNEX

Support materials:

1. Groupe Consultatif Actuariel European CPD Strategy.

Electronic resource: http://actuary.eu/documents/cpd_strategy.pdf

2. CPD Scheme. Institute and Faculty of Actuaries, UK.

Electronic resource: <http://www.actuaries.org.uk/members/cpd>