

MUTUAL RECOGNITION AGREEMENT

BETWEEN:

THE CASUALTY ACTUARIAL SOCIETY,
a professional membership organization
founded in 1914 and incorporated in the
State of Illinois in 1969, having its head
office and principal place of business in
Arlington, Virginia, USA;
(hereinafter called the "**CAS**")

AND:

**INSTITUTE OF ACTUARIES OF
AUSTRALIA,** is a company limited by
guarantee which holds a licence under the
Australian Corporations Law which allows it
to exclude the word limited from its name
having its head office and principal place of
business in Sydney Australia;
(hereinafter called the "**IAAust**")

THE PARTIES HEREBY AGREE AS FOLLOWS:

WHEREAS the CAS is a professional membership organization for actuaries applying actuarial science to property, casualty and similar risk exposures and confers the designation "FCAS" on its Members, which is a designation required by statute in some situations to perform actuarial work;

WHEREAS the CAS currently has three categories of membership, namely "Fellows" "Associates", and "Affiliates";

WHEREAS the CAS traditionally requires individuals to successfully complete the examination requirements set by the CAS, as part of the eligibility requirements for becoming a Fellow of the CAS;

WHEREAS the IAAust is the professional membership organisation for all actuaries practising in Australia and confers the designation "FIAA" on its Fellows, which is a designation required by statute in some situations to perform actuarial work;

WHEREAS the IAAust currently has four categories of membership, namely "Fellows", "Accredited", "Associates" and "Affiliates";

WHEREAS the IAAust traditionally requires individuals to successfully complete the examination requirements set by the IAAust, as part of the eligibility requirements for becoming a Fellow of the IAAust;

WHEREAS the parties wish to facilitate global trade in actuarial services by providing criteria for the recognition of appropriately qualified actuaries from other organizations;

WHEREAS the parties wish to recognize similar educational attainment, to avoid unnecessary barriers, and to enhance the global provision of education, research and professionalism;

WHEREAS each party considers the current education and examination system of the other party for property/casualty (general) insurance acceptable based on their rigour and high standards.

THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

A. THE CAS OFFER TO FELLOWS OF THE IAAUST

1. The CAS will on application admit as a Fellow of the CAS a Fellow of the IAAust on the following conditions; the applicant must
 - 1.1 have obtained a Fellowship qualification in the IAAust and be a Fellow in good standing with that organization. The applicant must have become a Fellow of the IAAust by having successfully completed the general insurance specialization within the education and examination system of the IAAust. Derived qualifications (i.e. where the IAAust has granted Fellowship to the applicant on the basis of membership in a third actuarial organization) will not be accepted for the purpose of fulfilling the affiliation requirement for becoming a Fellow of the CAS;
 - 1.2 successfully complete the professionalism requirements prescribed by the CAS from time to time;
 - 1.3 demonstrate that he or she has completed a three-year period of full time practical general insurance actuarial work experience within the six-year period immediately prior to the application for FCAS status;
 - 1.4 disclose to the CAS any public disciplinary sanctions that have been imposed against the applicant by any actuarial organization of which he or she is a member. The applicant must also give his or her permission to the CAS to contact the appropriate disciplinary body of the IAAust. Such record will be taken into consideration by the CAS in determining whether the applicant should become a Fellow of the CAS.
2. The applicants who satisfy condition 1.1 above and who wish to apply for Fellowship of the CAS in due course are encouraged to apply to be enrolled as an Affiliate of the CAS while completing the requirements described under 1.2, and 1.3 above.
3. Upon approval as a Fellow of the CAS, the applicant is subject to the same rights, privileges and obligations as all other Members. All Members of the CAS must comply with applicable actuarial standards, and must comply with the rules of professional conduct of the CAS at all times. In the United States, applicable actuarial standards of qualification are promulgated by the American Academy of Actuaries, and applicable standards of practice are promulgated by the Actuarial Standards Board. In Canada, applicable actuarial standards of qualification and practice are promulgated by the Canadian Institute of Actuaries.
4. Payment of subscriptions to the IAAust must be maintained at whatever rate the IAAust deems appropriate.

5. The applicant must send his or her application to the CAS which will administer the process provided for in this Agreement.

B. THE IAAUST OFFER TO MEMBERS OF THE CAS

1. The IAAust will, on application, admit to Accredited Member status of the IAAust, a Fellow of the CAS, who wishes to pursue actively the profession of actuary in Australia, on the following conditions.

- 1.1 The applicant who has qualified as a Fellow of the CAS through examination, will be automatically recommended to the Council of the IAAust for approval once they have met the following conditions:

- a) has been a resident in Australia for at least 6 months and has gained suitable experience in local actuarial practice;
- b) must have passed a recognised professionalism course within the previous 5 years or earlier at the discretion of the Council, or any other course approved by the Council.

- 1.2 The applicant must successfully complete the courses and professional development requirements prescribed by the IAAust from time to time;

- 1.3 The applicant must disclose to the IAAust any public disciplinary sanctions that have been imposed against the applicant by any actuarial organization of which he or she is a member. The applicant must also give his or her permission to the IAAust to contact the appropriate disciplinary body of the CAS. Such record will be taken into consideration by the IAAust in determining whether the applicant should become a Member of the IAAust.

2. Members of the CAS who become Accredited Members of the IAAust, may apply for Fellowship of the IAAust after 6 months of continuous residence and actuarial practice in Australia following becoming an Accredited Member (12 months in total).
3. Those admitted to Accredited Member status under this Agreement will have the same rights, duties and obligations as other Fellows of the IAAust, except where legislation or the IAAust's own rules dictate otherwise. They will be subject to the Constitution, Code of Professional Conduct, Professional Standards and Guidance Notes.
4. Payment of subscriptions to the CAS must be maintained at whatever rate the CAS deems appropriate.
5. The applicant must send his or her application to the IAAust which will administer the process provided for in this Agreement.

C. OBLIGATIONS OF THE CAS AND THE IAAUST

1. The CAS and the IAAust will continue to maintain education standards for property/casualty (general insurance) actuaries that are substantially equivalent. The

signing of this Mutual Recognition Agreement is in recognition that these actuarial organizations currently have substantially equivalent education standards. Mutual re-attestation of such substantial equivalence will take place when significant changes are made in any of these actuarial organizations' education or examination systems.

2. The CAS and the IAAust will enter into a mutual discipline agreement as soon as is reasonably practical after the signing of this agreement. A violation of the Code of Conduct of one actuarial organization will be considered evidence of a violation of the Code of Conduct of the other actuarial organization. Material on a member's public discipline in one actuarial organization will be forwarded to the other organization for their review and possible action.
3. This Mutual Recognition Agreement will terminate if any of the actuarial organizations signing this Agreement concludes that the obligations in 1 or 2 of this section are no longer being met. Termination of this Mutual Recognition Agreement will not affect rights already granted to individual members under this Agreement.

Signed at Rio de Janeiro this 20th day of November, 2005

CASUALTY ACTUARIAL SOCIETY



Paul Braithwaite
President

Signed at Rio de Janeiro this 20th day of November, 2005

INSTITUTE OF ACTUARIES OF AUSTRALIA



Andrew Gale
President