

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

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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

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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.

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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.

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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?**
- 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 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.