



## **CAE Guidance on Adaptability Quotient (AQ) and Emotional Quotient (EQ) Education**

The following EQ/AQ outline is intended to provide guidance as to the skills that may be taught to increase students' adaptability quotient and emotional quotient education as it relates to approval for CAE. These items correspond with those on the EQ/AQ Worksheet, which may be used if preferred in your CAE application.

- 1. How to effectively communicate technical information to a non-technical audience**
  - Prepare to communicate (e.g., Who is my audience? What is my goal?)
  - Avoid common mistakes when communicating as an actuary, e.g. use of slang and overfamiliarity, unintentional disrespect, oversharing, informal sign-off, misspelling of names as a sign of disrespect, overuse of acronyms.
  - Effectively participate in peer review, both as a provider and receiver of feedback.
  - Provide a relevant answer to a question being asked, in a manner consistent with the background of the party who asked the question, for topics and parties that are most germane to those supporting actuaries (e.g., an actuarial peer, or an accountant).
  - Apply an awareness of one's own level of knowledge relative to others' to more accurately characterize one's level of expertise.
  - Support creation of information to be leveraged in presentations and reports.
  - Recognize steps in effectively preparing for a conversation.
  - Recognize how and when a response to a challenging question can be deferred.
  - Effectively deal with certain difficult questions by providing expertise in ways that minimize disagreement and avoid escalation.
  
- 2. How to manage uncertainty by focusing on reasons and rationales over a "right answer" mindset**
  - Effectively explain how to solve a problem or how to correct a solution to a problem, e.g., saving for a college education, accounting for a missed payment, applications of Theory of Interest.
  - In the context of a straightforward application of actuarial mathematics, e.g., calculation of a profit margin, or a problem related to contingent cash flow:
    - Explain basic errors in a basic software application and how to correct them.
    - Accurately price and reserve an insurance policy, in situations without any complicating factors.
  - Utilizing a basic software application and given a particular change in an input or assumption, explain the impact of that change on a calculated output.
  - Respond to questions in ambiguous or open-ended situations with limited time to prepare or react.

**3. How to manage ambiguity by effectively analyzing vague and contradictory information**

- Recognize the impact of errors on one's brand and the brand of one's team or department and recognize steps that can be taken to minimize errors, e.g., self-reviewing deliverables or validating using a test case.
- Recognize situations when asking for help is appropriate and expected.
- Respond to questions in ambiguous or open-ended situations with limited time to prepare or react.

**4. How to influence decision-makers through analytics and business considerations**

- Interpret industry events in actuarial terms, e.g., stories related to loans, straightforward stocks and bonds, underfunded pensions.
- Apply active listening by incorporating what has been communicated in previous conversations to build positive relationships.
- Effectively and respectfully share observations or concerns with a superior.
- In the context of a straightforward, current application of actuarial mathematics, explain how you arrived at an answer and whether an answer is realistic/sensible.