



Strategy Area Advisory Group on Professionalism, Ethics and Conduct (PEC)

India Fellowship Seminar (IFS)

PRINCIPLE DOCUMENT (ver. 2.01/Nov. 2010) [minor amendments to the ver.2.00]

1. Subject title: Professionalism, India-specific legislation, environment and practices

2. Duration: Two days, to be held as far as possible in June and December of each calendar year.

3. Participants: This seminar is mandated as one of the requirements for admission as Fellow Member and hence students who have passed all subjects of the actuarial examination or have a few subjects left and Affiliate Members are expected to attend. Other members of IAI are also encouraged to attend so as to enhance their understanding of the subjects and as part of their ongoing CPD program.

4. Conditions;

- a) This Programme is essentially based on Professionalism Course as prescribed by the Institute and Faculty of Actuaries (IFA), UK for their requirement and which is applicable to students of the IFA resident in India and/or who are also members of IAI. The Institute has agreed to recognize this Programme as equivalent to their Professionalism course.
- b) All the participants for admission as FIAI are subject to assessment by Assessment Committee consisting of members of the PEC and the credit for successful participation will be granted by PEC when the Assessment Committee has cleared the participant for such credit. The Assessment Committee consists of members of PEC attending the IFS and their assessment is based on a laid down criterion reflective of candidate's understanding of the subject and presentation capability aside from level of maturity to be a Fellow member of IAI. Such assessment will be taken as final.
- c) Having attended the IFS and been found successful by the Assessment Committee, a student member would have to pass the remaining subjects (if any) to complete the actuarial examination within a maximum of three subsequent consecutive examination diets following the IFS. Unless admitted as FIAI within twenty four (24) months counted from the month immediately succeeding the month of the IFS, a candidate for admission has to participate in and be declared successful in IFS.



5) Aims and Objectives

5.1 - Aims

The IFS is essentially a professionalism course and therefore its structure and content should contain adequate input on professionalism. It is important that the IFS should have content similar to that of the UK Institute's 2 day professionalism course as those attending IFS are given credit from the UK profession's professionalism course.

The IFS, however, also provides inputs on India specific regulatory and legislative environment including governing structure of IAI. The IFS would thus aims to provide basic knowledge in respect of the following and as these relate the actuarial practice areas in India.

- Primary and secondary legislations in Insurance industry and the Institute of Actuaries of India Act, 2006 and regulations/rules made therein.
- Regulatory framework effected by IRDA, IAI and Accounting Standards of ICAI affecting Insurers and Retirement Benefit provisions

5.2 Objectives:

On completion of the seminar, a participant will acquire knowledge and understanding in respect of the following;

- A feel and understanding of the Professional Conduct Standard of IAI, an insight into professionalism and ethical issues & standards expected of an actuary gained through the presentations and case studies
- Knowledge of Statutes and Regulations including professional standards of Regulatory and Professional bodies as these apply to structure of institutions engaged in the business of Life insurance, Investments, General Insurance and Pensions & other Employee benefits.
- Knowledge of Statutes and Regulations including professional standards of Regulatory and Professional bodies as these apply to Products, Product distribution and Customer protection in respect of institutions engaged in the business of Life Insurance, Investments and General Insurance.
- Comprehension of the Indian market place in respect of Life Insurance, General Insurance, Pensions & other Employee benefits and Investments as these operate in relation to each other.
- Philosophy, mission, ethos and governance structure of IAI

6) Structure of IFS

The two day seminar will cover professional issues and India specific regulations, legislations and practices in core areas. The coverage will be roughly 50/50 in the two areas.



The seminar will consist of presentations and case studies by participants themselves. The focus of these will be on professionalism and regulation. Where felt necessary, guides and chairperson will be nominated for the sessions.

The role of the guide is considered critical to the quality of the presentation. The presentations/case studies are to be prepared in consultation with the nominated guide. The guide will use his knowledge and experience to provide valuable input to the structure and content of the presentation and will take responsibility for the accuracy of the facts presented. The role of the guide is particularly critical when the presentation is being done by a student.

The chairperson to a presentation will introduce the presenter/s, the subject briefly and will coordinate discussions. He will monitor, guide and if necessary intervene so that it remains relevant to the objective of the presentation and is limited to the time frame provided.

The seminar will include on the 1st evening, a pre-dinner talk on Professional ethics and standards by a professional from a peer profession or from another/overseas actuarial body. All participants will be required to attend this.

The number of participants in the seminar will be limited to a maximum of thirty only on first come first basis. Participation in excess of thirty has to be specifically approved by the Chairperson – Advisory Group on Professional Affairs and Standards

7) CPD Credit:

- a) CPD credit of Twelve hours for the two days is allowed for the practice area chosen by the member i.e. Life Insurance, General Insurance or Retirement Benefits or any other area as approved by the PEC.
- b) All students/affiliates requiring credit for admission as Fellow will necessarily make a presentation.
- c) All Appointed Actuaries attending the seminar for CPD credit for COP will have to play an active role in the seminar either as a presenter, guide or a Chairperson.
- d) Keeping the above requirement in consideration, the last date for registration for an IFS will be such that at least 45 days is available to set the schedule of the seminar and assign roles to all the participants.

8) Assessment for successful participation for admission to Fellowship:

- a) The students, Associates and affiliates seeking credit for admission as Fellow member will be assessed by an assessment committee consisting of members of PEC participating in the seminar, based on their performance during the course of the seminar. This will cover the presentations made by them as well as their participation in the discussions. The announcement of the seminar will contain information to this effect.
- b) The decision of the Assessment Committee will be taken as final.



9) Background Reading Material

- The provisions of the Insurance Act 1938 which provide a framework for application of actuarial principles and practices, in particular the following:
 - ✓ Sections: 2,10, 11, 13, 27, 27A, 27B, 27C, 27D, 35, 40A, 40B, 40C, 49, 64V, 64VA, 64VB, 112, 113
 - ✓ The provisions of the Insurance Rules, 1939 which provide a framework for application of actuarial principles and practices, in particular the following;
 - ✓ Sections: 3, 17C, 17D, 17E, 17G, 17H, 21, 50, 57

- The following Regulations put in place by IRDA;
 - i) IRDA (Appointed Actuary) Regulations, 2000
 - ii) IRDA (Actuarial Report and Abstract) Regulations, 2000
 - iii) IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000
 - iv) IRDA (Registration of Indian Insurance Companies) Regulations, 2000.
 - v) IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies), Regulations 2000
 - vi) IRDA (Investment) Regulations, 2000
 - vii) IRDA (Investment) (Amendment) Regulations, 2001
 - viii) IRDA (Protection of Policyholders' interest) Regulations, 2002
 - ix) IRDA (Protection of Policyholders' interest) (Amendment) Regulations 2002
 - x) IRDA (File and Use Procedure Life Insurance Products) Circular IRDA/ACTL/FUP/Ver. 2.0/Dec 2001, dt. 12th Dec.2001

- Accounting Standard 15 (rev.2005): Accounting for Employee Benefits issued by Institute of Chartered Accountants of India.
- Guidance Notes issued by The Institute Of Actuaries Of India till the date of the IFS
- The Institute of Actuaries of India Act, 2006 and regulations made therein.
- Professionalism course material of the Institute and Faculty of actuaries, UK.