

Christopher S. Carlson

A.C.A.S. – May 1986

F.C.A.S. – July 1990

Education

The University of Oregon, Eugene – Bachelor of Science in Mathematics December 1978
Valparaiso University, Indiana - attended August 1973 to May 1975

Current Employment

Consulting Actuary with Pinnacle Actuarial Resources, Inc. – Dublin, Ohio

Activities with the Casualty Actuarial Society

- **Board of Directors,**
Member 2005-2006
- **Executive Council,**
Vice President Professional Education 2001 - 2004
- **Joint CAS/SOA Enterprise Risk Management Symposium Committee,**
Member 2003
- **Long Range Planning Committee,**
Member 2006
- **Committee & Task Force on Volunteer Resources,**
Member 1998 - 2001
- **Ratemaking Seminar Committee**
 - Chairperson 2000
 - Vice Chairperson 1999
 - Member 1995 - 1998
- **Research Policy and Management Committee,** Member 1997 - 1999
- **Research Committee on Ratemaking**
 - Chairperson 1994 - 1997
 - Vice Chairperson 1993 - 1994
 - Member 1990 - 1993
- **Examination Committee,**
Member 1991 - 1994
- **Task Force on Supporter & Exhibitor Review,**
Chairperson 2003 - 2006
- **Task Force on Promoting Nonmember Attendance at Seminars,**
Member 2001 - 2002
- **CAS Golf Tournament Director,** 1999 to present

Christopher S. Carlson

Additional Biographical Information

Other Actuarial Organizations

Actuarial Standards Board - Casualty Committee –

Member 1996 to present

Chair 2005 to present

American Academy of Actuaries Casualty Practice Council

Member 2005 to present

Other Professional Designations

Member of the American Academy of Actuaries

Employment History

Nationwide Insurance Companies 1979 to 2005

Professional Caddy LPGA and PGA Tours 1975 to 1979

primarily for Hall of Fame Golfer – Pat Bradley including five tournament wins

Membership and Activities in Other Organizations

North Carolina Rate Bureau Various Actuarial committees in the 1980s and early 1990s

Other Relevant Information

Married for 26 years - wife Ann Moseley,

Three children – Amanda (19), Bradley (16) and Nicholas (born 1995, deceased 2001)

Avid golfer, serious downhill skier and frequent attendee at various sporting events of all varieties

Former long distance runner – former member of the Oregon Track Club

highlights include Boston Marathon 2 hours and 26 minutes in 1978

All-state in Massachusetts High School – Cross Country and Track

All-state in Indiana Small College – Cross Country and Track

Christopher S. Carlson

Question #1: Why do you want to be President-Elect?

Response:

I have enjoyed my many CAS involvements over the past 16 years from committee membership to committee chairs to involvement as a member of the Executive Council and the Board of Directors. These opportunities have allowed me to develop a deep understanding and kind of a passion for our unique volunteer-led organization and our profession. The positions of President-Elect and President are opportunities to utilize the operational understanding as well as influence the future of the organization and the profession through involvement in strategic decisions and direction. I welcome the chance to continue to be involved in these aspects of the CAS.

With the many operational areas of the CAS through all of the committees, the speed of change within the CAS continues to escalate. Increased coordination and communication both within and between the many volunteers as well as all of the stakeholders (members, candidates and the various users of actuarial services) is essential to our continued strength and development as an organization. I would like to facilitate this communication and coordination in order to strengthen all of the areas of the CAS as we move towards our 100th anniversary.

There are so many possible changes on the horizon following the numerous changes seen over the past five or ten years. Changes in candidate and member education, the continued evolution of the ERM and international involvements, increased usage of working groups in the research area and the changes to our publications and how they are delivered to our members are all areas of potential change in the near term. I would like to be involved in seeing those changes successfully implemented as well as to be part of the team that helps our stakeholders understand the what, why, when, who and how issues that surround any change. We are conservative by nature. We sometimes have struggles embracing change. We will not change for the sake of change but for positive reasons and benefits.

As Woody Hayes, the famous college football coach at The Ohio State University so aptly put it- "You can never pay back, you can only pay forward." I hope to utilize the institutional knowledge gained over the years of involvement in paying forward for the wonderful opportunity to be part of the actuarial profession.

Christopher S. Carlson

Question #2: What particular qualities and experience would you bring to the office of President-Elect?

Response:

The duties of the CAS President-Elect and President are primarily in the areas of operational issues and ambassadorial roles. Our Board determines the strategies and organizational direction. The PE and President can contribute to the discussion on where we are headed but are primarily charged with implementation of the Boards policies.

My three years as CAS Vice President-Professional Education provided an appreciation and understanding of the day to day decisions and issues faced by the members of the Executive Council. I feel I have established a good working relationship with the members of the CAS Office Staff. Through various committee chair assignments, I have developed a better understanding of how to accomplish goals within our great volunteer organization.

Having attended the CAS Board meetings for the past five years, I have an understanding of the current and future professional issues facing our members and the organization in general. The internal issues are as varied as the current titles of our vice presidents suggest plus the issues that come as being part of the global actuarial community.

More recently, I have increased my appreciation and understanding of the international actuarial community as chair of the ASTIN Colloquium Organizing Committee. Similarly, through work on the ERM Symposium committee along with the encouragement of Don Mango and John Kollar, I have become a supporter of our involvement within the ERM space.

While these issues are not important to the everyday world of many of our members working in traditional actuarial areas in insurance companies or consulting firms, they are important to the profession in general and to those who will enter the profession in the future. Again, communication and coordination will be required to see these issues through to fruition – a challenge for the leaders of our Society for years to come. I hope to use my institutional knowledge and communication skills to move the issues of the CAS forward.

Christopher S. Carlson

Question #3: Candidate Issues Identification and Discussion:

Candidate Education Future members are the life-blood of any organization. Since the CAS is a “learned body” that determines and tests the qualifications required for membership, we should ensure that we are “teaching” the appropriate concepts at the appropriate level and that the travel-time is not so oppressive to deter large numbers of potential members. The generalist philosophy in our testing has caused the number of topics and pages on the exams to grow as our involvement into new areas expands. While continuing to maintain the high standards our various employers depend upon, we may need to recognize that our members may not all need the same level of mastery understanding on all topics on the syllabus. How many of us did not receive testing on loss distributions or dynamic financial analysis but developed expertise through some other manner in order to practice in that area. While the current education process has served us well in the past, we may need to adjust significantly in the future. Rather than having to subtract papers in order to add new papers or topics, we may need to develop new strategies to evolve. There are many efforts underway with promise such as replacing written examinations with practical workshops and additional on-demand on-line testing for the preliminary exams as well as offering more interactive workshops to our credentialed members.

Classes of Membership Outside of the US, most actuarial bodies only have one class of membership with practice rights. While our associate designation carries practice rights within the US, it does not in Canada and elsewhere. Also noteworthy, the SOA associate designation does not bestow similar practice rights, so they are not equivalent designations, even though we use the same word. In the US, there is continuing confusion over our two classes of membership and what the difference is to our employers.

I support the idea of one class of membership with the current ACAS members maintaining all current privileges and practice rights. I would like to see an alternate intermediate designation similar to the SOA associate after the preliminary set of exams. This new designation would assist in any transition so that candidates could count on testing credits not disappearing.

Enterprise Risk Management Opportunity This emerging practice area is perhaps THE opportunity to jointly partner with the SOA. This effort would include developing educational content and member expertise to showcase to our members, the insurance community and especially the business community at large, the value of the actuarial skill set in this practice area. It may also provide the opportunity for members of both organizations to jointly work on projects where both disciplines are understood and become valued partners in the success of the ERM process.

International Initiatives I favor the current practice of providing support to and eliminating barriers for our members wanting to practice outside North America. Similarly, we need to continue to support candidates from other countries desiring to become members of the CAS. I don't think that we could desire to be welcomed with open arms as the only general insurance society in light of the fact that there are other existing groups around the globe with general insurance education (although not singularly focused as is the CAS). We need to continue to be very visible as a Property Casualty focused organization on a global basis through the International Actuarial Association and the non-life section - ASTIN.

Christopher S. Carlson

Candidate Responses

1. "What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?"

With the shrinking difference in the number of exams between Associateship and Fellowship and the global recognition of only our Fellows, continuing the current classes is more confusing than necessary. As stated in my initial comments, I support the idea of one class of membership with the current ACAS members maintaining all current privileges and practice rights. The ACAS designation would be a run-off class. I do not envision a scenario where career Associates would be automatically grandfathered as Fellows without some time of additional qualifying criteria such as an examination.

I would like to see an alternate intermediate designation similar to the SOA associate after the preliminary set of exams (4 or 5). This new designation would allow candidates to count on testing credits not disappearing in any exam transition. What we would call this designation might be the biggest hurdle.

2. "What do you view as the CAS' most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?"

The migration of CAS members into new practice areas is an issue where initially some individuals will no doubt and have already lead the effort by using their actuarial and business skill sets in non-traditional roles. The CAS continuously attempts to identify practitioners in non-traditional arenas. As part of the Centennial Goal of the CAS, we have embraced and fostered the fact that our members are currently experts in dealing with hazard risk and can and should play an active role in operational and financial risk management.

There are two typical methods of providing educational opportunities for current and prospective members to learn about emerging areas- the exams and meetings / seminars. We already struggle with syllabus "overload" and travel time within the exam process. In order to add content to the syllabus, it is imperative to identify content that could be de-emphasized or replaced. The CAS jointly sponsors continuing education opportunities in ERM with the SOA and PRIMA. Limited attendance type seminars with hands on learning (post-Fellowship educational certification?) is an area with great potential where the CAS could assist our members in learning skills in more focused emerging arenas. Achieving critical mass with regard to interested members will determine whether these seminars can be held successfully.

In arenas where future opportunity might exist for a large number of members, the CAS should be able to assist interested members with research and educational support. At the present, I do not see the CAS in a position to take a lead role in exploring and finding opportunities for the members. Just as we take pride in being perhaps the best volunteer-led organization in the country, the emerging areas will be discovered by our members. Then organizational support from the CAS will be developed from the request of and with the heavy involvement of the membership.

3. "I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications. Briefly, section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial opinion (SAO's). The IAA lists fifty-five international actuarial organizations.

In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities. Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.

I urge you to carefully read Section 2.1 and then discuss:

- 1. In what ways do you see Section 2.1 as being advantageous to the CAS?**
- 2. In what ways do you see Section 2.1 as being dis-advantageous to the CAS?**
- 3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?**
- 4. If elected, what actions might you take in regard to Section 2.1?"**

In general, if the initial concern over the revised Qualification Standards involves the ability of professionals to sign the Statement of Actuarial Opinion on Loss and Loss Adjustment Reserves, there are additional requirements listed in Section 3 of the Draft Revisions that should also be considered. Also, in most jurisdictions that require actuarial certification of rate filings, the language specifically refers to members of the Casualty Actuarial Society (CAS) rather than members of the American Academy of Actuaries (AAA). This difference in required membership creates a disconnect whereby the AAA determines practice rights in the Reserving area while the CAS by regulation or legislation is the benchmark for many rating issues. Worthy of note is the fact that currently there are no continuing education requirements for on-going membership in the CAS – perhaps there should be?

As to the specific questions, while perhaps not total clear or apparent, Section 1 seems to expand the concept of what is a SAO beyond reserves to many other areas such as ratemaking, valuation and many other projects. Section 2.1 should be considered in combination with the expanded Continuing Education Requirements. While Section 2.1 could possibly allow non-CAS members to work in CAS dominated areas, there currently is no restriction other than the Precept in the Code of Professional Conduct for areas

other than Reserve ASOPs. The expanded continuing education requirements (30 hours) and supervision requirements may seem to be more onerous to non-CAS members than currently exist.

Qualification for membership in the IAA by way of the other “societies”, while in many cases is less rigorous than the CAS or SOA requirements, requires focus on the same general topics needed in most actuarial applications. Again, in the case of ASOPs on Reserves, Section 3.1.1.2, seems to require CAS exams on reserving, accounting and expense analysis, ratemaking, forms, coverages, underwriting and marketing.

I have often heard in response to other CAS /AAA issues, “they are us.” Many CAS members are actively involved in the activities of the American Academy. In some cases, such as the committees under the leadership of the AAA Casualty Practice Council, they are specifically focused on US property/casualty issues. In other cases, such as these Qualification Standards, AAA committees are focused on the wider actuarial profession. The CAS President and President-Elect plus at least two other members of the CAS serve on the AAA Board of Directors. This highlights the fact that this Standard was developed with the input and involvement of CAS members including two of the seven members of the drafting committee.

This recent concern helps to point out the need for all CAS members to take a very interested look at and comment upon not only the draft Qualification Standards issued by the Academy. I would also recommend the same level of interest, if not more, for the property/casualty related Actuarial Standards of Practice issued by the Actuarial Standards Board. While located in the same offices as the AAA, the ASB operates independently from the AAA. The current governance provides internal development of various standards by and for our members. We are privileged that we are not currently subject to external over-sight such as recently implemented in the UK. We need to be diligent in the development and application of such standards to continue to exercise this privilege of self-governance.

CANDIDATE BIOGRAPHICAL FORM
BRIAN Z. BROWN

A.C.A.S. – May, 1985

F.C.A.S. – May, 1988

Education

B.S., Summa Cum Laude in Economics
Illinois State University – 1980

Current Employment

Principal and Consulting Actuary
Milliman, Inc.

CAS Activities and Publications

Activities:

- Joint Program Committee for Reinsurance Seminars, Member 2004 - Current
- C.A.S. Committee on Health and Managed Care Issues, 1998-2000
- C.A.S. Committee on the Ratemaking Seminar, 1998-2003
- C.A.S. Casualty Loss Reserve Seminar Committee, 1992-1996; Chairperson in 1996
- Subcommittee on Reserving of the 1997 Casualty Committee of the Actuarial Standards Board – Resulted in ASOP No. 36
- C.A.S. Examination Committee, 1989-1992
- Presenter at 15 CAS Meetings

Publications:

- Co-Author, "Workers' Compensation Managed Care Pricing Considerations", *Forum*, Winter 1999
- Co-Author, "Reserving for Loss Sensitive Premium Items", *Forum*, Fall 1999
- Co-Author, "Study Note Reading on Deductibles", CAS Study Note, 1998.
- Co-author, "Integration of Managed Care in Workers' Compensation", 1997 C.A.S. Discussion Paper Program
- Co-author, "Recent Trends in Workers' Compensation Coverage", C.A.S. Forum, Summer 1996
- Co-author, "Funding for Retained Workers' Compensation Exposures," 1996, *Proceedings of the C.A.S.*
- Co-author, "Pricing Employment Practices Liability Exposures", 1996 C.A.S. Discussion Paper Program
- Co-author, "Disclosure Requirements for Mass Torts", C.A.S. Forum, Summer 1996
- Co-Author, "Estimation of Liabilities Due to Inactive Hazardous Waste Sites", C.A.S. Forum, 1994
- Author, "Pricing for Credit Exposure," 1992, *Proceedings of the C.A.S.*
- Author, "Self-Insurer Solvency and Estimating the Collectibility of the Retrospective Premium Reserve," C.A.S. Discussion Paper Program, 1992

Other Actuarial Organizations

- President, Midwestern Actuarial Forum, 1999; Officer, 1996-1998

Other Professional Organizations

- Member, American Academy of Actuaries
- Member, Conference of Consulting Actuaries

ADDITIONAL BIOGRAPHICAL INFORMATION
BRIAN Z. BROWN

Employment History

- Consulting Actuary, Milliman, Inc. – 1990-Current
- Actuary, CNA Insurance Company – 1985-1990
- Assistant Actuary, Zurich Insurance Company – 1983-1985
- Actuarial Student, Allstate Insurance Company – 1981-1983

Membership and Activities in Other Organizations

- Member, AIDA Reinsurance & Insurance Arbitration Society
- Member, Professional Liability Underwriting Society

Civic Activities

- Treasurer, Brookfield Central High School Debate Team
- Volunteer, Big Brothers Program
- Volunteer, Sunday School and Other Church Activities

Other Publications

- Co-Author, “Reinsurance Collectibility Problems Continue”, *National Underwriter*, February 7, 2005
- Co-Author, “Reinsurance Carriers Expected to Play Smaller Role in Future Asbestos Losses”, *National Underwriter*, May 10, 2004
- Co-Author, “Rising Disputes May Affect Balance Sheets”, *National Underwriter*, July 7, 2003
- Author, “ Trouble Plagues WC Reinsurance Market”, *National Underwriter*, July 15, 2002
- Co-Author, “Reinsurers May be Spared Asbestos Claims”, *National Underwriter*, September 3, 2001
- “WC Reinsurers Fight To Regain Profits”, *National Underwriter*, July 16, 2001
- Author, “WC Reinsurers Hit by Poor Results”, *National Underwriter*, August 28, 2000
- Author, “Long-Tail Workers’ Comp Losses Hit Reinsurers”, *National Underwriter*, August 30, 1999
- Co-author, "EPL Claims Rising - Where's the Coverage", *Best's Review*, October, 1995

Award and Recognitions

Named outstanding undergraduate economic student of 1980 – Illinois State University

BRIAN Z. BROWN, F.C.A.S., M.A.A.A.

Question #1: Why do you want to serve on the CAS Board of Directors ?

I want to serve on the CAS Board of Directors because:

- 1) My past committee experience and background would help me serve the membership well;
- 2) I have a high energy level and many ideas regarding the actuarial profession and believe that my involvement can help to enhance the reputation of the actuarial profession; and
- 3) I would enjoy the experience of being a Board Member.

I have had leadership roles on CAS committees including service as Chairperson of the CLRS and President of the Midwestern Actuarial Forum. I also have served on many CAS committees (CLRS, Ratemaking, CARE, Exam) and have spoken at 15 CAS meetings. I was on the Standards Board Sub-Committee that drafted ASOP No. 36 (Loss Reserving Standard). I have enjoyed being a part of the CAS through its various committees, and I believe I have been able to contribute to the CAS membership and the profession through my participation. If elected to the Board, I look forward to being able to serve the membership at a continued high level.

In addition, I have also held a leadership role within my consulting firm and have worked at three different insurance companies. My varied professional experiences provide background to understand the needs of both consultants and actuaries at companies as well as actuaries employed in other environments.

If you enjoy what you are doing you tend to do a better job. I have thoroughly enjoyed being active in the CAS and would like to assume a broader role.

Question #2 raises vital issues that are important for the CAS to address. I believe I can help the CAS address these issues.

BRIAN Z. BROWN, F.C.A.S., M.A.A.A.

Question #2: Candidate Issue(s) Identification and Discussion

It is important for the CAS to address and continue to address the following issues:

First and foremost, the CAS needs to be viewed as the most important source for property/casualty actuarial education and research – this is a key part of our Centennial goal and we will need to work hard to achieve this. Also, I believe the CAS needs to continue to work collaboratively with other actuarial organizations and to continue to export our North American skills throughout the world.

Secondly, the CAS should continue its work in enhancing the credibility of the actuarial profession. Several different organizations have criticized actuaries and I believe the criticism is unfounded and due to the public's misunderstanding of the actuary's role. However, as an organization, we may also need to encourage better self-governance, particularly in working with others to clarify and enforce the standards of practice.

Third, the CAS should educate non-insurance organizations on the broad scope of actuarial skill sets and experience. While we are well known within the insurance industry, we are not well known outside the insurance industry. Actuarial skills can and should be applied in a number of non-insurance situations which require evaluating risks (e.g., enterprise risk management, estimating loan defaults for banks, etc.). We need to make others aware of the membership's skills so that actuaries will be employed in various roles.

Fourth, the CAS should stress the importance of communication skills. The concepts and methods we utilize in our work are oftentimes very complex. It is very important that the profession be able to clearly convey complex ideas to regulatory agencies, employers, clients, the public and others. The CAS may be able to better communicate items to the public and assist actuaries with communication skills.

Brian Z. Brown

Candidate Responses

1. “What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?”

The question of eliminating the ACAS designation is a difficult one. However, I believe that on balance the arguments for eliminating the designation are stronger. The following lists some of the arguments for eliminating the ACAS designation:

- 1) The two designations are confusing to the public and I am not aware of any other (non-actuarial) professional society that has two designations.
- 2) Associates pay full dues and contribute significantly to committees, research, etc.
- 3) Associates are generally allowed by regulators to perform all services an FCAS would perform (e.g., signing Statement of Opinions). Additionally, very experienced Associates are performing the same services as experienced FCASs.
- 4) Associates are generally not qualified outside the U.S.
- 5) Currently only two more exams are required to obtain FCAS.

Regarding how to handle career Associates, I generally agree with the Task Force on Classes of Membership’s recommendations and the Board’s statements:

- 1) All candidates fall under the Code of Professional Conduct.
- 2) Associates continue to be Associates until they cease their CAS membership.
- 3) Existing Associates are awarded FCAS after completing exams.

Regarding who should make this decision, I believe the issue is of such importance that a membership vote should be required.

2. “What do you view as the CAS’ most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc)?”

As outlined in my issues statement in the “Meet the Candidates” section, I believe it is important for actuaries to be seen as more than just narrow service providers to insurance companies. Actuaries have a broad based skill set involving risk analysis and quantification. Therefore, I believe that actuaries can and should expand the type of work that they do.

The question highlights two areas; ERM and Banking. I would concur that these are two areas where some actuaries currently work but in general, actuaries are not as well known as they should be in these areas. I believe that the CAS can assist actuaries to play greater roles in these areas via:

- 1) Continuing Education - additional seminars or new sessions at existing seminars on these topics;
- 2) The CAS should study and provide guidance to members wanting to practice in these areas via, among other things, discussions with current CAS members in these areas.
- 3) Educating trade groups/professional societies of the skill set of actuaries (e.g., for banks).
- 4) Provide for prize/prizes for the best paper/papers by CAS members in non-traditional areas. This will educate other CAS members and provide more credibility for the CAS in these areas.

3. “I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications.”

Briefly, Section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial Opinion (SAO’s). This IAA lists fifty-five international actuarial organizations. In effect, if a full member worked “under the supervision” (a term that is not defined in the standard) of a “qualified actuary” (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO’s for U.S.-based insurance entities. Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.”

1) In what ways do you see Section 2.1 as being advantageous to the CAS ?

I am assuming the question references how Section 2.1 impacts the CAS membership. I believe the CAS is the leading non-life actuarial educational body worldwide.

In many cases, a non-CAS member may be in a position to sign a SAO. However, he/she would be restricted due to current policy. Some examples might include very talented and experienced actuaries who

- a) make job changes and move to the U.S., or
- b) are actuaries outside the U.S. for a company that owns U.S. subsidiaries.

In these cases, it would seem punitive and unnecessary for a very experienced actuary to be required to pass the CAS exams. Therefore, some type of special program appears logical.

I believe Section 2.1 may be helpful to CAS members as

- IAA organizations outside the U.S. may adopt similar policies for CAS members to become qualified in other countries.
- It potentially increases the talent pool in the U.S. and enhances the reputation of actuaries.

2) In what way do you see Section 2.1 as being disadvantageous to the CAS?

The harm would be if:

- Unqualified actuaries are allowed to sign a SAO; or
- Some younger actuaries choose to be accredited by some other IAA organization and then meet the qualifications to sign a SAO via Section 2.1 (thereby purposely avoiding the CAS exams).

I believe that the first concern can be addressed by doing the best job possible to make sure the actuaries are qualified. This may require documenting the type of supervision given and the work done by the actuary in training. I believe it would also be reasonable to require some type of examination; a single exam that covers general reserving concepts, statutory accounting, etc. This would guarantee a certain level of competence.

Regarding the second concern of U.S. actuaries trying to avoid the CAS exams, I believe there needs to be some type of well-worded exclusions of this practice.

3) *Please note that Section 2.1 does not require any exams. Would you prefer to have the actuary take certain CAS exams? If yes, which exams?*

I believe a different exam would be appropriate as mentioned above. The exam would take information from current exams and include some new material. I would envision the exam as having less theory and more practice. For example, it might not involve questions on every detail of an actuarial method but might ask the candidate to discuss how he/she would reflect changes in case reserve adequacy in their work.

4) *If elected, what action might you take in regard to Section 2.1?*

Encourage the American Academy of Actuaries to require in addition to Section 2.1:

- a) more definition of what is required of the actuary in training, for example, with regard to documentation that certain training has occurred. Also, have the CAS/AAA develop a required training list. This potentially could include the actuary in training providing some type of work product to the CAS/AAA to display quality of work.
- b) require successful completion of an exam before being allowed to sign SAO.

Charles A. Bryan

A.C.A.S. - 1972

F.C.A.S. - 1974

Education:

B.S. Math, John Carroll University, 1968;
M.S., Math, Purdue 1969;
MBA, Golden Gate University, 1976

Current Employment (please include position):

President and Principal, CAB Consulting, LLC

CAS Activities and Publications (please include years on committees, for positions, etc.)

2006: Committee member, CAS Centennial History
2004: Proceedings, Review of Stan Khury's paper "Testing the Reasonableness of Loss Reserve Ratios"
2004: CAS Meeting, General Panel, "The Truth About Loss Reserve Adequacy"
2004: CAS Meeting, Presentation on auto rating systems
2002: CAS Meeting, General Panel, "How Optional Federal Charters Will Affect Your Industry and Your Career"
1999-2001: Member, CAS Board
1991-1992: CAS President (includes numerous presentations to international groups and to regional affiliates)
1990-1991: CAS President-Elect
1986-1990: CAS Vice President, Research
1985: President, Southwest Actuarial Forum Regional Affiliate
1978-1984: Chairman, CAS Committee on Review of Papers
1976-2006: Participation in numerous CAS panels and presentations

Other Actuarial Organizations (please list activities, positions and years)

2006: Member of CRUSAP Advisory Panel
2005-2006: Member, ASB General Insurance Committee
2005-2006: Investigator for ABCD
1995-2005: Participant in numerous AAA presentations and panels
1994: President, AAA
1993: President elect, AAA
1991-1992: Chairman, AAA Committee on Relations with Accountants
1986-1988: Chairman, ASB Casualty Committee

Other Professional Designations:

CPCU, CPA (licensed in Texas)

Charles A. Bryan

Additional Biographical Information

Employment History (complete, abridged or recapped)

2001-Current: President, CAB Consulting

1998-2000: Senior Vice President, Chief Actuary, Nationwide Insurance

1996-1998: Chief Executive Officer, Direct Response Corporation

1989-1996: Partner, Ernst& Young

1976-1988: Various positions, including SVP, Chief Actuary and Chief Financial Officer, USAA

1972-1976: Various positions, including Director of Actuarial Research, Allstate

1970-1972: 1st LT, U.S. Army

1969: Actuarial analyst, Insurance Rating Board (now Insurance Services Office)

Membership and Activities in Other Organizations (professional and industry)

AICPA, Member

Highway Loss Data Institute, Chairman and Member

American Arbitration Association, Member

Civic Activities (volunteer, elected, appointed)

Toastmasters

Member, San Antonio Chamber of Commerce

Instructor in Insurance and Risk Manager, the Ohio State University (2006)

Instructor in the Finance of Insurance, University of Texas at San Antonio (1985-1987)

Other Publications

Non-standard Auto Insurance, Best's Review

Board Education Needed Now, National Underwriter

Award and Recognitions

Other Relevant Information

Charles A. Bryan

Question #1: Why do you want to serve on the CAS Board of Directors?

Response: Because of a background that includes technical actuarial work, positions as Chief Actuary and Chief Financial Officer, positions as CEO and on the Board of Directors of several insurers and the CPCU and CPA designations, I can help assure that the CAS and its activities are well integrated into other disciplines and that the CAS can continue to play a very important role in the financial services industry and expand its influence at senior levels.

Charles A. Bryan

Question #2: 2006 Candidate Issue(s) Identification and Discussion:

Response: 1. Ability of casualty actuaries to play a key role in financial services: the actuary must continue to become the expert in areas such as loss reserving, pricing, and enterprise risk management as well as solvency and return on capital issues. This includes integrating actuarial skills with those of other disciplines.

Charles A. Bryan

Candidate Responses

1. "What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?"

My view is that considerable study has been done and that study will be discussed at the Board meetings and I will draw my conclusions after the discussions. My criteria will include what is attempted to be accomplished by the change, how disruptive will the change be, how much effort will it take to make the changes, and where does the effort rank in priority order with other activities. The study included recommendations on the future status of members that have been associates for many years. I would consider those recommendations.

2. "What do you view as the CAS' most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?"

Positioning our members for important and interesting jobs is high priority.

However, the primary focus of our skills continues to be pricing and reserving and actuarial aspects of enterprise risk management for risk transfer entities and my view is that we should maintain focus on these areas. My view is that we should continue to make available educational seminars and courses on related areas such as the theory of interest, enterprise risk management, and other areas. We need to assure that our members understand accounting, mathematical modeling, and similar areas.

Some of our members will migrate to other industries such as banking or migrate into general management but I do not believe we should extend our educational efforts into those areas except to make our members aware of other organizations that handle those other areas as their primary focus.

There is plenty to do in the risk transfer, pricing, reserving, and so on areas and we should not dilute our efforts. We need to spend efforts to assure good relationships with the AICPA, the Society for Insurance research, and so on but not try to duplicate what these organizations already do well.

3. "I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications. Briefly, section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial opinion (SAO's). The IAA lists fifty-five international actuarial organizations.

In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities. Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.

I urge you to carefully read Section 2.1 and then discuss:

- 1. In what ways do you see Section 2.1 as being advantageous to the CAS?**
- 2. In what ways do you see Section 2.1 as being dis-advantageous to the CAS?**
- 3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?**
- 4. If elected, what actions might you take in regard to Section 2.1?"**

I preface this answer with an admission that I am not fully familiar with all aspects of the mutual recognition program. My context for answering the questions is this: The CAS should nurture ties with other actuarial organizations because they are the source of considerable knowledge on actuarial issues and because our members work in companies and consulting firms that have a presence outside general insurance and North America. At the same time, the CAS must protect the quality of actuarial work products and the preeminence of our members in offering these work products. The specific answers:

1. The possibility of providing opinions will cause more people to read CAS literature and follow developments in North America. This will strengthen ties with other organizations. In addition, some of our members will find it easier because of mutual recognition to provide actuarial work products outside of North America.
2. The ability of actuaries who are not CAS members to offer SAOs may cause some actuaries to sign opinions where they are not qualified and so reduce the value of the opinion. It also may cause our members to lose some business to the extent other non-CAS members do the work. This will not be a large problem because our members will still be seen as the preeminent source for casualty SAOs.
3. If we are going to have a standard, I prefer the way it is written. If there is abuse, we have ABCD type mechanisms.
4. If elected, I need to hear more discussion to decide. We have very good CAS members on the AAA Board and I would want to hear their views.

Clive L. Keatinge

ACAS: 1987

FCAS: 1988

Education

B.A., Mathematics and Statistics (double major), University of California-Berkeley,
Phi Beta Kappa, Highest Distinction in General Scholarship, Departmental
citation to outstanding undergraduate in statistics, 1982

M.A., Sports Administration, Ohio State University, 1985

M.S., Mathematics, New York University, 1994

Current Employment

Associate Actuary, Insurance Services Office, Inc.

CAS Activities

Examination Committee

Part 5, 1989

Part 3B, 1990-1991

Parts 1 and 2, 1992-1999

Part 4B, Chair, 1996-1999

Exam 1, 2000-present

Exam 4, Chair, 2000-2004

VEE-Applied Statistical Methods Transitional Exam, Chair, 2005-present

Syllabus Committee, 1997-present

Preliminary Actuarial Examinations Syllabus and Education Committee, 2000-2004

Working Group on Courses 3 and 4, 1997-1998

Board Task Force on Exams 3 and 4, 2000

Exams 3 and 4 Contingency Plan Task Force, 2001

Exam 3 Life Contingencies Working Group, 2001

Design Task Force on Exams 3 and 4, 2002

Future Education Task Force, 2002-2003

Task Force on Study Materials, 2003-2004

CAS Representative to SOA ERM Credentials Task Force, 2005

Publications Management Board, 2005-present

Seventeen presentations at CAS meetings and seminars

CAS Publications

“The Effect of Trend on Excess of Loss Coverages,” *PCAS* 1989

“Balancing Transaction Costs and Risk Load in Risk Sharing Arrangements,” *PCAS* 1995
(Dorweiler Prize winner)

“Modeling Losses with the Mixed Exponential Distribution,” *PCAS* 1999

Discussion of “Minimum Distance Estimation of Loss Distributions,” by Stuart A.
Klugman and A. Rahulji Parsa,” *PCAS* 2004

Other Professional Designations

Member, American Academy of Actuaries, 1988

Chartered Property Casualty Underwriter, 1990

Distinguished Graduate Award, given to graduate with highest cumulative grade
average on all ten examinations (out of 1834 graduates)

Clive L. Keatinge

Employment History

Fireman's Fund Insurance Companies, 1982

Worked with the accident year reporting system in the reserving unit

Prudential Reinsurance Company, 1985-1991

Worked on all aspects of reinsurance pricing and reserving, assisted in the marketing and underwriting of facultative reinsurance for six months

Insurance Services Office, Inc., 1991-present

Developed and supervised the implementation of two increased limits models, worked on catastrophe models and dynamic financial analysis models, participated in the development of products for reinsurers

Clive L. Keatinge

Question #1: Why do you want to serve on the CAS Board of Directors?

Response: Last year, the American Academy of Actuaries established a presidential task force, the Critical Review of the U.S. Actuarial Profession, or CRUSAP, to undertake a critical self-analysis of the U.S. actuarial profession. Chaired by former CAS President Fred Kilbourne, the charge to the CRUSAP is to identify risks and opportunities faced by the profession, analyze those risks, and develop recommendations for their management. The overriding criterion in the evaluation of risks and opportunities is to be the needs of the various publics for actuarial services and whether those needs are being met through the profession and its members.

The CRUSAP will be issuing its report later this year, and I believe a key role of the CAS Board over the next few years will be to work with the other North American actuarial organizations to act on the recommendations coming out of the CRUSAP. As a Board member, I would be committed to making the CAS a constructive partner in that effort.

From a CAS perspective, the most controversial aspects of the report are surely to be those dealing with the organizational structure of the actuarial profession. In the past, the CAS has consistently obstructed change in this area, which has resulted in the continued fractured state of the profession in North America. The issuance of the CRUSAP report would be an excellent time for us to change our stance and begin working cooperatively toward a professional structure that makes sense.

I attended the Enterprise Risk Management Symposium earlier this year, and I recall two of the panelists commenting on how valuable it was to have actuaries from different practice areas interacting together within their organizations and working toward a common goal. The ERM Symposium offered attendees a glimpse into the benefits of this interaction, and the symposium has been a very successful joint venture among two actuarial organizations, the CAS and SOA, and a non-actuarial organization, the Professional Risk Managers' International Association (PRMIA).

If the casualty actuarial profession is to thrive in the future, we need more of this cooperation—in basic education, continuing education, research, and on the international front. For this to occur on a large scale, we need a professional organizational structure that will allow for the needed coordination and communication. The structure of the American Academy of Actuaries, with its branches for different practice areas, may provide a model for this.

To continue to move the casualty actuarial profession forward in the twenty-first century, we are going to need to take bold steps that entail significant change. I am committed to making that change a reality.

Clive L. Keatinge

Question #2: 2006 Candidate Issue(s) Identification and Discussion:

Response: Two years ago, the Task Force on the ACAS Vote and the Task Force on Classes of Membership both reported to the CAS Board of Directors. At that time, the Board voted to deal with ACAS voting rights and classes of membership at the same time. This was sound reasoning, and if the Board had followed through on this, we might now be faced with voting on proposals to move to a single class of membership (and thus to stop granting new Associate designations) and to give existing Associates who have had their designations for five years or longer the right to vote. If this were the case, I would be an enthusiastic supporter of both proposals. However, because the Board abandoned its original plan and decided to address the ACAS voting rights issue before the classes of membership issue, I oppose the current proposal to give Associates of five or more years the right to vote.

As a society, we must first decide whether there is enough of a distinction between Associate and Fellow to warrant keeping the Associate designation prospectively. If we decide that there is, then I see no reason to start eliminating distinctions between the two designations. If we decide that there isn't, then we should affirmatively make the decision to stop granting new Associate designations. I believe giving existing Associates of five or more years the right to vote would be an appropriate part of this plan. However, I also believe the Fellows should be the ones to make the decision on whether to move to a single class of membership.

In addition, addressing the ACAS voting rights issue before the classes of membership issue potentially creates a troubling issue in then moving to a single class of membership. The Task Force on Classes of Membership recommended that the CAS move to a single class of membership, Fellow, and "the transition rule most preferred by Task Force members, and therefore closest to a consensus recommendation, is one wherein we continue to offer the Associate designation for a limited period of time, not to go beyond 2008, and at the end of 2013, when all Associate members of the CAS will have held that designation a minimum of 5 years, automatically grant FCAS status to all remaining Associates."

This would probably require constitutional and bylaw changes, and so Associates could potentially be asked to vote on whether to eventually make themselves Fellows. As noted in the May 2006 Actuarial Review, there were at that time 962 Associates who had had their designations for five or more years and 2787 Fellows. Thus, allowing these Associates to vote would have a material effect on the voting population.

Associates have clearly made significant contributions to the CAS and the actuarial profession, and I support the proposals to allow them to serve on the Board of Directors and the Executive Council. Any Associate on the Board would have to be elected by the Fellows, and any Associate on the Executive Council would have to be elected by the Board. This is entirely consistent with the proposal to allow nonactuaries to serve on the Board, which I also support.

I have been observing the CAS Board for five years, and I believe the Board almost always does an excellent job of analyzing issues and making appropriate policy decisions. However, in this case, I believe the Board has erred by pursuing the ACAS voting rights issue before the classes of membership issue. I also believe that a few Board members sensed this, when at the May 2006 Board meeting, some sentiment was expressed for reconsidering the decision to move ahead with the ACAS voting rights issue this year.

I urge the Fellows to reject the current proposal to give Associates of five or more years the right to vote. Then, if the Board comes back later with a well-thought-out proposal to move to a single class of membership that incorporates ACAS voting rights, I would be pleased to offer my enthusiastic support.

Clive L. Keatinge

Candidate Responses

1. “What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?”

I am unequivocally in favor of moving to a single class of membership. The issue of what to do with current Associates requires striking a balance between the conflicting goals of moving to a single class of membership as quickly as possible and not prematurely eliminating the distinction that current Fellows have earned by passing the Fellowship exams.

The Task Force on Classes of Membership suggested eliminating the distinction between Fellow and Associate five years after the last Associate designation is granted. Five years is probably too short a time frame, but on the other hand, waiting until the last Associate has died is probably unnecessarily long. Something around fifteen years strikes me as about the right length of time to wait before eliminating the distinction.

Regardless of the transition rule that is proposed by the Board, I believe that only Fellows should vote on any necessary constitutional and bylaw changes. Unfortunately, this will be impossible if the proposal to give Associates of five or more years the right to vote passes. This is why I believe the Board has made a fundamental error by addressing the Associate voting rights issue before the classes of membership issue.

2. “What do you view as the CAS' most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?”

The most effective next step that the CAS could take is to make a real commitment to work with other organizations on this front. The ERM Symposium is a success story, but we need more cooperation in basic education, continuing education and research. Inter-organizational squabbling is still a significant impediment to progress in this area.

3. “I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications. I have attached a link to the standard:

http://www.actuary.org/pdf/prof/qualification_2ed_jan06.pdf

Please see pages 11 and 12. Briefly, section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial opinion (SAO's). The IAA lists fifty-five international actuarial organizations. In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities. Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements. I urge you to carefully read Section 2.1 and then discuss:

- 1. In what ways do you see Section 2.1 as being advantageous to the CAS?**
- 2. In what ways do you see Section 2.1 as being dis-advantageous to the CAS?**
- 3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?**
- 4. If elected, what actions might you take in regard to Section 2.1?"**

This is an AAA issue. I would defer to the Casualty Practice Council of the AAA.

Mary D. Miller

A.C.A.S. – 5/1994

F.C.A.S. – 11/1998

Education B.S. in Ed – The Ohio State University: Major – Mathematics, Minor - French
M.A – University of Toledo: Mathematics

Current Employment Actuary, Ohio Department of Insurance, Division of Financial Regulation Services

CAS Activities and Publications (please include years on committees, for positions, etc.)

Member: Syllabus Committee – 1998-99

Exam Committee – 1998 to present

Exam Committee Pass Mark Panel - 2002 to present

Joint Task Force for Enhancing the Reputation of the Actuary – 2005 to present.

Speaker: Spring Meeting 2003 and 2004, Annual Meeting 2001 and 2005, CLRS 2001 –2005, Midwest Actuarial Forum 2004 and 2005, and CAMAR 2001 and 2003.

Other Actuarial Organizations (please list activities, positions and years)

AAA Committee on Property/Liability Financial Reporting 2000-2004

AAA Financial Soundness and Risk Management Committee 2002-2004, Co-chair 2004

AAA Vice-President, Casualty 2005-2006

AAA Casualty Practice Council 2004-2006, Vice-chair 2004, Chair 2005-2006

AAA Financial Reporting Council 2005-2006

AAA Financial Reporting Committee 2004

AAA Solvency and Risk Management Committee 2004

AAA Executive Committee 2005-2006

AAA Board of Directors 2005-2006

NAIC Casualty Actuarial Task Force 1998 – Present, Vice Chair 2003-Present.

Other Professional Designations None

Mary D. Miller

Additional Biographical Information

Employment History (complete, abridged or recapped)

Regulator since 1996

Commercial lines underwriting and pricing, personal and commercial lines reserving in both staff and management positions.

High school and university mathematics instructor.

Membership and Activities in Other Organizations (professional and industry)

Participant on various NAIC committees and speaker at NAIC's Financial Summit in 2006

Organized several NAIC symposiums

Civic Activities (volunteer, elected, appointed)

Local high school Academic Boosters (past president)

Eucharistic minister in my home parish

Parish strategic planning committee

Ohio Reads tutor

Other Publications

Award and Recognitions

Other Relevant Information

Mary D. Miller

Question #1: Why do you want to serve on the CAS Board of Directors?

Response: It would be an honor and a privilege to be able to serve the profession as a member of the Board of Directors. I have attended several Board meetings over the past two years, both as an interested observer and to discuss specific issues before the Board. I believe I will be able to contribute the time and energy required to help the Board make decisions that will continue to move the profession forward. I have a working knowledge on a wide range of issues and I am willing to learn more about those issues with which I am less familiar.

Mary D. Miller

Question #2: 2006 Candidate Issue(s) Identification and Discussion:

Response:

There are three areas I feel are critical to the profession today. First and foremost is the role of the actuary in Enterprise Risk Management. I believe we have the ability to bring not only technical expertise, but also the analytical and managerial competence to be leaders in this endeavor. Too often I see the actuary's role being limited to data analysis that someone else uses to evaluate strategic directions. While we certainly have the competence to provide that analysis, I also feel we should be the leaders in the strategic decision making. I believe the Board should be proactive in helping and supporting the profession move to forefront of ERM. I believe the current Board has recognized the need for and is committed to this effort. I believe the Board is in fact engaged in assessing their own risk profile, a commendable and necessary exercise. The NAIC is moving to a risk-focused approach to regulation. It is an outstanding time to be a casualty actuary and we need to take advantage of this opportunity to show the many ways we can lead this effort.

The international actuarial and accounting initiatives need more attention than we have been able to provide to date. There is an amazing volume of work being produced by the IAA (and the IAIS and IASB) that will impact our work in the future and we have not identified enough people to participate in this effort. Make no mistake, the US contingent is exerting a yeoman's effort at keeping up with and contributing to the international work but they need more help. This will take great cooperation between the CAS and the AAA. The volume of work is so high that we cannot have duplication of effort in some areas and absence of effort in others due to a failure to communicate. The great cooperation we experienced in last year's AAA/CAS risk transfer project needs to be duplicated in the international arena.

The third area is that of providing a meaningful volunteer experience. Everyone I talk to is busier than ever and they become frustrated when their volunteer efforts are not productive or enjoyable. The Working Party concept is great and we need to find more ways to enable volunteers to get the most out of their experience. Some may prefer more short-term projects that don't entail extended time commitments, while others may wish for longer less intensive opportunities. There is plenty of work to go around so we need to be more creative in drawing out the best resources in a way that meets their time constraints as well.

Mary D. Miller

Candidate Responses

1. "What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?"

I am in favor of membership classifications that are meaningful and that make sense. It seems as though a single class of membership will be implemented. Should that happen, I believe current Associate designations should be allowed to run-off. I do not see any benefit to changing current Associates into Fellows unless the exams they have taken actually cover the full range of Fellowship topics. The process that eventually prevails should be as fair as possible to the most number of people. I am open to discussing what the details of that process should be.

2. "What do you view as the CAS' most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?"

I think John Kollar's article in the "Actuarial Review" that was reprinted in the most recent "Risk Management" publication presents an excellent starting point. We need to think of our roles in a more holistic risk framework and not just as "number crunchers." That tone must start at the top and flow through all that we do. As the education and research arm of the profession, the CAS must continue to look for educational opportunities for experienced actuaries as well as students. I don't think the CAS should necessarily prepare actuaries for specific non-traditional arenas but should continue to recognize an expanded role in our current arenas. Exams are changing from reciting lists to more open-ended questions requiring the integration of multiple concepts. Actuaries in management positions are encouraging the inclusion of actuaries as members of multi-disciplinary product teams along with underwriters, claim adjusters, and marketing reps. I know I benefited from an actuarial training program that involved the possibility of rotations in both actuarial and operational roles such as accounting, underwriting, claims and IT and I believe we should encourage that type of training as part of an actuary's early formation. That type of training will enhance our abilities in traditional roles in traditional arenas as well.

3. "I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications. I have attached a link to the standard:

http://www.actuary.org/pdf/prof/qualification_2ed_jan06.pdf

Please see pages 11 and 12.

Briefly, section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial opinion (SAO's). The IAA lists fifty-five international actuarial organizations.

In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities. Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.

I urge you to carefully read Section 2.1 and then discuss:

- 1. in what ways do you see Section 2.1 as being advantageous to the CAS?**
- 2. in what ways do you see Section 2.1 as being dis-advantageous to the CAS?**
- 3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?**
- 4. If elected, what actions might you take in regard to Section 2.1?**

I will preface my remarks by saying I do not believe the standard defines a prescribed Statement of Actuarial Opinion any longer. I also believe there is still some confusion that will need to be cleared up, so another exposure draft may be possible. The Qualifications Committee will determine that after they have reviewed the responses to this one. I think the entire standard defines what a "qualified actuary" is and I think a meaningful and specific definition of "under the supervision" would be very difficult. There are, however, questions that need to be answered about those terms.

I believe this is advantageous to the CAS because there will now be standards in place where previously there were none. Today those who do not meet anything close to these standards could do much of what the Standard now defines as an SAO.

I do not see any disadvantages in Section 2.1 at this time. The place where I see a possible disadvantage is in encouraging but not requiring any organized activities for continuing education.

The need for specific exams would depend on the type of opinion and the training and background of the individual. The requirements for the statutory Statement of Opinion (as defined in NAIC Instructions and described in Section 3 of the proposed standard) still require CAS membership or approval of the AAA Casualty Practice Council. That is not changing and all the members of the Casualty Practice Council are also CAS members. The Academy website describes the documentation required to be considered for approval. Even then, the Council evaluates the quality of that documentation before granting approval.

I support strengthening the Standard and do not at this time believe specific Board action is required. Personally, I will submit comments again if there is another exposure draft and if there are still areas I feel need further clarification.

Joanne S. Spalla

A.C.A.S. – May 1983

F.C.A.S. - November 1985

Education

B. S., Magna Cum Laude, Bucknell University (Education and mathematics)

Current Employment

Converium Reinsurance (North America)
Senior Vice President & Corporate Actuary

CAS Activities and Publications

Activities:

- Executive Council, Vice President Marketing & Communications, 2003 – present
- Publications Implementation Task Force, Chairperson, 2005 - present
- Publications Marketing Task Force, Chairperson, 2006 - present
- Publications Management Board, Ex-Officio, 2005 - present
- CAS Sponsorship & Exhibit Task Force, Member, 2004
- ICA 2006 Scientific Organizing Committee, Member, 2005 - 2006
- University Liaisons, Member, 1999 - present
- Membership Survey Task Force, Chairperson, 2003 - 2004
- Committee on General Business Skills Education, Member 2001 - 2003
- Assistant Secretary, Board of Directors, 2000 - 2003
- Task Force on General Business Skills Training, Member, 2000 - 2001
- Committee on Reserves, Member, 1995 - 1999

Publications

- “Using Claim Department Work Measurement Systems to Determine Claim Adjustment Expense Reserves,” *Proceedings of the CAS*, 2001.
- “Canadian Reserve Certification: Current Requirements and Practices, CAS Discussion Paper Program, 1991.

Other Professional Designations

Member, American Academy of Actuaries, 1983
Fellow, Canadian Institute of Actuaries, 1989

Joanne S. Spalla

Additional Biographical Information

Employment History (complete, abridged or recapped)

July 1980 - November 2002 Hartford Financial Services Group
Latest Position: Vice President and Actuary

During my 22 years at the Hartford, I held a variety of positions in pricing, reserving, planning and claims in Corporate and Specialty Lines.

November 2002 – present Converium Reinsurance (North America)
Senior Vice President & Corporate Actuary

Other Relevant Information

Casualty Loss Reserve Seminar: Moderator & Panelist, 1989-2000

Instructor: Part 7 Seminars in San Francisco and at University of Hartford - 1987-1992

Joanne S. Spalla

Question #1: Why do you want to serve on the CAS Board of Directors?

Response:

I was honored to be nominated to run for election to the CAS Board of Directors. I have enjoyed the privilege of serving on the CAS Executive Council for the past three years and as serving as the Assistant Secretary to the Board from 2000-2003. These experiences have given me broad exposure to all facets of the CAS and the opportunities and challenges our organization is facing.

The success of the CAS is fueled by its members high level of participation--one in three members currently volunteer their time to support the profession. We are also fortunate to have a strong partnership between the members, our elected leaders and CAS Staff. I am impressed that the Board has been proactive in increasing the transparency of its governance and recommending that we adopt the latest best practices in governance.

I am proud to be a part of the CAS. I find the time that I spend on CAS activities is immensely rewarding, and I want to continue my involvement in the leadership of the CAS. As a member of the Executive Council, I have enjoyed my role in executing the policy set by the Board. In running for a seat on the Board, I want to continue to serve the members of our society by helping to shape the future direction of the CAS.

Joanne S. Spalla

Question #2: 2005 Candidate Issue(s) Identification and Discussion:

Response:

The CAS is a strong and vibrant organization, and our members enjoy a robust employment market. Unfortunately, we cannot afford to take our strong position for granted. To continue to flourish, we must make sure that actuaries remain relevant and respected. Our credibility as a profession and as individuals must remain impeccable. I see the following as important issues facing the CAS:

- **FCAS Education:** Our rigorous exam process is the first step in establishing our credibility. While we must maintain our strong qualification standards, we have to make sure that the process does not discourage fully qualified candidates from completing the exams. Over the past several years, the CAS has taken many steps to improve the exam process. This year, the Board has begun to examine the learning objectives a candidate must master to attain Fellowship in the CAS. Once the Board concludes its study, it will be important to share their recommendations with the membership, solicit feedback and incorporate this input. Once learning objectives have been finalized, we must determine the best way to deliver this education and validate that candidates have met the objectives. Implementation of any changes must be executed in a way that does not cause disruption to the candidates taking exams. In addition, I believe there are significant opportunities to improve the quality of our study materials and validation process.
- **Actuarial Credibility:** Adherence to high professional standards is key to maintaining the credibility of our profession. We must continue the work of the Task Force on Actuarial Credibility and the Critical Review of the U. S. Actuarial Profession (CRUSAP) and seriously consider implementing their recommendations.
- **Relevance:** Rigorous education and high professional standards alone will not guarantee that our profession will continue to flourish in an ever-changing world. We must make sure that we remain relevant to the publics we serve. We must embrace new area of expertise, such as Enterprise Risk Management and Generalized Linear Modeling, where actuaries can make a contribution.
- **Continuing Education:** The definition of Basic Education learning objectives, increased continuing education requirements and emerging areas of actuarial expertise will have significant implications for continuing education. The CAS must make sure that our continuing education offerings and delivery methods are enhanced to meet these upcoming demands.

As a candidate for the Board of Directors, I look forward to the opportunity to represent our members in helping our Society meet these challenges.

Joanne S. Spalla

Candidate Responses

1. "What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?"

The future of the Associate designation is an important issue that impacts a large number of our members. Decisions about the future of the designation cannot be taken lightly. As a member of the CAS Executive Council, I have studied the Task Force reports and have listened to the Board's deliberations on this issue.

The CAS has had the two classes of membership since its inception in 1914. When the original CAS Constitution and Bylaws were created, the distinction between Associates and Fellows was based on their positions in their corporate organizations, with Fellows being in charge of actuarial and statistical departments and Associates being the workers in those departments that demonstrated a desire to study actuarial science. In 1915, the CAS established education requirements for Fellows and Associates. Over the years, the distinction between Fellows and Associates has ranged from as many as four to as few as two exams. The current two exam distinction is relatively small. Fellows and Associates currently enjoy the same practice rights in the U. S. The distinction between Fellows and Associates often creates confusion among our publics and few other international organizations maintain such a distinction. If we were to start with a blank sheet of paper and create our actuarial society today, I doubt we would recommend having these two classes of membership.

For these reasons, I am in favor of moving toward a single class of membership.

However, the decision about how to move to a single class of membership is more difficult and complicated. I am not in favor of depriving current members of any practice rights that they currently possess. At the same time, I do not think it is fair to the current Fellows to automatically grant Associates the same status that the Fellows have earned. For that reason, I am in favor of the so-called runoff approach in which the CAS would no longer offer the Associate designation after some point in the future. After that point, members who have already earned the Associate credential would still maintain their designation, but the CAS would admit no new Associates. The date must be selected far enough in the future to allow sufficient time for the students that are currently in the exam process to prepare.

I believe that the Board should seek input from a broad spectrum of our membership before finalizing its recommendations. Ultimately, I believe that a decision regarding the future of the Associate designation should be put to a vote of the full CAS membership.

2. "What do you view as the CAS' most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?"

The best way to position actuaries for roles in non-traditional arenas, such as ERM, is to demonstrate that actuaries are already successfully making significant contributions to these areas. Although we may not have used the term ERM, our traditional ratemaking and reserving functions involve measuring hazard risk. Many CAS members already deal with the management of risk portfolios through their work in catastrophe risk, reinsurance and capital management. We need to more broadly portray our actuarial skill sets as risk management functions and demonstrate to the financial community how actuaries are uniquely qualified to lead ERM in both insurance and non-insurance organizations. To be successful in these areas, it will not be sufficient to merely demonstrate the technical skills; a successful leader must also demonstrate that they possess the interpersonal skills to work as members of a cross-functional team.

As an educational body, the CAS should provide its members with research and continuing education to further their knowledge of these topics. We should partner with other organizations to advance these objectives where it makes sense to do so. The Joint Risk Management Section and our co-sponsorship of the successful ERM Symposium are examples of effective partnerships that the CAS has recently undertaken.

Finally, we must publicize the work of actuaries that are already practicing in these areas and the unique qualifications that actuaries possess to contribute in these arenas. As Vice President of Marketing and Communications, I worked with the CAS VP of Risk Integration to develop a comprehensive communication plan for increasing the awareness and visibility of ERM. I am gratified that CAS membership in the Joint Risk Management section has grown from 70 to 500 in the past year as a result of these communication efforts.

If we demonstrate that actuaries have been successful in playing a key role in these emerging areas, the public will increasingly look to actuaries to perform this role in the future.

3. “I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications.

Briefly, section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial opinion (SAO's). The IAA lists fifty-five international actuarial organizations.

In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities. Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.

I urge you to carefully read Section 2.1 and then discuss:

- 1. in what ways do you see Section 2.1 as being advantageous to the CAS?**
- 2. in what ways do you see Section 2.1 as being dis-advantageous to the CAS?**
- 3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?**
- 4. If elected, what actions might you take in regard to Section 2.1?‘‘**

The proposed AAA Standard on Qualifications expands the scope of Qualification Standards from its current focus on statutory work to all statements of actuarial opinion. Section 2 of the proposed Qualification Standard describes the General Qualification Standard, with Section 2.1 describing the Basic Education and Experience requirements. The section lists three necessary criteria that an actuary must meet to satisfy the General Qualification Standard. In addition, it lists additional requirements that an actuary would have to satisfy in order to sign statements of actuarial opinion in an area covered by a specialization track.

To respond to this question, one cannot consider section 2.1 in isolation. Section 3 discusses the Specific Qualification Standards, which would apply to the NAIC P&C Statement of Actuarial Opinion. The Specific Qualification Standards impose more detailed requirements. Finally, the Qualification Standard makes it clear that that under the Code of Professional Conduct, actuaries must not perform work unless qualified to do so.

In the example posed in this question, an FSA or member of ASPPA could meet the first two of the Basic Educations requirements. However, they would have to also satisfy the additional requirement of being “knowledgeable, through examination or documented professional development, of the U. S. laws and regulations that are applicable to the statement of actuarial opinion.” Furthermore, in order to sign a statement of actuarial opinion covered by a specialization track, such as the CAS, they must either complete a specialty track in the area of actuarial practice relevant to the subject of the SAO or have a minimum of one year’s experience in the area of actuarial practice relevant to the subject of the SAO under the supervision of a qualified actuary; or have a minimum of three years’ experience relevant to the subject of the SAO under the supervision of a qualified actuary. If the FSA or ASPPA member wanted to sign the NAIC P&C Statement of Actuarial Opinion, they

would also have to meet the Specific Qualification Standard, which imposes additional requirements including the successful completion of the CAS or alternative basic education, as well as experience requirements. I do not have a personal preference as to whether the candidate meets the qualification requirements through examinations or alternative education.

I believe that this qualification standard benefits the actuarial profession in general and the CAS in particular in so far as it expands the scope of the current qualifications standards and provides more guidance in how an actuary can determine if he or she is qualified to sign statements of actuarial opinion in the U. S. When both the general and specific qualifications in the entire Standard are taken into consideration, I do not believe that the proposed Standard is disadvantageous to the CAS.

In the U.S., it is the role of the Board of Directors of the American Academy to approve Standards of Practice. If I were elected, my role as a member of the CAS Board of Directors would be to ensure that the CAS was adequately represented on the Committee on Qualifications. As a CAS Board member, I would also make sure that the CAS provides feedback on the Qualifications Standards throughout the drafting and exposure period. For example, we should point out that the phrases “under the supervision” and “qualified actuary” may be defined better in the Standard. Finally, once the Standards were approved by the AAA Board, I would also make sure that the standards are communicated to CAS members.

Andrea M. Sweeny

A.C.A.S. – May 1979

F.C.A.S. – November 1982

Education

Bachelor of Arts, with honor, Mount Holyoke College
Combined major Mathematics and Economics
Graduate courses in Mathematical Economics
George Washington University

Current Employment

Principal
Casualty Actuarial Assistance LLC
Meriden, CT

CAS Activities and Publications (please include years on committees, for positions, etc.)

Speaker CLRS September 2002 “Reserve Opinion Issues from a Regulatory Perspective”
Speaker CAS May 2000 Meeting “Current Accounting Issues: Codification of Statutory Accounting”

Other Actuarial Organizations

American Academy of Actuaries
Member Committee on Property/Liability Financial Reporting 1995?-1998
Vice Chair Committee on Property/Liability Financial Reporting 1998- 2001
Chair Committee on Property/Liability Financial Reporting 2001-2004
Chair Risk Management and Solvency Committee 1999?-2001
Member Casualty Practice Council 2001- present
Member of Financial Reporting Council 2001- present
Vice Chair Financial Reporting Committee 2006
Member Materiality White Paper Task Force 2005- present
Member Board of Directors 2004- present
Chair “Effective P/C Loss Reserve Opinions: Tools for the Appointed Actuary” seminar
2005- present
Speaker Spring Meeting 2004 “What Does Your Opinion Mean?”

Other Professional Designations

Member American Academy of Actuaries
Fellow Conference of Consulting Actuaries

Andrea M. Sweeny

Additional Biographical Information

Employment History

7/01 – Present Casualty Actuarial Assistance LLC, Principal

10/97 – 6/01 Arthur Andersen LLP, Hartford CT, Senior Manager

4/91 – 7/97 Deloitte & Touche LLP, Hartford CT, Senior Manager

4/75 – 1/86 CIGNA Corporation, Hartford, Ct

9/82 – 1/86 Connecticut General Life Insurance Co.

4/75 – 9/82 Aetna Insurance Company

7/71 – 9/74 Bureau Of Labor Statistics / U.S. Department Of Labor
Washington DC, Economist for the Office of Productivity and Technology

Membership and Activities in Other Organizations (professional and industry)

One of spokespeople for the American Academy of Actuaries at National Association of Insurance Commissioners (NAIC) Meetings 2001-2004

Other Publications

Participated in publications of American Academy of Actuaries Committee on Property/Liability Financial Reporting, including annual Practice Note for Statements of Actuarial Opinion for P&C Loss Reserves, annual Law Manual regarding P&C Loss Reserves, and Practice Note on P&C issues associated with the implementation of the codification of statutory accounting principles by the NAIC

Andrea M. Sweeny

Question #1: Why do you want to serve on the CAS Board of Directors?

Response:

I believe I have been a wide range of actuarial situations over the last 30 years that would serve me well in helping to guide the strategic direction of the CAS. I have worked inside companies, consulted, audited the work of other actuaries, assisted regulators, supported actuarial positions to users such as the NAIC, and been involved with litigation about and against actuaries. I think I have seen us as we see ourselves and as others see us.

Having spent virtually all of my volunteer time with the American Academy rather than the CAS, I believe I my also be able to bring a slightly different, but still knowledgeable, voice to the Board.

Finally, the training and education I received through the CAS and its members has given me a very satisfying career and I feel very protective of that.

Andrea M. Sweeny

Question #2: 2006 Candidate Issue(s) Identification and Discussion:

Response:

I am especially interested in ensuring the CAS maintains a strong outward focus. I believe this takes the form of continuing to broaden the economic, business and finance training provided through both formal and continuing education. It also takes the form of stressing communications skills and increasing communications training.

The CAS has significantly increased the services it has provided to governments and business. Its members have greatly increased their roles in providing honest, unbiased information and in evaluating the implications of economic and public policy issues such as managing medical malpractice compensation, and structuring and funding terrorism coverage. They have also increasingly served as important players on teams trying to solve difficult market problems, such as providing rational coverage for natural catastrophes. I believe it is important to continue to increase the orientation of CAS training and culture toward these ends.

Finally, I believe the CAS has responsibility to maximize the number of appropriately trained actuaries it provides through its education program. It needs to be continuously vigilante to maintain a proper balance between building very strong technical mathematical skills and very strong business, finance and economic skills. I have seen the CAS lose significant numbers of students who could have become strong business actuaries due to unbalanced structuring of the earlier examinations and would hate to see that happen again.

Andrea M. Sweeny

Candidate Responses

1. "What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?"

I would hate to see the CAS do away with the Associate designation. I think it is very important to us and the industry to have a stopping point along the exam process.

I think we can structure an exam process that gets the essentials into the initial exams. I'm not sure the current 7 exams out of 9 really does that. I believe a 6 out of 9 break seems like a better solution.

I expect we lose many who would be excellent practicing actuaries now with the 7 exam requirement. We would lose many more with no associate level membership.

While I finished the exams, I can recognize that stopping at associate is a very rational decision for a number of people. That stopping often has nothing to do with their ability to pass exams or perform at very high actuarial levels.

Finally, there is still a very strong demand for casualty actuarial skills. I truly do not want to do something that would act to restrict rather than expand the supply.

2. "What do you view as the CAS' most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?"

I still have faith in the formal education process the CAS has created over the years. I think through vigilant updating of the exams and providing targeted training, with demonstration of proficiency at the end of that training, we can keep our members who want to branch out into other areas qualified to the same high standard they are with regard to traditional work. I would be very much in favor of cutting back on the higher level, abstract math on the earlier exams in favor of increasing formal education on finance, international markets, ERM, banking, etc. I think such a move would increase the contribution all actuaries could make and make them better practicing business actuaries.

3. “I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications. I have attached a link to the standard:

http://www.actuary.org/pdf/prof/qualification_2ed_jan06.pdf

Please see pages 11 and 12.

Briefly, section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial opinion (SAO's). The IAA lists fifty-five international actuarial organizations.

In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities.

Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.

I urge you to carefully read Section 2.1 and then discuss:

- 1. in what ways do you see Section 2.1 as being advantageous to the CAS?**
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- 3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?**
- 4. If elected, what actions might you take in regard to Section 2.1?"**

I am troubled enough by Section 2.1 of the proposed qualification standards to have sent the comment reproduced below to the committee drafting the new standard. I think the proposed standard establishes very ill-advised policy with regard to both US and, to a lesser extent, international practitioners.

Both the property/casualty and the life actuarial professional associations have relied on an examination process to reassure users of actuarial services that those they hire are properly qualified. However painful that process is for those going through it, in my experience, the exam process is one of the first things that non actuaries think about and one of the things that impresses them most.

The existing standard, in my opinion is weak in setting a loose and hard to enforce standard for how an actuary gets qualified in a field in which he/she did not take the appropriate examinations. But it at least requires documentation of a “responsible program of work and/or study”, work under the direct supervision of a properly qualified actuary. It also requires a written statement from a properly qualified actuary vouching for the experience and qualifications the actuary proposing to do work in another field and the fact that some responsible program of work and/or study program was completed by the actuary. Personally, I think a good argument can be made that if the exam process

was the right way to proceed to qualify in one area of specialty, some version of that process is right for the second specialty.

In my opinion, the new standard is weaker than the current one. It officially tells the public that a person who passed the two Enrolled Actuary exams and then “learned by doing” for a couple of years is as qualified as those who completed the CAS or SOA exams. If we really thought that “learn by doing” was just as good a path to get people qualified in any actuarial field, then we ought to go in that direction, and not the exam route. But we have not done that and I don’t think at all that we should.

I think the proposed standard does a disservice to both the life, health, and property/casualty society actuarial professions and more importantly to the public. To the extent that the demand in the casualty field remains stronger, I think the proposed standard will result in more inadequately qualified practitioners in the casualty field.

My experience with international actuarial issues is that the US market is much more erratic and explosive than the non US market. Some sort of training would be very well advised for qualification in the US also. However, the entering international actuary has presumably at least become fully qualified in his/her own country already.

I expect that the best path for the CAS to take is to request the Board write a formal letter as a unit to the Academy voicing its concerns.

A copy of the E- mail I sent to the Committee on Qualifications, June 25, 2006

I believe the General Qualifications Standards need to be significantly strengthened.

The actuarial profession has long held out the examination process as a significant part of its claims for credibility. In my experience, the knowledge that actuaries must pass a rigorous set of exams to gain credentials adds by far the most to the public perceptions of actuaries as knowledgeable and trustworthy in their fields. The exam process is a huge part of our professional capital and credibility.

Paragraph 2.1 creates the basis for a vast, unregulated apprenticeship program. Under this structure companies, consulting firms, or audit firms could direct employees to take and pass the 2 Enrolled Actuary exams only. After gaining 3 years of some loosely defined “documented professional development” and “experience” they can practice in whatever field they have been “learning by doing” in. They would be fully qualified actuaries for purposes of issuing Statements of Actuarial Opinion according to the American Academy of Actuaries. The only thing they might not be able to do is issue statutory opinions. The individual might never do a pension calculation in his work life. But it would much cheaper in terms of an employer’s time and money to go this route. The employer might just need one person credentialed through the appropriate examination process.

Having seen this path taken already, I am convinced this is more than a theoretical problem.

I think we really are devaluing the exam process and the profession by not requiring specialization to at least the associate level through some process overseen by one of the

actuarial societies to work in the areas these societies represent. As far as I can tell, the EA exams are controlled by the Joint Board which I believe is an agency of the IRS.

I also believe for actuaries crossing from the specialties where they have met examination requirements into other actuarial areas, the notion of "documented professional development" ought to be defined and the prior requirements of "responsible plan of work/or study" and having a qualified actuary attest to this work/or study and to the ability of the cross over actuary to perform his duties ought to be retained at a minimum. The new standards appear to be so loose they provide no real protection to the public against an actuary practicing in an area where he is not competent and are so loose as to be unenforceable.

Biographical Information for

Alfred O. Weller

A.C.A.S. - May 1976

F.C.A.S. - November 1981

Education

- 1967 - University of Munich, Munich, German - extra undergraduate year
- 1969 - Swarthmore College, Swarthmore, Pa - BA Mathematics
- 1971 - Indiana University, Bloomington, In - MA Mathematical Statistics

Current Employment

Senior Consultant, Watson Wyatt Insurance and Financial Services, Inc.

CAS Activities

- ASTIN Organizing Committee – 1988 - 1989
- Casualty Actuaries of Greater New York (CAGNY) - Officer 1981-1986, President and founder of Special Risk Study Group
- Committee on Health & Managed Care - 1994-1996
- Committee on Professionalism - 1991-1992
- Committee on Reserves – 1995 - 1998
- Committee on Review of Papers - 1982-1984
- Enterprise Risk Management for the CAS – 2005-Present
- Examination Committee - 1981-1982
- IAA Response Coordination Committee – 2004–Present
- Joint CAS/CCA Task Force on Services to Small Consulting Firms 2003–2004
- Joint Program Committee for the Loss Reserve Seminar – 1983-1984
- Long Range Planning Committee – 2003 - Present
- Membership Advisory Panel Committee - 2002-2005
- Membership Advisory Panel - 2005-Present
- Membership Survey Task Force – 1986 – 1987
- Membership Survey Task Force – 1997 – 2000 Chair
- Program Planning Committee - 1983-1986

CAS Publications

- Discussion of "The 1979 NCCI Remarriage Table" by Philip E. Heckman, Proceedings of the Casualty Actuarial Society, LXIX, 1982, pp.110-113
- "Focused Marketing for Large Accounts" in 1982 Discussion Paper Program, Casualty Actuarial Society, 1982, pp. 470-499
- Simon Effects and Special Risks in Panel Session 2B - Special Risk Considerations, 1982 Casualty Loss Reserve Seminar Transcript, American Academy of Actuaries and Casualty Actuarial Society, 1983
- Review of "Evaluation of the Financial Condition of Insurance Companies - A Theoretical Approach" in 1984 Discussion Paper Program, Casualty Actuarial Society, 1984, pp. 160-167
- "Analysis of Surety Reserves" The Actuarial Forum, Fall 1989
- "An Algebraic Reserving Method for Paid Loss Data" in The Actuarial Forum, Fall 1995, pp.255-280 and in ARCH, vol.1995.2 pp.369-376

Other Actuarial Organizations

Member - American Academy of Actuaries (MAAA - 1979)

Fellow - Conference of Consulting Actuaries (FCA - 1986)

Other Professional Designations

ARIAS-US Certified Reinsurance Arbitrator (2004)

Additional Biographical Information for

Alfred O. Weller

A.C.A.S. - May 1976

F.C.A.S. - November 1981

Employment History {Year, Organization, Last Title}

1971-1977 - National Council on Compensation Insurance (NCCI) - Research Actuary (Executive Staff)
1977-1981 - Continental Insurance Companies - Director of Actuarial Services
1982-1983 - Frank B. Hall & Company, Inc. - Vice President - Actuarial Consulting
1983-1985 - BRI Coverage Corporation - Vice President & Chief Actuary
1985-1987 - Fred. S. James & Co. Inc. - Vice President & Chief Actuary
1987-1995 - Ernst & Young LLP - Senior Consulting Actuary
1995-1996 - Workers Compensation Reinsurance Bureau (WCRB) - President
1996 - 1997 - Independent Consulting Actuary
1997-1999 - Insurance Services Office - Principal - Risk Management
2000-2005 - MBA Actuaries, Inc. - Consulting Actuary
2005-Present - Watson Wyatt Insurance and Financial Services, Inc. - Senior Consultant

Membership and Activities in Other Organizations

Actuarial Standards Board

Casualty Operating Committee - 1989-1992, 2002-2006

American Academy of Actuaries

Committee on Property / Casualty Issues - 1982-1985

Joint Program Committee for the Loss Reserve Seminar – 1983-1984

Casualty Practice Council - 1991

Council on Professionalism - 1992-1994

Property and All Other Lines Subcommittee of the Casualty Practice Council - 2004-Present

Workers Compensation Subcommittee of the Casualty Practice Council - 2005-Present

ARIAS-US

Mediation Committee - 2005-Present

Conference of Consulting Actuaries

Board of Directors – Member 1988-1995, 2004-2006; Vice President 1989-1990; Secretary 1992-1993

Annual Meeting Committee – 1987, 1988, 1991 and 2004

CAPPSULES Committee – Chair 1991

Casualty Issues Committee – Chair 1989 through 1993

Casualty Practice Area Representative – 2005 and 2006

Disciplinary Committee - 1995-1996

Joint CAS/CCA Task Force on Services to Small Consulting Firms 2003–2004

Liaison – CAS Committee on Reserves – 1996 through 1998

Liaison – Casualty Operations Committee of the ASB – 1999 through 2004

Liaison – CAS Committee on Health & Managed Care – 1999 through 2002

Liaison – ERM Profession-wide Initiative - 2006

Membership Committee – 1988

Planning Committee – 1990 and 1993

Strategic Planning Committee – 2004 and 2006

Task Force on Foundations of Membership – Chair 1990 and 1991

International Actuarial Association – AFIR

International Actuarial Association – ASTIN

Civic Activities

1996-Present - Member Democratic County Committee, Essex County, New Jersey

Other Publications

- "Aggregates and Averages" a presentation on the relation of individual company results to industry averages in 1985 Proceedings of the Conference of Actuaries, pp.582-597
- "Generalized Bondy Development" in Papers for the XXI ASTIN Colloquium available from the Casualty Actuarial Society and in the Spring 1989 edition of ARCH
- "Introducing the Force of Development" in The Actuarial Digest, Fall 1990
- "Bornhuetter-Ferguson Reserve Estimates" in The Actuarial Digest, Oct-Nov 1991
- "Generalized Bondy Development" in Panel Sessions 2G & 7G; Models of Claim Development Patterns, 1991, Casualty Loss Reserve Seminar Transcript, American Academy of Actuaries and Casualty Actuarial Society, 1991
- "The Death Spiral of Workers' Compensation" in Insurance Executive Report, Fall/Winter, 1991
- "Facing the Crisis" in Best's Review: Property/Casualty Insurance, vol 93 no 7 (November 1992)
- "Workers' Compensation: The Battle for Survival" in Insurance Executive Report Spring/Summer 1993
- "Steering Clear of Disaster" in Insurance Executive Report Winter 1994/95
- "Value Public Entity Benchmarks" co-authored with Lisa Sayegh, Public Risk, June 1998
- "Workers' Compensation and the Terrorist Risk Insurance Act of 2002" IAIABC Journal (Fall 2003)
- "A New Millennium" in "Where We've Been and Where We're Going – Opinions on the Status of Workers' Compensation at the 90th Anniversary of the IAIABC" IAIABC Journal (Fall 2004) pp.67-71

Awards and Recognitions

- 1975-76 - Recognition Award from the Central New Jersey Lung Association for assistance in its carboxyhemoglobin study
- 1989 - Actuarial Practitioners Award from the Actuarial Education and Research Fund (AERF) for work on generalized Bondy development.

Other Information

- 2001-2006 - Instructor for the CRM (Certified Risk Manager) program "Financing of Risk" sponsored by The National Alliance for Insurance Education & Research
- Presentations at actuarial meetings including ASTIN, Conference of Consulting Actuaries, Casualty Loss Reserve Seminar, CAS Ratemaking Seminar, Casualty Actuaries in Reinsurance (CARE), Casualty Actuaries of Greater New York, and the Casualty Actuarial Society, and non-actuarial meetings such as the Public Risk Management Association (PRIMA), the Association of Government Risk Pools (AGRIP), the International Association of Industrial Accident Boards and Commissions (IAIABC), the National Council of Self-Insurers (NCSI), and the Risk and Insurance Management Society (RIMS).

Response to Question 1 by

Alfred O. Weller

Question #1: Why do you want to serve on the CAS Board of Directors?

Response:

The Casualty Actuarial Society is important and serving would be an honor. The CAS has a proud history, a strong present, and a promising future both with respect to our professional lives and with respect to helping government and economic entities manage risk. By serving I hope to help make it even better.

My qualifications include broad experience, receptivity to the opinions of others, and insight and interest in expanding the contributions of our profession. I look forward to discussing the sundry issues confronting the CAS with members and integrating the diversity of opinions into sound decisions.

In regard to particular issues, I would like to see the CAS issue two statements of principles that could serve as reference materials for people in various professions. One would address "Actuarial Soundness of Risk-Bearing Entities" and the other would address "Actuarial Considerations in Enterprise Risk Management". Such information would be useful in a variety of contexts and would enable other professions to develop professional guidelines and standards in light of CAS principles.

It would be a privilege to serve as a Director of the Casualty Actuarial Society.

Alfred O. Weller

Question #2: 2006 Candidate Issues –Identification and Discussion

Response:

Central among the Board's duties is managing the affairs of the Casualty Actuarial Society (CAS). The many talented volunteers active in the CAS and the excellent CAS staff make it possible for Board management to emphasize (i) policy determination, and (ii) delegation. Key policy issues for the next three years are likely to include:

1. Growing Pains: The CAS is 4,000 members and growing. We are no longer a small professional society in which everyone knows everyone. We need to find new ways to efficiently serve our members and maintain our professional vitality as we continue to grow. Two recent examples are the creation of the Membership Advisory Panel as conceived by Roger Schultz to provide rapid feedback on members' opinions, and the movement toward more systematic strategic planning by the Long Range Planning Committee. Vigilance in identifying and exploiting opportunities to better support our professional activities will continue to be a priority.

2. Globalization: Globalization represents both competitive pressure and opportunity. The North American actuarial societies recently transformed the Working Agreement from a turf-defining document to a charter for teamwork in promoting actuarial science. The same philosophy should apply to CAS international activity. CAS hosting of the 37th ASTIN Colloquium (50th anniversary meeting) in 2007 is an excellent current example.

As the world economy becomes more tightly integrated, interaction among actuarial societies in various countries demands more CAS attention. For example, we are contemplating a change to a single level of membership at the same time that the International Actuarial Association is promulgating minimum education requirements for being an actuary. Further discussion of whether Associate or Fellow is the more appropriate credential to compare to the international criteria will facilitate our making a prudent decision.

3. Enterprise Risk Management (ERM): Enterprise Risk Management is here to stay and will continue to grow despite the fact that definitions of "enterprise", "risk", and "management" (let alone the definition of "enterprise risk management") vary greatly from engagement to engagement. Casualty actuarial science has long emphasized the sound management of risk-bearing entities. As ERM expands, it will generate new issues for the CAS. Our general goal should be to encourage our members' activities in this important area.

4. Other: In addressing other issues, our greatest asset is our members with their diverse talents and their strong commitments to the profession. Drawing on our mutual strengths, we can ensure a bright future.

Alfred O. Weller

Candidate Responses

1. “What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?”

The key consideration for me is what membership structure contributes most to our vitality as a professional society and best facilitates professional accomplishment and recognition for all CAS members. Much background is provided by the reports of the Task Force on the ACAS Vote and the Task Force on Classes of Membership. But, there are two related questions beyond the scope of these reports that bear on deciding the future of the Associate designation.

First, the CAS needs to be sure that all its members continue to be recognized as meeting high standards within the global actuarial profession. Comparison of possible CAS membership structures to IAA minimum guidelines for actuarial education is an important consideration in deciding this issue. Further research into the relationship between IAA education criteria and CAS membership criteria is needed to help us make an appropriate decision.

Second, sometimes perception can be enhanced by reversing figure and ground. Making Fellowship the figure and Associateship the ground poses the question of “Why don’t more members pursue Fellowship?” Clearly our members are able to provide economic value to their employers and clients without Fellowship. In deciding the Associateship issue, we also need to look at how to add value to the Fellowship designation.

Whether a single class of membership for the CAS is the best course is also not yet clear because of the steps needed for change. This summer’s election on Associate voting rights and ability to hold office could go either way. Without a change in voting rights, the Associateship issue will take longer to resolve.

To sum, decisions on the future of the Associate designation will be best made after this summer’s election and in light of additional information. My position is to use the election results as a key indicator of membership changes that contribute to CAS professional vitality and facilitates members’ professional accomplishment. In regard to runoff, no CAS member is expendable and any change in membership structure should continue to encourage the active participation of current “lifetime Associates” in the CAS.

2. “What do you view as the CAS’ most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?”

The CAS is fortunate to have enough talented volunteers so that it can take several important next steps in several directions at the same time. Here are four:

1. Creating References for Key Issues – In describing my motivation for becoming a Board candidate, I advocated CAS issuance of two statements of principles that could serve as reference materials for people in various professions. One would address “Actuarial Soundness of Risk-Bearing Entities” and the other would address “Actuarial Considerations in Enterprise Risk Management”. Such information would be useful in a variety of contexts and would enable other professions to develop professional guidelines and standards in light of CAS principles. In this way, other professions would be able to reference CAS source material in contrast to the CAS serving primarily as a commentator on statements issued by other societies.

2. Supporting Research on Key Issues – For example, the CAS should considering awarding a cash prize for this best paper on the relationship between capital structure and enterprise risk management presented at next year’s Enterprise Risk Management Symposium.

3. Documenting Success – From the creation of new rating systems for a new line of business to no fault issues of the 1970’s to today’s issues on capital, risk, and enterprise risk management, the Casualty Actuarial Society has a record of successful and valuable contributions to a panoply of social issues. By recording the CAS history, the work of the CAS Centennial History Committee will also strengthen our knowledge of what casualty actuaries and the CAS have accomplished.

4. Cooperation – Important issues are seldom entirely within the domain of a single profession. For casualty actuaries to be effective, it will be increasingly important to work with others. For example, the CAS is a sponsoring organization for the Joint Section on Enterprise Risk Management and also a sponsor of the ERM Institute International, Ltd (ERM-II).

In addition, under John Kollar’s leadership as Vice President - Risk Integration the CAS has accomplished a great deal in the past year. The CAS now has substantial connections to other organizations active in enterprise risk management and is adapting principles of enterprise risk management to its own governance. The above next steps will build on solid momentum.

In closing two further comments apply.

First, the use of ERM examples is for ease of presentation and does not mean that issues such as solvency regulation (in particular European solvency models), new actuarial tools such as predictive modeling, emerging areas of practice such as financial analysis and stock

performance, and the many other evolving issues are not opportunities for casualty actuaries.

Second, in many ways attacking non-traditional problems is the traditional CAS role. Investigating new frameworks for analysis of risk bearing is part and parcel of being a casualty actuary.

3. “I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications.

2.1 Basic Education and Experience Requirement

To satisfy the General Qualification Standard, before issuing a Statement of Actuarial Opinion, an actuary must meet the following criteria:

- *Be eligible to be a member of the American Academy of Actuaries or be a fully qualified member of another IAA-member organization.*
- *Have three years of responsible actuarial experience, which is defined as work that requires knowledge and skill in solving actuarial problems; and*
- *Be knowledgeable, through examination or documented professional development, of the U.S. laws and regulations that are applicable to the statement of actuarial opinion.*

In addition, in order to sign statements of actuarial opinion in an area covered by a specialization track offered by the Society of Actuaries, the Casualty Actuarial Society, the Casualty Actuarial Society, or the American Society of Pension Professionals and Actuaries, one of the following must be met:

- *Attain the highest possible designation in an IAA-member organization and either:*
 - *Complete a specialty track in the area of actuarial practice relevant to the subject of the SAO, or*
 - *Have a minimum of one year’s experience in the area of actuarial practice relevant to the subject of the SAO under the supervision of a qualified actuary, or*
 - *Have a minimum of three years’ experience relevant to the subject of the SAO under the supervision of a qualified actuary.*

Enrolled Actuaries are deemed to meet the basic education and experience requirement of the General Qualification Standard in the pension practice area.

For specific guidance on new or changed areas of actuarial practice or changes in the application of actuarial science see Section 4.

Notwithstanding the above, actuaries are reminded of the obligation under Precept 2 of the Code of Professional Conduct not to perform work unless qualified to do so.

Briefly, section 2.1 sets certain requirements that a full member of the IAA (International

Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial Opinion (SAO's). The IAA lists fifty-five international actuarial associations.

In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities. Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.

I urge you to carefully read Section 2.1 and then discuss:

1. In what ways do you see Section 2.1 as being advantageous to the CAS?
2. In what ways do you see Section 2.1 as being disadvantageous to the CAS?
3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?
4. If elected, what actions might you take in regard to Section 2.1?"

1. CAS Advantages ; 2. CAS Disadvantages – There are two main areas in which advantages or disadvantages might arise.

a. Qualifying to Sign SAO's: In order to have special advantages or disadvantages to the CAS, the Academy Qualification Standards would need to supersede the NAIC Annual Statement Instructions in determining who is qualified to prepare SAOs. Insofar as NAIC instructions continue to be more stringent (e.g., prior approval by Casualty Practice Council for non-CAS actuaries) and therefore more binding, I do not see the draft Qualification Standards as having particular advantages or disadvantages for the CAS and CAS members with respect to qualifications for signing SAOs.

b. Continuing Education: The Qualification Standard will continue to be key guidance for maintaining records of continuing education. Recordkeeping in accordance with the draft standard continues to strike me as unnecessarily cumbersome. I would like to see the NAAC (North American Actuarial Council, formerly the Council of Presidents) sponsor investigation of more uniform, better supported recordkeeping across the various actuarial societies.

3. CAS Exams - The potential variety and scope of actuarial opinions is enormous. My preference is for the examinations to be a key determiner of CAS membership, and for CAS membership to imply that individual actuaries performing services have done appropriate research to offer professionally competent statements of actuarial opinion. I do not favor creating examinations for each of the myriad of possible professional services performed by casualty actuaries.

4. CAS Action - The CAS Board does not have direct authority with respect to Academy Qualification Standards but can and should exert influence. A two stage approach is appropriate.

First, the CAS should encourage the Actuarial Standards Board needs to create a standard on “Professional Reliance”. The standard would address which indicia an actuary needs to evaluate before relying on work by another professional, and what communication an actuary needs to provide so that another professional can perform a similar evaluation of his or her work. Once an actuarial standard of practice on “Professional Reliance” is in place, the CAS should encourage review of the Academy Qualifications Standards in light of the Professional Reliance standard.

Overall Opinion: My opinion is that we will see a second exposure draft if only because of “wordsmithing” changes. Unless NAIC annual statement instructions change dramatically, I do not anticipate the new Qualifications Standards becoming binding guidance for casualty actuarial opinions on statutory financial reporting. Casualty actuaries need to be mindful of the continuing importance of this standard for maintaining records of continuing education.

Patrick B. Woods

A.C.A.S. - May 1980

F.C.A.S. - May 1981

Education

Bachelor of Science in Mathematics, St. John's University, 1974

Master of Arts in Mathematics, St. John's University, 1976

Current Employment (please include position)

Insurance Services Office

Assistant Vice President and Actuary

CAS Activities and Publications (please include years on committees, for positions, etc.)

Program Planning Committee, Member 1988-1991, 1999-2003, Chairperson 2003-present

Professional Education Policy Committee, Member 2004-present

Editorial Committee, Member 1982-1985, Editor 1988-1991, Chairperson 1990-1993

Examination Committee, Member 1982-1985, Consultant 2001-2003

Committee on Risk Classification Principles, Member 1994-1997

Committee on Principles, Member 1995-2000

Co-author, "Incorporating a Hurricane Model into Property Ratemaking", Forum 1996

Other Actuarial Organizations (please list activities, positions and years)

Actuarial Standards Board, Chairperson, Ratemaking Subcommittee of the Casualty Committee of the Actuarial Standards Board, 1998-present

Actuarial Standards Board, Member, Casualty Committee of the Actuarial Standards Board, 1998-present

American Academy of Actuaries, Member, Credit Scoring Task Force, 2002-2003

American Academy of Actuaries, Member Risk Classification Work Group, 2000-2001

American Academy of Actuaries, Member, Committee on Property and Liability Issues, 1990-1992

Other Professional Designations

Member of American Academy of Actuaries, 1981

Fellow of Canadian Institute of Actuaries, 1991

Patrick B. Woods

Additional Biographical Information

Employment History (complete, abridged or recapped)

Insurance Services Office, 1976 to present

Assistant Vice President and Actuary, 1987 to present

Manager and Actuary, 1981 to 1987

Various actuarial positions, 1976 to 1981

Membership and Activities in Other Organizations (professional and industry)

Civic Activities (volunteer, elected, appointed)

Member of Board of Directors, Brookhaven Resort Condominiums

Member, The Philharmonic-Symphony Society of New York

Patron American Ballet Theatre

Other Publications

Award and Recognitions

Ratemaking Call Paper Prize, 1996 for paper "Incorporating a Hurricane Model into Property Ratemaking"

Other Relevant Information

Patrick B. Woods

Question #1: Why do you want to serve on the CAS Board of Directors?

Response:

Throughout my career as an actuary, I have benefited from the efforts and successes of the many actuaries who have preceded me. Decisions made by CAS leaders in years past establishing the credibility of the actuary have provided a foundation for the environment in which I and others have been able to work. The result is that I have found a field of work that I find enjoyable, challenging and valued. I would like the opportunity to make a contribution that would permit actuaries in the future similar opportunities for doing work that they enjoy, find challenging and is valued.

I believe that the actuarial profession today is facing new opportunities arising from society's changing understanding of and expectations on the management of risk. As a part of that change in perspective, society has also raised the standards a professional need meet in managing that risk. The CAS has been and can continue to be well positioned to provide the individuals involved in managing risk with the needed knowledge and tools, provided that we continue to provide appropriate professional education. My work on the Program Planning Committee has exposed me to the diversity of areas and issues that casualty actuaries face today. But the work of the Program Planning Committee not only exposed me to the issues but required that I understand them well enough to help develop a program that would provide meaningful professional education opportunities. Having faced the issue of professional education, both the what and the how, while serving on the Program Planning Committee, I would like to use that knowledge and help the CAS address the key issue of professional education--both in terms of basic education and continuing education.

My work experience has exposed me to various publics, both domestically and internationally, working on both ratemaking and data management assignments, in both consulting and product specific settings, all of which I believe has given me the necessary experience and perspective to contribute to the CAS as a member of the Board.

Patrick B. Woods

Question #2: 2006 Candidate Issue(s) Identification and Discussion:

Response:

The CAS faces several significant issues as it approaches its centennial. We are working in a different world with significantly different issues and expectations and we need to respond accordingly. These key issues are:

1. Professional education, both in terms of basic and continuing education, is a key issue that will always face the CAS. The importance of this issue is heightened because of the changing expectations and the changing technologies in the world today. In order to meet the demands for quality work actuaries need to have the requisite knowledge and skills. The CAS Board plays a key role in setting the level of and requirements for education. Doing this well will only serve to enhance the perceived value that actuaries bring to the management and financing of risk; doing it poorly will only serve to dilute the esteem of actuaries in the eyes of our publics.
2. Globalization of markets for goods and services continues and impacts the CAS in direct and indirect ways. The CAS needs to be taking actions and formulating strategies that are consistent with this globalization of markets. I believe that CAS members are uniquely qualified to address risk management and risk financing issues as they relate to property and casualty risk contingencies in any market. We need to share our knowledge by participating in more international forums. But, we also need to recognize when practitioners in another market have made significant advances, we should incorporate those advances into our knowledge base. Neither of which will happen without a focus on and an awareness of the activities of the global actuarial community. The CAS needs to communicate the importance of an awareness of international practices to our membership and to provide more exposure to the work being conducted by actuaries outside of North America. The 2007 ASTIN Colloquium being held in conjunction with the CAS Spring Meeting is a great opportunity for learning and should serve as a springboard for the CAS to increase membership exposure to actuarial practices being developed outside of the immediate purview of the CAS.
3. Enterprise Risk Management (ERM) is another key issue that the CAS faces. The growing importance of ERM is consistent with society's changed understanding of the sources of risk and expectations of how risk should be managed by organizations. The casualty actuary has the requisite skills to successfully be a leader in this growing area of concern. However, we need to take notice of this fact ourselves before the rest of society will recognize this. Toward that end, I believe that the CAS needs to continue to focus on the development of educational opportunities and material to prepare CAS members to contribute to the development of ERM practices and implementation.

Patrick B. Woods

Candidate Responses

1. “What is your position regarding the future of the Associate designation?”

If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?”

The question of one class of membership is a question that the CAS needs to face because of three facts:

1. Associates today have practice rights for signing statutory loss reserve opinions in the United States
2. Mutual Recognition gives practice rights by admission to the CAS as an FCAS to qualified actuaries who have attained full membership in their home organizations, and have completed other education requirements as specified in the Constitution/Bylaws and the Board of Directors.
3. As currently defined, an Associate would be denied practice rights opportunities under Mutual Recognition agreements entered into by the CAS for areas of practice in which they are qualified in the United States. The fact that the member is recognized as qualified in the United States has no impact in the decision as the relevant trigger is whether or not they are deemed to be full members of the CAS.

Based on these facts, continuing the Associate designation as it is today seems to create a bias against qualified members when it comes to Mutual Recognition and practice opportunities outside the United States.

I support the idea of one class of membership with the current ACAS members maintaining all current privileges and practice rights. One possible solution would be to revise the Constitution and Bylaws to discontinue the admission of new Associates, and to designate that all Associates admitted prior to a specified date are full members of the CAS.

2. “What do you view as the CAS' most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?”

The historic purpose of the CAS of advancing the body of knowledge of actuarial science applied to property, casualty and similar risk exposure provides an appropriate basis for the most effective next step that the CAS can take to position actuaries for roles in ERM, banking, etc. As an organization, the CAS should seek to provide educational opportunities by presenting and discussing papers, sponsoring seminars, workshops and funding research, both alone (where appropriate), and as a joint sponsor with other organizations educating professionals in the areas of ERM, banking, etc.

3. “I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications. I have attached a link to the standard:

http://www.actuary.org/pdf/prof/qualification_2ed_jan06.pdf

Please see pages 11 and 12.

Briefly, section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial opinion (SAO's). The IAA lists fifty-five international actuarial organizations.

In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities.

Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.

I urge you to carefully read Section 2.1 and then discuss:

- 1. In what ways do you see Section 2.1 as being advantageous to the CAS?**
- 2. In what ways do you see Section 2.1 as being dis-advantageous to the CAS?**
- 3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?**
- 4. If elected, what actions might you take in regard to Section 2.1?”**

1. Section 2.1 is advantageous to the CAS as it specifies precise qualification requirements for the signing of most statements of actuarial opinion, and notes that there are additional requirements for signing statements of opinion in area covered by a specialization track (the CAS is considered a specialization track).

The only test today is that the individual qualifies if they feel that they are qualified. To the extent that these requirements make it clearer as to who is qualified, particularly with regard to the signing of statements of actuarial opinion for areas of casualty practice, that benefits the CAS.

2. I see no disadvantages to the CAS.
3. I do not see the need to require that actuaries who are fully qualified members of another IAA-member organization take additional exams. In part, to qualify they have had to complete a specialty track in the area of casualty work and worked for one year under the supervision of a qualified actuary; or have three years of relevant experience under supervision of a qualified actuary. As individuals who are actuaries, fully qualified in their own rights, permitting them to practice in another area based on work experience is no different than what we have accorded to CAS members today--it is virtually sure that there are members of the CAS working in areas in which they were not tested and doing excellent work based on self study/continuing education and work experience.
4. As the Qualifications Standards are not an item subject to the review and approval of the CAS Board, to the extent that the opportunity presents itself and the matter is referred to the CAS Board, I would seek membership input on the questions brought to the Board. I would advocate getting membership input either through the Members Advisory Panel or some other forum to ensure that the CAS Board was as broadly informed as possible to facilitate meaningful deliberation.