

Report to ECC from the Board of Examiners

SEMESTER ONE 2010

PART III

*BOARD OF EXAMINERS REPORT
INCLUDING RESULTS FOR COURSE 7A
ENTERPRISE RISK MANAGEMENT*

(PUBLIC VERSION)



Institute of Actuaries of Australia

Publisher

The Institute of Actuaries of Australia
ABN 69 000 423 656
Tel: (02) 9233 3466 Fax: (02) 9233 3446

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CHAIR'S REPORT

SUMMARY

Examination Administration

The Semester One 2010 Part III examinations of the Institute of Actuaries of Australia ("Institute") were held between 27th April 2010 and 6th May 2010. Candidates attended the examinations in Australia (Sydney, Melbourne, Canberra, Adelaide, Perth and Brisbane) and overseas (Canada, China, Fiji, France, Germany, Hong Kong, Japan, Korea, Malaysia, Netherlands, New Zealand, Singapore, Switzerland, Taiwan, United Kingdom and USA).

This is the sixth year in which twice yearly examinations were held. The tables below show the number of candidates sitting each exam over recent years. The number of candidates sitting in the latest period shows an increase over that in Semester Two 2009 and Semester One 2009.

Course 7A Enterprise Risk Management (ERM) has been introduced by the Institute of Actuaries of Australia in Semester 1 2010. As a result candidates can now choose between Course 1 and Course 7A to meet the Module 1 requirement. Course 7A is available to both non-Fellows and Fellows and will satisfy the requirement for the Certified Enterprise Risk Actuary qualification for those who have attained the Actuary designation. Course 7A comprises of the UK ST9 examination (100% assessment) and a two day ERM workshop (mandatory attendance but not assessable). The Institute of Actuaries of Australia does not assist with the marking process however the number of non-Fellows sitting and passing course 7A ERM have been including into this report to reflect the overall Part III results. The performance of the Fellows sitting Course 7A is not included in the body of this report.

Table A: Candidate Numbers Sitting by Part III Course

	Subject	2007 (1)	2007 (2)	2008 (1)	2008(2)	2009(1)	2009 (2)	2010(1)
1	Investments	171	166	150	120	177	145	93
2A	Life Insurance	53	54	61	66	58	52	39
2B	Life Insurance	37	43	36	50	52	62	63
3A	General Insurance	64	82	69	51	65	57	76
3B	General Insurance	48	44	40	62	50	63	63
4A	Superannuation & Planned Savings	15	n/a ¹	n/a	n/a	n/a	n/a	n/a
4B	Superannuation & Planned Savings	n/a ²	16	n/a ³	n/a	n/a	n/a	n/a
5A	Investment Management & Finance	17	n/a ⁴	35	n/a ⁵	n/a ⁶	46	n/a
5B	Investment Management & Finance	n/a ⁷	44	n/a ⁸	35	44	n/a ⁹	34
6A	Global Retirement Income Systems			19 ¹⁰	n/a ¹¹	14	n/a ¹²	16
6B	Global Retirement Income Systems				18 ¹³	n/a ¹⁴	19	n/a
7A	Enterprise Risk Management							57 ¹⁵
10	Commercial Actuarial Practice	61 ¹⁶	70 ¹⁷	83 ¹⁸	87 ¹⁹	74 ²⁰	92 ²¹	97 ²²
	Total	466	519	493	489	534	536	538

¹ 4A not run Semester 2 2007 and replaced by 6A from 2008.

² 4B not run Semester 1 2007.

³ 6B replaced 4B from 2008.

⁴ 5A not run Semester 2 2007.

⁵ 5A not run Semester 2 2008.

⁶ 5A not run Semester 1 2009.

⁷ 5B not run Semester 1 2007.

⁸ 5B not run Semester 1 2008.

⁹ 5B not run Semester 2 2009.

¹⁰ 6A GRIS introduced in Semester 1 2008 replacing 4A.

¹¹ 6A not run Semester 2 2008.

¹² 6A not run Semester 2 2009.

¹³ 6B GRIS introduced in Semester 2 2008 replacing 4B.

¹⁴ 6B not run Semester 1 2009.

¹⁵ 7A new course Semester 1 2010, 67 candidates sat, 57 non-Fellows, 10 Fellows.

¹⁶ CAP Sem 1, 2007, 61 candidates, 44 full course, 1 exam only, 12 case study only, 4 re-sat the case study & exam.

¹⁷ CAP Sem 2, 2007, 70 candidates, 47 full course, 6 exam only, 11 case study only, 3 re-sat the case study & exam.

¹⁸ CAP Sem 1, 2008, 83 candidates, 63 full course, 5 exam only, 13 case study only, 2 re-sat the case study & exam.

¹⁹ CAP Sem 2, 2008, 87 candidates, 46 full course, 15 exam only, 24 case study only, 2 re-sat the case study & exam.

²⁰ CAP Sem 1, 2009, 74 candidates, 49 full course, 2 exam only, 21 case study only, 2 re-sat the case study & exam.

²¹ CAP Sem 2 2009, 92 candidates, 61 full course, 2 post course report only, 28 case study only, 1 re-sat post course report and case study.

²² CAP Sem 1 2010, 97 candidates, 64 full course, 11 case study only, 22 re-sat post course report and case study.

Pass Rates

The number of candidates presenting for the Semester One 2010 Part III Exams, the recommended passes and the resulting pass rates are shown in the table below:

Table B: Recommended Number of Passes by Part III Course

	2010(1)			2009 (2)			2009 (1)			2008 (2)		
	Sat	Pass	%	Sat	Pass	%	Sat	Pass	%	Sat	Pass	%
1 Investments	93	33	35%	145	43	30%	177	86	49%	120	61	51%
2A Life Insurance	39	11	28%	52	31	60%	58	23	40%	66	32	48%
2B Life Insurance	63	28	44%	62	24	39%	52	20	38%	50	21	42%
3A General Insurance	76	28	37%	57	17	30%	65	24	37%	51	21	41%
3B General Insurance	63	22	35%	63	18	29%	50	16	32%	62	23	37%
4A Super & PS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4B Super & PS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5A Invest. Man. & Fin.	n/a	n/a	n/a	46	17	37%	n/a	n/a	n/a	n/a	n/a	n/a
5B Invest. Man. & Fin.	34	19	56%	n/a	n/a	n/a	44	22	50%	35	11	31%
6A GRIS²³	16	4	25%	n/a	n/a	n/a	14	5	36%	n/a	n/a	n/a
6B GRIS²⁴	n/a	n/a	n/a	19	10	53%	n/a	n/a	n/a	18	10	56%
7A ERM	57	11	19% ²⁵	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10 CAP – Case Study Assessment/Exam	n/a	n/a	n/a	n/a	n/a	n/a	72	40	56%	73	50	68%
10 CAP – Non-traditional Exam	n/a	n/a	n/a	n/a	n/a	n/a	52	48	92%	63	60	95%
CAP Overall	97	57	59%	92	55	60%	74	41	55%	87	62	71%
Total	538	213	40%²⁶	536	215	40%²⁷	534	237	44%²⁸	489	241	49%²⁹
Total excluding C7A	481	202	42%	536	215	40%	534	237	44%	489	241	49%

The Chief Examiners aim to produce a consistent standard of passing candidates, rather than a consistent pass rate from year to year. This semester, the recommended overall pass rate of 40% is consistent with the previous semester.

²³ 6A Global Retirement Income Systems new course Semester 1 2008

²⁴ 6B Global Retirement Income Systems new course Semester 2 2008

²⁵ Figure represents pass rate in respect of non-Fellows only (46 candidates failed and 11 passed). The pass rate for fellows was 60% (4 candidates failed and 6 passed).

²⁶ Figure represents pass rate in respect of all 97 CAP candidates and non-Fellows only in C7A.

²⁷ Figure represents pass rate in respect of all 92 CAP candidates

²⁸ Figure represents pass rate in respect of all 74 CAP candidates

²⁹ Figure represents pass rate in respect of all 87 CAP candidates

Prizes

Prizes are awarded only once in a calendar year following the Semester Two examinations.

Fellows

The Part III Examination transition period from the pre-2005 system to the new post-2005 system ended at the end of 2007. So that students in transition (i.e. those who have passed at least one paper of a pre-2005 subject) would not be disadvantaged, a variation on the new pathway was approved in 2006. There are two ways in which candidates can qualify as Fellows.

- (i) Candidates must pass one elective in Module 1 (C1 Investments or the newly introduced 7A Enterprise Risk Management & the Investments Bridging Course), one full specialist subject (Modules 2 and 3) and Module 4 (Commercial Actuarial Practice).
- (ii) Candidates in transition (ie. those who have completed at least one paper of a pre-2005 subject) must have passed three Modules by the end of 2006 and Module 4 (Commercial Actuarial Practice), providing that the equivalent of Modules 2 and 3 in one specialist area have been completed.

If the Council adopts the recommended passes, the number of members that will be made Fellows (subject to attendance at a Professionalism Course, satisfying the Practical Experience Requirement and paying any relevant exemptions) will be:

Category	2010 (1)	2009 (2)	2009 (1)	2008(2)	2008(1)	2007(2)	2007(1)
Pre-2005 system	0	0	0	0	0	1	1
Post-2005 system	53	51	34	71	37	41	32
Total New Fellows	53³⁰	51	34³¹	71³²	37³³	42	33

³⁰ 2 additional candidates have completed Part III but have not completed Part I.

³¹ 35 candidates completed all the Part III exams in semester one 2009 but one of these candidates has a result pending for their last Part I exam.

³² 72 candidates completed all the Part III exams in semester two 2008 but one of these candidates had not completed Part II.

³³ 38 candidates completed all the Part III exams in semester one 2008 but one of these candidates had not completed all Part I exams. This candidate completed their last Part I exams in September 2008.

1. Examination Administration

1.1 The Board

The Board of Examiners oversees the Part III examination process of the Institute of Actuaries of Australia (Institute). The Board of Examiners consists of the Chair and his assistants and the Chief Examiners for each subject, supported by Institute staff. For this semester additional assistant chairs were recruited to meet the extra work required due to the change in the CAP course assessment format. The Board of Examiners do not oversee the exam development and review process for Course 7A Enterprise Risk Management as this is a UK exam.

For Semester One 2010 the Chair and his Assistants were:

Chair	Mr Anthony Brien
Assistant Chair	Mr Alistair Barker
Assistant Chair	Mr Wesley Caine
Assistant Chair	Ms Raewin Davies
Assistant Chair	Mr Martyn Gilling
Assistant Chair	Mr Michael Eabry
Assistant Chair	Ms Andrea McDonnell
Assistant Chair	Mr Matthew Woods
Assistant Chair	Mr Steve Miles

The key Examiners for Semester One 2010 were:

Course 1: Investments	Mr Raymond Yeow
Course 2A: Life Insurance	Mr Gary Musgrave
Course 2B: Life Insurance	Mr Ian Werner
Course 3A: General Insurance	Mr David Gifford
Course 3B: General Insurance	Mr Jim Qin
Course 5B: Investment Management & Finance	Mr David Pitt
Course 6A: Global Retirement Income Systems	Mr Stephen Woods
Course 10: Commercial Actuarial Practice	Mr Bruce Thomson

I would like to take this opportunity to thank all of the members of the Board of Examiners and their assistants for their efforts in preparing and marking the examination papers. The management of the examination process is an extremely important function of the Institute and it is currently being run by a small group of committed volunteers. I would also like to thank the Assistant Chairs, Alistair, Wesley, Raewin, Martyn, Michael, Andrea, Matthew and Steve for their support and untiring efforts in ensuring the overview process of the Board worked smoothly and that the quality of the examinations and results was maintained.

1.2 Meetings of the Board

The Board met on three occasions as part of the Semester One 2010 exam process.

- The first meeting was held on 13th January 2010. It was attended by representatives from each Course (Chief Examiners/Assistant Examiners). The purposes of this meeting were to:
 - update on enrolment numbers and course offerings for Semester One 2010.
 - identify Chief & Assistant Examiners and Course Leaders for each course for Semester One 2010.
 - outline the responsibilities of Chief Examiners and the Semester One schedule.
 - review progress on the drafting of the exams to date.
- The second meeting was held on 31st March 2010. It was attended by a representative from all courses. The purposes of this meeting were to:
 - discuss proposed changes to the BoE Handbook.

- the status of Semester One 2010 examination papers, model solutions and sign-off process.
 - discuss the marking spreadsheets and review the recruitment of markers.
- The third meeting was held on 9th June 2010 and was attended by Board of Examiners, Chief Examiners or their representative from all courses. The purposes of this meeting were to:
 - review the recommended pass lists and treatment of borderline candidates.
 - review the recruitment of Chief Examiners for Semester Two 2010.

1.3 Administration and Exam Supervision

The Board of Examiners was ably assisted by a number of Institute staff, in particular Mr Philip Latham and Ms Rebecca Moore. Philip and Rebecca were responsible for administering the entire process and ensuring key deadlines were met, compiling and formatting the examination papers, distributing material to candidates and to exam centres, processing results and collecting historical information for the production of this report. They did a great job for Semester One 2010 and the Board of Examiners team is indebted to them all.

The Semester One 2010 Part III Sydney and Melbourne examinations delivered by the Institute were once again run by an external consultancy – Language and Testing Consultancy (LTC). The Semester One 2010 Part III examinations delivered by Access Macquarie were arranged with UTS Sydney City Campus in Sydney and the Centre for Adult Education in Melbourne as venues. Other examinations were administered by Fellows or other approved supervisors.

1.4 Course Leaders

Since October 2004, Course Leaders have been appointed by the Institute to undertake a variety of tasks relating to modules 1-3 of the new Part III education program. One of the roles of the Course Leaders is to draft examination questions in consultation with the Chief Examiners. The following is a list of the Course Leaders for Semester One 2010:

Course 1 – Access Macquarie

Course 2A and 2B - Sue Howes (Faculty Convenor), Aaron Bruhn (2A Assignment and Exams), Bruce Thomson (2A tutorials and discussion forums), Gary Musgrave (2B Assignment and Exams, tutorials and discussion forums)

Course 3A and 3B - GI Faculty, Dave Finnis (3A Assignment, Exam, Tutorials and discussion forums) David Gifford (exam writing and coordination). There was no course leader for 3B this semester. Volunteers were found to write exam questions by the GI faculty late in the year. Jim Qin, Chief Examiner did further re-writing of some of these questions. The various other Course Leader tasks were shared amongst, Dave Finnis (Tutorial 1), Rachel Eagleton (Discussion Forums and Tutorial 2), Abhijeet Agarwal (Tutorial 3), Bartosz Piwcewicz, (Assignment).

Course 5B – Access Macquarie

Course 6A – Peter May (Faculty Convenor), Jeffrey Chee (assignments and exams), David McNeice (tutorials and discussion forums)

Course 10 - David Service

Another role of the Course Leaders was to draft assignment questions in consultation with each subject Faculty. The Board of Examiners was not involved in this process.

1.5 The Examination Process

The Semester One 2010 examination process for all courses except 7A Enterprise Risk Management which is not examined by the Institute of Actuaries of Australia, began with an initial meeting of the Board of Examiners and Course Leaders. Once Chief Examiners had been appointed in all subjects they met with Course Leaders (where applicable) to discuss the draft exam questions.

Question setting

The basic framework followed by each subject to setting exam papers is the same. The Semester One 2010 Part III examinations were run on an open book basis. Each subject includes rigorous review processes. The general framework used to set examination papers is described as follows:

- The Course Leader (or equivalent) drafts the examination questions in consultation with the Chief Examiners.
- Draft exams and solutions are reviewed by one new Fellow scrutineer for coverage and fairness. A scrutineer was used for the Access Macquarie run examinations once again this semester.
- The new Fellow scrutineer 'sits' the paper under exam conditions to assess the length of the paper.
- For the CAP Course a new Fellow scrutineer is appointed to check calculations in the case study exam questions.
- Exams are redrafted after feedback from the scrutineer.
- Draft exams, solutions and marking guides are then submitted to the BoE team for review. Two members of the BoE team review the draft exams and solutions.
- Exams, solutions and marking guides are finalised by the Chief Examiners and their Assistants.
- The Course Chief Examiners sign off the final examination papers and solutions.
- A member of the BoE team also signs off on the examination papers and solutions.

Exam marking

The general framework used to mark examination papers, grade candidates and determine passes is described as follows:

- Two markers marked each question. Inconsistencies in marks for a candidate were discussed by the markers and resolved (in most cases), before the results were forwarded to the Chief Examiner.
- Marks were scaled to allow for the fact that some questions were more difficult than others.
- Each candidate was awarded a grade for each question of A, B, C, D or E, where A was regarded as a strong pass and B an ordinary pass.
- Candidates' overall performance was determined using several metrics including total raw mark, total scaled mark, weighted average grade, weighted average rank and number of pass grades per question. The key determinant however was total scaled mark.
- Candidates were ranked based on these metrics, particularly total scaled mark.
- Candidates' assignment grades and marks were added to the exam metrics, with a weighting of 15% for Course 1 Investments and Modules 2 and 3.
- Candidates were divided into clear passes, clear failures and a middle group that required further consideration.
- The Chief Examiner reviewed the middle group individually. The pass/fail decision was made after assessing the candidate's whole exam paper, his/her performance in the judgement questions, how badly he/she performed in the questions he/she failed and whether they were 'key' areas of the course and his/her performance in the assignments.

1.6 The Assignment Process (Modules 1-3)

Assessment Variation

This semester a trial minor assessment was administered in the 2B Life Insurance Course. Candidates were required to answer one exam question under exam conditions. This was worth 5%. Candidates were also required to mark another candidate's answer and provide feedback on their assessment. This was worth 10%. Although this required much more time and administration, candidates responded positively to it. This approach may be considered in the future following the feedback from the student survey.

There is no Assignment element in Course 7A, assessment is based solely upon exam performance.

Question Setting

The basic framework followed by each course to setting assignment questions is the same and all subjects contain review processes. The general framework used to set assignments is described as follows:

- The Course Leader drafts the assignment. They are each worth 15% of the total marks for the subject.
- Draft assignments and solutions are then reviewed by each Faculty for coverage and fairness.
- Each Faculty signs off the assignments.

Students were given access to the assignments via the specific link on the Institute learning management system.

The Board of Examiners did not review or comment on the assignments.

Assignment Marking

The general framework used to mark assignments, grade candidates and determine passes is described as follows:

- Each question was marked only once, with the assignments being divided up among multiple markers. Different markers had different marking standards and pass criteria. Course Leaders sample marked 5% of all assignments (or at least one assignment from each marker). Inconsistencies in marks for a candidate were to have been discussed by the relevant marker and the Course Leaders and resolved, before the results were forwarded to the Chief Examiner.
- Marks were not scaled to allow for the fact that some questions were more difficult than others.
- Each candidate was awarded a grade for each question of A, B, C, D or E, where A was regarded as a strong pass and B an ordinary pass.
- Candidates' results were based on total raw marks.

In Semester One 2010, assignments were submitted electronically. Markers were allocated candidate numbers and accessed and marked on-line. Feedback was also posted electronically by the markers and/or IAA. This enabled a faster turn around and delivery of feedback as once all assignments were marked, students could access their feedback immediately.

1.7 Module 4 CAP - The Case Study Process

The CAP course was developed and originally delivered for the Institute by the ANU but is now run directly by the Institute. The CAP team included David Service, Pat McConnell, Richard Madden, Peter Martin, Colin Priest, Jill Green, Charles Qin Adam Butt and Aaron Bruhn. The team also developed the assessment materials for the course and did the marking.

The assessment method changed this semester due to the restructure of the CAP course. There are still two assessment tasks, but they are now:

1. A take-home report on one of the non-traditional topics, distributed after the residential course. This semester it was on the Environment topic. It is worth 20% of the final mark.
2. An 8-hour case study report chosen by each student from among the other 7 topic areas, to be prepared under exam conditions but with use of a computer. This is worth 80% of the final mark.

The pass mark is 59%. Candidates who had passed part of the previous course were allowed to submit only the other equivalent part this semester.

There were 33 candidates repeating the CAP course this semester, 16 passed the course overall and 17 failed overall. Of the 17 failing candidates there are 3 who will now be on their 5th attempt, 2 on their 4th attempt and 12 on their 3rd attempt.

It is not currently mandatory for failing candidates to re-attend the residential course. This will be reviewed by the CAP faculty at their next meeting.

The development and delivery of the course was overseen by a Faculty, consisting of Ken McLeod (Chair), Arie van den Berg, David Knox and Donna Walker. Bruce Thomson was the Chief Examiner, assisted by James Fitzpatrick and other members of the Faculty.

1.8 Examination Dates

The Semester One 2010 Part III examinations were held on the following dates:

Course 1:	Investments	Tuesday 27 th April
Course 10:	Commercial Actuarial Practice	Wednesday 5 th May
Course 2A:	Life Insurance	Wednesday 28 th April
Course 2B:	Life Insurance	Thursday 29 th April
Course 3A:	General Insurance	Thursday 29 th April
Course 3B:	General Insurance	Wednesday 28 th April
Course 5B:	Investment Management & Finance	Thursday 6 th May
Course 6A:	Global Retirement Income Systems	Thursday 6 th May
Course 7A:	Enterprise Risk Management	Friday 30 th April

1.9 Assignment Dates

The Semester One 2010 Part III assignments were due on the following dates (there is no assignment for Course 7A Enterprise Risk Management):

24th February (C1, 2A, 3A, 6A)
10th March (3B, 5B)
29th March (2B – Minor Assessment)
15th April (CAP - Post Course Report)

1.10 Examination Centres

Candidates sat the exams in 6 centres in Australia and 16 centres overseas. Individual exam locations were arranged in Canada (1), China (4), France (1), Fiji (1), Germany (1), Hong Kong (13), Japan (2), Korea (1), Malaysia (6), New Zealand (9), Singapore (24), Switzerland (1), Taiwan (1), The Netherlands (1), UK (20) and USA (2). This table includes candidates who sat the CAP Exam but excludes Enterprise Risk Management.

Table 1: Candidates by Exam Centre – Semester One 2010

Location	Number of Candidates
Australia	450
Adelaide	1
Brisbane	4
Canberra	9
Melbourne	94
Sydney	333
Perth	9
Overseas	88
Canada	1
China	4
France	1
Fiji	1
Germany	1
Hong Kong	13
Japan	2
Korea	1
Malaysia	6
New Zealand	9
Singapore	24
Switzerland	1
Taiwan	1
The Netherlands	1
United Kingdom	20
USA	2
Total	538 ³⁴

1.11 Exam Candidature

Candidate Numbers

The number of candidates sitting the Part III exams in Semester One after taking into account those sitting C7A represents a small increase from Semester One and Two 2009. There was a considerable decrease in the number of candidates sitting course C1 (Investments) over the previous semester reflecting it now being an elective course with the addition of C7A as another alternative. Courses 2A (Life insurance), 3A (General Insurance) and 5B (Investment Management & Finance) had slight decreases in candidate numbers where as courses 2B (Life Insurance), 3B (General Insurance) and 6A (Global Retirement Income Systems) all had increases in candidate numbers over Semester 1 2009.

³⁴ Figures in this table include only the non-Fellows only who sat course 7A Enterprise Risk Management

Table 2: Candidate Numbers Sitting by Part III Courses

	Subject	2007 (1)	2007 (2)	2008 (1)	2008(2)	2009(1)	2009 (2)	2010(1)
1	Investments	171	166	150	120	177	145	93
2A	Life Insurance	53	54	61	66	58	52	39
2B	Life Insurance	37	43	36	50	52	62	63
3A	General Insurance	64	82	69	51	65	57	76
3B	General Insurance	48	44	40	62	50	63	63
4A	Superannuation & Planned Savings	15	n/a ³⁵	n/a	n/a	n/a	n/a	n/a
4B	Superannuation & Planned Savings	n/a ³⁶	16	n/a ³⁷	n/a	n/a	n/a	n/a
5A	Investment Management & Finance	17	n/a ³⁸	35	n/a ³⁹	n/a ⁴⁰	46	n/a
5B	Investment Management & Finance	n/a ⁴¹	44	n/a ⁴²	35	44	n/a ⁴³	34
6A	Global Retirement Income Systems			19 ⁴⁴	n/a ⁴⁵	14	n/a ⁴⁶	16
6B	Global Retirement Income Systems				18 ⁴⁷	n/a ⁴⁸	19	n/a
7A	Enterprise Risk Management							57 ⁴⁹
10	Commercial Actuarial Practice	61 ⁵⁰	70 ⁵¹	83 ⁵²	87 ⁵³	74 ⁵⁴	92 ⁵⁵	97 ⁵⁶
	Total	466	519	493	489	534	536	538

Withdrawal Rates (excluding C7A)

In Semester One 2010, 519 candidates initially enrolled in courses, however 38 candidates subsequently withdrew from courses or did not present for the examination.

The number of candidates that enrolled for a course but withdrew prior to the examination was highest in absolute terms for C1 Investments (11 officially withdrew prior to the examinations and 1 did not present for the exam, out of 105 originally enrolled). C1 (Investments) and 3A (General Insurance) had the highest rate of withdrawal each at 11%. Compared to Semester 2 2009, the overall withdrawal rate matched that of this semester. The number of candidates being absent from the exam was again slightly lower – there were 12 in Semester 2 2009. The withdrawal rates for all subjects were:

³⁵ 4A not run Semester 2 2007 and replaced by 6A from 2008.

³⁶ 4B not run Semester 1 2007.

³⁷ 6B replaced 4B from 2008.

³⁸ 5A not run Semester 2 2007.

³⁹ 5A not run Semester 2 2008.

⁴⁰ 5A not run Semester 1 2009

⁴¹ 5B not run Semester 1 2007.

⁴² 5B not run Semester 1 2008.

⁴³ 5B not run Semester 2 2009

⁴⁴ 6A GRIS introduced in Semester 1 2008 replacing 4A.

⁴⁵ 6A not run Semester 2 2008.

⁴⁶ 6A not run Semester 2 2009.

⁴⁷ 6B GRIS introduced in Semester 2 2008 replacing 4B.

⁴⁸ 6B not run Semester 1 2009.

⁴⁹ 7A first offered Semester 1 2010, figure represents the number of non-Fellows sitting (10 Fellows also sat the exam)

⁵⁰ CAP Sem 1, 2007, 61 candidates, 44 full course, 1 exam only, 12 case study only, 4 re-sat the case study & exam.

⁵¹ CAP Sem 2, 2007, 70 candidates, 47 full course, 6 exam only, 11 case study only, 3 re-sat the case study & exam.

⁵² CAP Sem 1, 2008, 83 candidates, 63 full course, 5 exam only, 13 case study only, 2 re-sat the case study & exam.

⁵³ CAP Sem 2, 2008, 87 candidates, 46 full course, 15 exam only, 24 case study only, 2 re-sat the case study & exam.

⁵⁴ CAP Sem 1, 2009, 74 candidates, 49 full course, 2 exam only, 21 case study only, 2 re-sat the case study & exam.

⁵⁵ CAP Sem 2 2009, 92 candidates, 61 full course, 2 post course report only, 28 case study only, 1 re-sat post course report and case study.

⁵⁶ CAP Sem 1 2010, 97 candidates, 64 full course, 11 case study only, 22 re-sat post course report and case study.

Table 3: Withdrawal Rates by Part III Course – Semester One 2010

	Subject	Initially Enrolled	Withdrew prior to Exam	Absent from exam	Total Withdrawing	%
1	Investments	105	11	1	12	11%
2A	Life Insurance	39	0	0	0	0%
2B	Life Insurance	67	2	2	4	6%
3A	General Insurance	85	7	2	9	11%
3B	General Insurance	70	5	2	7	10%
5B	Invest Management & Finance	37	1	2	3	8%
6B	Global Retirement Income Systems	16	0	0	0	0%
7A	Enterprise Risk Management	60 ⁵⁷	3	0	3	5%
10	Commercial Actuarial Practice	100	2	1	3	3%
	Total	579⁵⁸	31	10	41	7%

Candidate Mix (excluding C7A)

The mix of courses sat by candidates is broadly similar to that in previous years. The increased proportion for Investments seen in previous semesters seems to have abated this semester. The new Part III structure allows candidates to choose either C1 Investment or C7A Enterprise Risk Management as their elective for Module One. This change has directly affected the enrolment numbers for Investments this semester.

The enrolments for Life Insurance have been constant for the last three semesters at approximately 21%. The General Insurance enrolments have significantly increased to 29% compared to the last six semesters. The Global Retirement Income Systems course, which effectively replaced the Superannuation & Planned Savings course, has had a slight decline in proportion enrolled at 3%. The Investment Management and Finance enrolments also show a slight decrease over the previous semester at 7%. The CAP (Commercial Actuarial Practice) course has increased in overall proportion comparing with previous semesters.

⁵⁷ Non-Fellow enrolments only (12 Fellows enrolled overall with 2 Fellows withdrawing)

⁵⁸ Includes case study exam and post course report CAP candidates

Table 4: Candidate Mix by Part III Course – Enrolments Semester One 2010

	Subject	2007 (1)	2007 (2)	2008 (1)	2008 (2)	2009 (1)	2009 (2)	2010 (1)
1	Investments ¹	38%	33%	32%	25%	33%	27%	17%
2	Life Insurance	20%	19%	19%	24%	21%	21%	19%
3	General Insurance	24%	24%	23%	23%	22%	22%	26%
4	Superannuation & P.S.	3%	3%	n/a	n/a	n/a	n/a	n/a
5	Investment Mgt & Finance ²	4%	9%	8%	7%	8%	9%	6%
6	Global Retirement Income Systems			4%	4%	3%	4%	3%
7	Enterprise Risk Management							11% ⁵⁹
10	Comm. Actuarial Practice	12% ⁶⁰	12% ⁶¹	16% ⁶²	18% ⁶³	14% ⁶⁴	17% ⁶⁵	18% ⁶⁶
	Total	100%	100%	100%	100%	100%	100%	100%

⁵⁹ Includes non-Fellow enrolments only - 57

⁶⁰ Includes all CAP candidates enrolled including case study and or exam only - 61

⁶¹ Includes all CAP candidates enrolled including case study and or exam only - 70

⁶² Indicates all CAP candidates enrolled including case study and or exam only - 83

⁶³ Includes all CAP candidates enrolled including case study and or exam only - 87

⁶⁴ Includes all CAP candidates enrolled including case study and or exam only - 74

⁶⁵ Includes all CAP candidates enrolled including case study exam and post course report only - 92

⁶⁶ Includes all CAP candidates enrolled including case study exam and post course report only - 97

2. Examination Papers and Assignments

2.1 Examination Structure

The structure of the examinations in Semester One 2010 was a single three-hour exam paper for Modules 1-3. The exams for Modules 1, 2 & 3 were worth 85% of the final assessment.

For Modules 1-3, each course was assessed individually. That is, a candidate can choose to sit (and subsequently pass or fail) only Course A (relating to Module 2) or Course B (relating to Module 3) of the subject. This differs from 2004 and earlier exams where candidates sat for the entire course (both A and B parts). For the 2004 exams, candidates were awarded a transitional pass for a paper if they passed either Paper 1 (Course A) or Paper 2 (Course B).

For Module 4, Commercial Actuarial Practice, candidates sat an eight-hour case study exam paper on four traditional and three non-traditional areas of actuarial practice (other than the area covered in the post course report), answering 1 out of 7 questions and worth 80% of the final assessment.

2.2 Assignment / Case Study Structure

The structure of the assignments in Semester One 2010 was one assignment for Modules 1, 2 and 3 with the assignment worth 15% of the final assessment.

Module 4 (Course 10 – Commercial Actuarial Practice) included a post course report on a non-traditional area and was worth 20% of the final assessment. This semester the non-traditional area chosen was environment.

2.3 Examination Standards

In each course there was a mix of questions covering three categories:

- applying bookwork to familiar and unfamiliar circumstances. This category is aimed at testing the candidates' knowledge and understanding (KU)
- problem solving requiring simple judgement (SJ)
- problem solving requiring complex judgement (CJ).

The questions aimed to cover the whole syllabus. In the case of Module 1 (Investments) the examination was based on the syllabus and a previously determined set of readings.

The standards to be achieved by candidates sitting each course, the principles on which papers are to be set and the marking procedures, are set out in the Guidelines to Examiners. To ensure the examination papers had proper balance, guidance as to the proportion of marks given to each category needed to be established. The standards of difficulty as determined by the Chief Examiners at the time they set the papers are set out below, with a comparison to the prior semester.

Table 5: Standards of Difficulty by Part III Course⁶⁷

	Subject	Knowledge & Understanding		Simple Judgement		Complex Judgement	
		2009 (2)	2010 (1)	2009 (2)	2010 (1)	2009 (2)	2010 (1)
1	Investments	20%	20%	40%	38%	40%	42%
2A	Life Insurance	20%	20%	44%	41%	36%	39%
2B	Life Insurance	19%	20.5%	40%	30%	41%	39.5%
3A	General Insurance	20%	25%	38%	38%	42%	37%
3B	General Insurance	12%	21%	47%	38%	41%	41%
5A	Invest. Management & Finance	18%	n/a	38%	n/a	44%	n/a
5B	Invest. Management & Finance	n/a	22%	n/a	40%	n/a	38%
6A	Global Retirement Income Systems	n/a	19%	n/a	42%	n/a	39%
6B	Global Retirement Income System	19%	n/a	41%	n/a	40%	n/a
	Targets	15% - 25%		35% - 45%		35% - 45%	

The examination papers were broadly similar in standard of difficulty to prior periods.

Copies of the examination papers have not been included within this report in the interests of space. They are available from the Institute if required. Detailed comments on the quality of candidates' answers to the exam questions are contained in each Chief Examiner's report.

2.4 Assignment Standards

The setting of standards for the assignments used the same approach as for the examinations, that is, questions were set covering the following three categories:

- applying bookwork to familiar and unfamiliar circumstances. This category is aimed at testing the candidates' knowledge and understanding (KU)
- problem solving requiring simple judgement (SJ)
- problem solving requiring complex judgement (CJ).

Whilst the target weighting of each category for the exams was essentially 20% KU / 40% SJ / 40% CJ, the target weighting for the assignments was 40% KU / 40% SJ / 20% CJ. With the introduction of assessable assignments the exam is only worth 85% of the final assessment from 2007. This means that a higher component of the assessment is KU ("bookwork") and a lower proportion of the assessment is CJ ("complex judgement"), under the new system, compared with 2004 and earlier.

Although the target weightings of the assignments for each subject were 40%/40%/20% the Board of Examiners was not informed of the actual weightings of any of the assignments. Copies of the assignments were not supplied to the Board of Examiners, but should be available from the Institute if required.

2.5 Security of Examination Papers

Procedures adopted in 2002 to improve the security of examination papers were continued in 2010:

- A marking day was held on Saturday 1st May.
- Scanned version of exam answers were made available to markers in an internal installation of the Institute's Learning Management System.

⁶⁷ Course 7A is not examined by the Institute of Actuaries of Australia

- Overseas supervisors were required to photocopy papers before sending them by courier to the Institute office.
- Secure couriers were used to transport papers between markers.
- Chief Examiners allocated two markers from the same city for each question as far as were possible (so papers were not moving too frequently between cities).

2.6 Security of Assignments

In Semester One 2010 markers accessed and loaded comments via the on-line learning management system (LMS). This enabled students to receive feedback in a more timely manner than previous semesters.

For all results, spreadsheets were sent directly to either and the IAA and/or the Course Leader.

2.7 Comments on Candidates' Assignment Performance

As the Chief Examiners were unable to review candidates' assignments, no comments on assignment performance can be provided.

3. Results

3.1 Pass Standards

For those courses administered by the Board of Examiners, the standards for determining whether a candidate should be granted the status of Fellow of the Institute of Actuaries of Australia are based on whether an individual demonstrates core capabilities required for an actuary practicing professionally in their specialty area(s). Candidates are required to demonstrate:

- a strong knowledge of the nature, operations, legislation and current issues of the selected practice area(s)
- a detailed knowledge and understanding of the application of actuarial concepts and skills to the chosen practice area(s)
- an ability to apply judgement to solve problems in the chosen practice area(s) that may be characterised by complexity, varying degrees of clarity of definition and novel or unseen circumstances.

A candidate is not expected to demonstrate these capabilities at the level of an experienced and skilled practitioner. It is unreasonable to expect candidates to demonstrate the degree of understanding of an actuary of some year's experience. Rather, the benchmark is whether the candidate is proficient to commence practicing professionally in their specialty area(s). Provided the candidate shows a grasp of the main principles, a pass should be awarded. Conversely, a candidate who demonstrates dangerous misconceptions or misapplication of concepts or ideas is viewed more seriously than a candidate who shows a simple lack of knowledge.

The Chief Examiners in the Part III Courses place greater emphasis on the questions that require the candidate to demonstrate the ability to apply bookwork to specific situations and show judgement to solve problems. When grading borderline candidates, their ability to do well in such questions has a greater bearing on whether they pass or fail. The Chief Examiners however, are very conscious of the fact that it is unreasonable to expect candidates to demonstrate the degree of understanding of an actuary with years of experience. In addition, actuaries are expected to be able to demonstrate their skills to those outside the profession. Candidates are expected to be able to communicate clearly and may be penalised if their answers are not clearly expressed.

3.2 Candidates' Results

Candidates' results in each subject and at each level are set out in the attachments to each Chief Examiner's report. In summary the results are:

Table 6: Recommended Candidate Passes by Part III Course

	Subject	2006 (2)	2007 (1)	2007 (2)	2008 (1)	2008 (2)	2009 (1)	2009 (2)	2010 (1)
1	Investments	46	56	69	59	61	86	43	33
2A	Life Insurance	14	18	21	21	32	23	31	11
2B	Life Insurance	13	8	14	14	21	20	24	28
3A	General Insurance	25	24	17	36	21	24	17	28
3B	General Insurance	16	23	21	16	23	16	18	22
4A	Superannuation & P.S.	3	7	n/a	n/a	n/a	n/a	n/a	n/a
4B	Superannuation & P.S.	4	-	7	n/a	n/a	n/a	n/a	n/a
5A	Invest. Mngmt & Finance	8	6	n/a	17	n/a	n/a	17	n/a
5B	Invest. Mngmt & Finance	4	-	15	n/a	11	22	n/a	19
6A	Global Retirement Income Systems				11	n/a	5	n/a	4
6B	Global Retirement Income Systems					10	n/a	10	n/a
7A	Enterprise Risk Management								11 ⁶⁸
10	Comm. Actuarial Practice	30 ⁶⁹	35 ⁷⁰	47 ⁷¹	41 ⁷²	62 ⁷³	41 ⁷⁴	55 ⁷⁵	57 ⁷⁶
	Total	163	177	211	215	241	237	215	202

⁶⁸ 57 non-Fellow candidates, 11 passes in the course

⁶⁹ CAP had 30 overall passes out of 47 candidates presenting. It had 28 passes out of 44 candidates presenting for the case study and 38 passes out of 43 presenting for the exam.

⁷⁰ 61 candidates, 35 passes in the course (including case study and/or exam)

⁷¹ 70 candidates, 47 passes in the course (including case study and/or exam)

⁷² 83 candidates, 41 passes in the course (including case study and/or exam)

⁷³ 87 candidates, 62 passes in the course (including case study and/or exam)

⁷⁴ 74 candidates, 41 passes in the course (including case study and/or exam)

⁷⁵ 92 candidates, 55 passes in the course (including post course report/ or exam)

⁷⁶ 97 candidates, 57 passes in the course (including post course report/ or exam)

Table 7: Recommended Pass Rates by Part III Course

	Subject	2006(2)	2007 (1)	2007 (2)	2008 (1)	2008 (2)	2009 (1)	2009 (2)	2010 (1)
1	Investments ¹	31%	33%	42%	39%	51%	49%	30%	35%
2A	Life Insurance	28%	34%	39%	34%	48%	40%	60%	28%
2B	Life Insurance	41%	22%	33%	39%	42%	38%	39%	44%
3A	General Insurance	38%	38%	21%	52%	41%	37%	30%	37%
3B	General Insurance	39%	48%	48%	40%	37%	32%	29%	35%
4A	Superannuation & P. S.	38%	47%	n/a	n/a	n/a	n/a	n/a	n/a
4B	Superannuation & P. S.	57%	-	44%	n/a	n/a	n/a	n/a	n/a
5A	Invest. Mngmt & Finance ²	44%	35%	n/a	49%	n/a	n/a	37%	n/a
5B	Invest. Mngmt & Finance ³	27%	-	34%	n/a	31%	50%	n/a	56%
6A	GRIS				58% ⁷⁷	n/a	36%	n/a	25%
6B	GRIS				n/a	56% ⁷⁸	n/a	53%	n/a
7A	ERM								19% ⁷⁹
10	CAP – Post Course Report	64%	66%	75%	65%	68%	56%	50%	60%
10	CAP – Case Study Exam	77%	76%	86%	73%	95%	92%	60%	59%
	Total	38%	38% ⁸⁰	41% ⁸¹	44% ⁸²	49% ⁸³	44% ⁸⁴	40% ⁸⁵	40% ⁸⁶

The Chief Examiners aim to produce a consistent standard of passing candidates, rather than a consistent pass rate from year to year. This semester, the recommended overall pass rate of 40% is consistent with the previous semester. However, excluding the CAP results the overall pass rate would have been 35%.

The pass rate for Course 10, Commercial Actuarial Practice (CAP), of 59% overall was significantly higher than the average pass rate for Modules 1-3 of 35%. We believe that this is due to the following factors:

- CAP is a fundamentally different subject to those in Modules 1-3. It is undertaken as a four day taught residential course, rather than as distance education, and has two assessment pieces, that is, the post course report and the exam.
- CAP is undertaken by more experienced candidates that are generally closer to final qualification. These candidates would be expected to achieve a higher pass rate than the average rate across all candidates.
- Each assessment piece was double marked and then reviewed by the CAP Chief Examiner. To ensure consistency across the different subjects, one of the markers marked all case study exams and reviewed all post course reports.
- CAP is compulsory to all Part III students. Any fundamental differences between CAP and Modules 1-3 will impact equally on all students.

⁷⁷ 6A GRIS –new course Semester 1 2008

⁷⁸ 6B GRIS –new course Semester 2 2008

⁷⁹ Based on non-Fellow candidates only (The pass rate including Fellows is 25%)

⁸⁰ Based on CAP results of 61 candidates, 35 passes in the course (including case study and/or exam) = 57%

⁸¹ Based on CAP results of 70 candidates, 47 passes in the course (including case study and/or exam) = 67%

⁸² Based on CAP results of 83 candidates, 41 passes in the course (including case study and/or exam) = 49%

⁸³ Based on CAP results of 87 candidates, 62 passes in the course (including case study and/or exam) = 54%

⁸⁴ Based on CAP results of 74 candidates, 41 passes in the course (including case study and/or exam) = 55%

⁸⁵ Based on CAP results of 92 candidates, 55 passes in the course (including post course report and exam) = 60%

⁸⁶ Based on CAP results of 97 candidates, 57 passes in the course (including post course report and exam) = 59%

The Board agreed that the standard applied to marking the exams for all administered subjects was ultimately the same as in previous years.

Further detail on the deliberations of each Chief Examiner is contained in their individual reports. I am satisfied that the processes adopted in the marking of papers and grading of exam papers have been fair and robust. The single marking of assignments may have led to some discrepancies among candidates, though due to the relatively few candidates whose results were changed by their assignment result (partly as a result of the reduced weighting given to assessments), this would not have had a big impact overall. Every effort has been made to ensure consistency between years and between subjects.

3.3 Pass Rates by Centre

The pass rates by exam centre were as follows:

Table 8: Comparison of Pass Rates by Centre

	2006(2)	2007 (1)	2007 (2)	2008 (1)	2008 (2)	2009 (1)	2009 (2)	2010 (1)
Sydney	42%	40%	45%	47%	55%	50%	39%	37%
Melbourne	37%	50%	44%	50%	45%	44%	45%	53%
Other Australian					61%	55%	67%	43%
Overseas					40%	41%	37%	34%
All Other ⁸⁷	25%	34%	29%	43%	44%	43%	41%	36%
Total	38%	38%⁸⁸	41%⁸⁹	47%⁹⁰	51%⁹¹	48%⁹²	40%⁹³	40%⁹⁴

I have examined the pass rates by specialist subject and examination centre. This analysis revealed a number of interesting features, including:

- The overall pass rate for non-Sydney/Melbourne examination centres is slightly lower than the overall pass rate for the Sydney/Melbourne examination centres
- The pass rate in Sydney, the largest centre with 62% of all candidates, was 37% this semester.
- In the UK only 6 candidates from 20 attempts passed (30%).

3.4 Pass Marks and Scaling

The scaled pass marks for 2007 Semesters one and onward, out of 200 marks have been as follows:

⁸⁷ Other Australian and overseas exam centres

⁸⁸ Number incorporates only 49 CAP students sitting the exam out of a total of 61 candidates

⁸⁹ Number incorporates only 57 CAP students sitting the exam out of a total of 70 candidates

⁹⁰ Number incorporates only 70 CAP students sitting the exam out of a total of 83 candidates

⁹¹ Number incorporates only 63 CAP students sitting the exam out of a total of 87 candidates

⁹² Number incorporates only 52 CAP students sitting the exam out of a total of 74 candidates

⁹³ Number incorporates 90 CAP students sitting the exam and 2 sitting the post course report out of a total 92 candidates

⁹⁴ Number incorporates 97 CAP students sitting the exam and 57 non-Fellows for C7A ERM

Table 9: Scaled Pass Marks by Part III Course⁹⁵

	Subject	2007 (1)	2007 (2)	2008 (1)	2008 (2)	2009 (1)	2009 (2)	2010 (1)
1	Investments	121	90 ¹	100	100	100	120	120
2A	Life Insurance	115	123	123	123	120	120	120
2B	Life Insurance	111	110	110	117	121.5	120	120
3A	General Insurance	111	113	115	120	115	120	120
3B	General Insurance	120	120	120	120	120	120	120
4A	Superannuation & P.S.	120	-	n/a	n/a	n/a	n/a	n/a
4B	Superannuation & P.S.	-	122	n/a	n/a	n/a	n/a	n/a
5A	Invest. Mngmt & Finance ⁹⁶	100	-	120	n/a	n/a	120	n/a
5B	Invest. Mngmt & Finance	-	121	n/a	120	100	n/a	127.5
6A	Global Retirement Income Systems			120	n/a	120	n/a	120
6B	Global Retirement Income Systems			n/a	115	n/a	120	n/a
10	Comm. Actuarial Practice ⁹⁷	50-50	50-50	50-50	50-50	50-50	50-50	50-50

The relationship between scaled and raw marks for 2010 Semester One was:

Table 10: Raw and Scaled Pass Marks by Part III Subject⁹⁸

	Subject	Raw	Scaled
1	Investments	98	120
2A	Life Insurance	100.6	120
2B	Life Insurance	90	120
3A	General Insurance	114.5	120
3B	General Insurance	106	120
5B	Investment Management and Finance	106.25	127.5
6A	Global Retirement Income Systems	100	120

Consistent pass criteria have been used whilst allowing for Chief Examiner judgement and discretion. The criteria are:

- the scaled mark
- number of questions passed being “at least 50% of questions” e.g. pass 3 from 6 questions; pass 4 from 7 questions or pass 3 from 5 questions.
- no more than 1D and no E grades.
- borderline candidates are to be assessed carefully, with the examiners re-marking their papers, as in previous years.
- assignments were included in the assessment process, being weighted at 15% of the overall assessment.

This semester the range of scaled marks was consistent for most subjects with a higher level chosen for 5B as a result of the Chief Examiner review of candidate papers and overall exam performance. The range of scaled marks in Semester Two 2009 was consistent. Course 10 CAP does not scale marks as there is only one question answered in the exam.

It should be noted that, as discussed above, the scaled mark was not the sole factor used to determine whether a candidate passed or did not pass.

⁹⁵ Course 7A is not administered by the Institute of Actuaries of Australia

⁹⁶ Grossed up from 45/100 for consistency with historic data

⁹⁷ For CAP, the case study and the exam each had a pass mark of 50%.

⁹⁸ Course 7A is not administered by the Institute of Actuaries of Australia

3.5 Andrew Prescott Memorial & Katherine Robertson Prizes

In December 1978, Council agreed to establish the Andrew Prescott Memorial Prize, in honour of the late Andrew Prescott, for meritorious performance in the Institute's examinations. Prizes are awarded in two divisions:

- Prizes for the best performance in the examination in each Part III subject provided a certain minimum standard is attained.
- A prize for outstanding performance over the whole examination process on completing the Fellowship.

Since 2001, the Katherine Robertson Prize has been awarded for General Insurance in lieu of the Andrew Prescott Memorial Prize. Katherine Robertson was an outstanding young actuary working in General Insurance who passed away in October 2000.

Subject Prizes

Prizes are awarded only once in a calendar year following the Semester Two examinations.

Major Prize

Prizes are awarded only once in a calendar year following the Semester Two examinations.

3.6 Fellows

The Part III Examination transition period from the pre-2005 system to the new post-2005 system ended at the end of 2007. So that students in transition (i.e. those who have passed at least one paper of a pre-2005 subject) would not be disadvantaged, a variation on the new pathway was approved in 2006. There are two ways in which candidates can qualify as Fellows.

- (i) Candidates must pass Module 1 (Investments), one full specialist subject (Modules 2 and 3) and Module 4 (Commercial Actuarial Practice).
- (ii) Candidates in transition (i.e. those who have completed at least one paper of a pre-2005 subject) must pass three Modules and Module 4 (Commercial Actuarial Practice), providing that the equivalent of Modules 2 and 3 in one special area have been completed.

If the Council adopts the recommended passes, the number of members that will be made Fellows (subject to attendance at a Professionalism Course, satisfying the Practical Experience Requirement and paying any relevant exemptions) will be:

Category	2010 (1)	2009 (2)	2009 (1)	2008(2)	2008(1)	2007(2)	2007(1)
Pre-2005 system	0	0	0	0	0	1	1
Post-2005 system	53	51	34	71	37	41	32
Total New Fellows	53⁹⁹	51	34¹⁰⁰	71¹⁰¹	37¹⁰²	42	33

⁹⁹ 2 additional candidates have completed all of Part III but have not completed Part I.

¹⁰⁰ 35 candidates completed all the Part III exams in semester one 2009 but one of these candidates has a result pending for their last Part I exam.

¹⁰¹ 72 candidates completed all the Part III exams in semester two 2008 but one of these candidates had not completed Part II.

¹⁰² 38 candidates completed all the Part III exams in semester one 2008 but one of these candidates had not completed all Part I exams. This candidate completed their last Part I exams in September 2008.