ACTUARIAL STUDENT PROGRAM

The Actuarial Student Program assists employees who take examinations to become an Enrolled Actuary (EA) and to achieve the designations of Associate of the Society of Actuaries (ASA) and Fellow of the Society of Actuaries (FSA). Participation in the Program is a privilege that is only available to employees approved by the Chief Actuary. Support for the FSA designation requires the Chief Actuary’s approval of the desired specialty track.

Keep in mind, requirements for designations change periodically. The Chief Actuary will interpret this policy, with regard to these changes, as deemed appropriate.

Actuarial employees may apply for the Program by submitting a letter of application to the Chief Actuary stating their desire to become an Actuarial Student, proposed exam schedule, educational background, including exams already passed, and other relevant information. In general an applicant who has already passed one or more actuarial exams will be admitted to the Program if their planned additional studies are expected to be of value to the Company. For an applicant without prior exams, their formal educational background should include: a) three semesters of calculus, b) two semesters of calculus-based probability and statistics, c) one semester of linear algebra and d) two semesters of economics. The Chief Actuary will consult with applicants who have most but not all of the desired educational background and determine if additional educational preparation is needed prior to entering the program. Such additional preparation may be covered under the Company’s Educational Reimbursement policy. It is not recommended that an employee attempt an examination outside the Program as a way to enter the Program. The Chief Actuary retains the discretion to deny participation based on the likelihood of future success.

Participation in the Program is based on a variety of factors such as the employee’s workload and performance, the number of students in the program, the Company’s staffing needs and the availability of funds. A student must continue to inform the Chief Actuary of exam plans even if no study time is available.

Student Benefits:

1. Students may receive paid study time to prepare for the traditional exam-validated requirements including the EA exams, Preliminary Education exams and FSA exams. Hours of study time are granted based on the length of the exam and how many times the student has attempted the exam. FSA exam lengths will be rounded down to the next lower ¼ hour to remove reading time. For a first attempt, up to 30 hours of study time per hour of exam is available. For the second attempt, up to 15 hours of study time per hour of exam is available.

A proposed study schedule must be submitted to the Chief Actuary at least two (2) months before the examination. Approval is subject to the student’s workload and performance. Study time may not be concentrated immediately before an examination and no more than two (2) hours may be used per workday except that:

   a. Up to 7.5 hours may be scheduled per workday to attend certain approved seminars and study programs.

   b. Up to 7.5 hours may be scheduled on the workday preceding an exam.

   c. Up to 4.0 hours may be scheduled for the second workday preceding an exam.

For non-exempt hourly employees, approved study time and exam time should be coded in the Time Keeping System as “other hours worked.” For the Bi-weekly Time Sheet used by both non-exempt hourly and exempt salaried employees to report client hours, approved study time and exam time should be coded as Client # 99928 and Service Code 958.

Except for approved seminars and study programs (as per item (a) above) study time is to be taken in the office.
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An exam must be successfully completed before study time for the next course or designation will be approved. The Chief Actuary may grant a one-time waiver of this requirement if the course or designation that needs to be passed is not offered in the next examination period. A student may choose to take an exam without successful completion of the prior exam but will be granted no study time and limited other support (see below).

The Chief Actuary may modify study schedules at any time.

2. Students will be reimbursed for study materials (including shipping) such as examination related textbooks and other official study notes, as published in the exam syllabus, for an initial exam attempt. In the event of a significant change in the syllabus, reimbursement for new syllabus material is available on a second examination attempt. These items are purchased for the Company library and are to be made available to other employees when no longer needed by the student. The Chief Actuary must approve the purchase of textbooks and notes in advance. Reimbursement is subject to proof of purchase. This reimbursement is available for an exam taken before the prior exam is passed.

3. The Chief Actuary may approve up to $600 (as described below) in reimbursement for additional study preparation aids on the initial (or second) examination attempt. Such study preparation aids include items such as: study manuals, on-line support, seminars (on-line or in person), flash cards, and additional exam questions. Shipping costs will be included in amounts eligible for reimbursement. The first $300 of expenses in these categories will be reimbursed at 100% and the next $300 will be reimbursed at 50% for a maximum reimbursement of $600. However, on the second attempt the following additional restrictions apply:

   a. A seminar will only be approved if not used on the first attempt,

   b. Reimbursement is only available at the 100% level to the extent the full $300 was not spent on the first attempt and

   c. The total reimbursement between attempts one and two may not exceed $600.

Travel meals and other expenses are the student’s responsibility.

Approval of these benefits must be obtained in advance and is subject to the students workload and performance and the likelihood that it will help the student complete the course or designation.

With approval, study time, Paid Time Off (PTO) or unpaid leave may be used to attend seminars and study programs.

The benefits of this section are NOT available for an exam taken before the prior exam was passed.

4. The Company will reimburse the examination fee for each examination passed. The examination fee may be reimbursed even if no study time was granted due to taking a new exam prior to passing a prior exam. Exams must be taken and passed in the order approved by the Chief Actuary.

Subject to the Chief Actuary’s approval, students may take one (1) day off with pay for the first and second examination attempts and one (1) day PTO or unpaid leave for third and subsequent attempts.

5. The Company will pay the filing fee for Verification by Education Experience (VEE) credit. The course work to obtain VEE credit may be covered under the Company’s Educational reimbursement policy. However, when a VEE course is attempted after successful completion of all seven (7) preliminary education exams and the interim assessment of the FAP, then VEE course will be subject to the following: Books will be paid for in advance and the full course fee will be reimbursed upon passing. In addition, during the SOA transition period the VEE applied statistics (transition period ending 7/1/18) and the VEE corporate finance (transition period ending 7/1/19) will be covered under the actuarial student program, due to important transition rules. This means books will be paid in advance and the full course fee will be reimbursed on passing if passed before the SOA transition deadline. There will be no Company provided study time in any case.
6. The Company will provide support for the web-based **Fundamentals of Actuarial Practice** (FAP) requirement as follows. Before beginning this portion of the syllabus the student must have completed at least six (6) of the seven (7) preliminary education exams; in addition, approval of the Chief Actuary is required. Once approved, the Company will pay for any additional study materials. The initial registration fee for access to the modules will be fully reimbursed (similar to study materials for traditional exams). The fees for the interim and final assessment will be reimbursed upon passing (similar to examination fees for traditional courses). Study time will be granted at the rate of 15 hours for each module. Study time for the interim assessment will be 15 hours and study time for the final assessment will be 25 hours. Study time is subject to the same restrictions as study time for traditional exams except that no more than two (2) hours may be used per workday, as no significant additional exam preparation time is expected. For the final assessment, study time may be taken out of the office and up to 7.5 hours may be scheduled per day. Study time not used on the first attempt may be used on a retake. The student must complete one (1) module before beginning to take study time for the next. The student must update the Chief Actuary on progress every month including any revisions to their study schedule for future modules.

Students are expected to complete these modules within the suggested total time frame of 24 months. Failure to complete the modules in the suggested timeframe may result in loss of study time for subsequent modules. Assessment retake fees will not be paid or reimbursed, though the initial assessment fee remains eligible for reimbursement.

7. The Company will pay for one (1) Associateship Professionalism Course and one (1) Fellowship Admissions Course as follows:

   a. The enrollment fee.
   
   b. A mileage allowance for seminars within 200 miles of the office or coach airfare purchased at least a month in advance for seminars over 200 miles from the office.
   
   c. Reasonable lodging and meal expenses subject to appropriate documentation.

Payment is contingent upon course attendance. Students must reimburse the Company for expenses it pays in advance if the student fails to attend the course in whole or in part.

Study time will not be approved for the Associateship Professionalism or Fellowship Admissions courses. Subject to advance approval by the Chief Actuary, course participants will receive paid time off as follows:

   a. One (1) day plus reasonable travel time to attend the Associateship Professionalism Course.
   
   b. Three (3) days plus reasonable travel time to attend the Fellowship Admissions Course.

8. The Fellowship Web-based Modules and the Decision Making and Communications (DMAC) Module will be treated similarly to FAP web-based modules described in item 6, above. Before beginning these Modules, students on the US retirement track must have met four (4) of the five (5) exam-based FSA requirements (including EA exams). The exam requirement will be adjusted for other specialty tracks.

The current access-type fees for the Web-based and DMAC Modules will be paid by the Company in advance. Study time may be approved up to 15 hours per module subject to the same restrictions as the FAP modules discussed in 6, above.
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9. A pay raise will be awarded for each course or designation completed while in the Program. A student is still considered in the program as long as the Chief Actuary is informed of the student’s exam plans, even if the student is no longer receiving study time. For traditional, exam-validates courses, the annual raise will be equal to $400 per hour of exam (FSA exam lengths will be rounded down to the next lower ¼ hour to remove reading time). For the FAP, the annual raise will be $1,600 for each of the two (2) assessments. There will also be an annual raise of $1,000 upon completion of each of the two Fellowship Web-based Modules and the DMAC. In addition there is an annual raise of $2,000 for the attainment of EA, ASA or FSA while in the Program.

Raises will be effective on the first day of the month in which notice of completion is received (this includes the immediate passing report available for some computer based testing).

In order to be eligible for the appropriate pay raise, students must obtain approval from the Chief Actuary before sitting for an exam or other program. This requirement applies even if no study time or other resource is being utilized with regard to the exam or program. Approval of a study schedule shall be deemed to satisfy this requirement.

Service Requirements: To be eligible for payments and reimbursements under this Program, the student must be actively employed by or on approved leave from the Company on the date of payment or reimbursement. On termination of employment, fees and travel expenses paid by the Company within the prior 12 months must be refunded to the Company.