

Current CAS Issues and Directions


*Roger Hayne, CAS President
Casualty Actuaries of Europe
22 June 2010*



Agenda

CAS Centennial Goal

- Global recognition
- Education
 - Basic
 - Continuing
- Research
- ERM
- Your Input



CAS Centennial Goal

The CAS will be **recognized globally** as a **leading resource** in **educating** casualty actuaries and conducting **research** in **casualty actuarial science**.

CAS members will advance their expertise in pricing, reserving, and capital modeling; and leverage their **skills in risk analysis** to **become recognized as experts in the evaluation of enterprise risks, particularly for the property and casualty insurance industry**.



CAS Centennial Goal

“globally recognized”

- Some context
- CAS only actuarial organization focusing solely on P&C actuarial science
- Smaller than American Academy of Actuaries, Society of Actuaries, and UKAP, larger than all others
- Roughly 1 in 7 CAS members outside US
- Membership outside home country: UKAP 4 in 10, SoA 3 in 10, IAAust 2 in 10



CAS Centennial Goal

“globally recognized”

Continent	FCAS	ACAS	Affil.	Total Members	Upper exam candidates	Lower exam candidates
North America	3,368	1,593	13	4,974	1,040	3,694
Europe	58	24	12	94	13	44
Asia	71	24	1	96	68	907
Australia	9	3	1	13	2	11
Middle East	1	2	0	3	0	17
South/Central America	5	3	1	9	0	29
Africa	1	1	0	2	0	18
Grand Total	3,513	1,650	28	5,191	1,123	4,720


Growing presence in Asia



CAS Centennial Goal

“globally recognized”

Country	FCAS	ACAS	Affil.	Total Members	Upper exam candidates	Lower exam candidates
United States	2,977	1,477	8	4,462	849	3,014
Canada	308	98	0	406	179	605
Bermuda	82	18	4	104	12	25
United Kingdom	24	11	3	38	9	11
China	26	9	0	35	41	201
Switzerland	19	7	1	27	2	6
Hong Kong	19	3	0	22	4	69
Singapore	10	3	0	13	2	17
Australia	7	3	1	11	2	11
Other	41	21	11	73	23	761




CAS Centennial Goal

“globally recognized”

Country	FCAS	ACAS	Affil.	Total Members	Upper exam candidates	Lower exam candidates
United Kingdom	24	11	3	38	9	11
Switzerland	19	7	1	27	2	6
Germany	6	2	3	11	1	0
France	4	2	0	6	0	5
Ireland	3	2	1	6	0	0
Spain	1	0	1	2	0	1
Netherlands	0	0	2	2	0	0
Belgium	0	0	0	0	1	2
Total	57	24	11	92	13	25

- 
- ### CAS Centennial Goal
- “globally recognized”
- You are not alone
 - New program by CAS’ International Member Services Committee (IMSC)
 - Using membership lists IMSC will identify members newly locating
 - Reach out to newly located member and coordinate with IMSC members in the region to identify appropriate local CAS member to help

- 
- ### CAS Centennial Goal
- “globally recognized”
- What is the IAA:
- An association of associations.
 - Full member and associate member associations.
 - Minimum requirements for membership
 - Code of Conduct,
 - Discipline process,
 - Educational syllabus
 - Dues paid by member associations
 - Currently CAS\$14.50 per “Fully Qualified Member”, may increase soon.



CAS Centennial Goal

“globally recognized”

IAA Mission:

- Develop the role and reputation of the profession
- Promote high standards of professionalism to ensure that the public interest is served
- Advance the body of knowledge of actuarial science
- Further the personal professional development of actuaries
- Promote mutual esteem and respect amongst actuaries
- Provide a discussion forum for actuaries and associations
- Represent the profession with international bodies



CAS Centennial Goal

“globally recognized”

Subsidiarity

The IAA will restrict its activities to strategies and programmes which require international co-ordination or direction, or can be handled more efficiently across national and regional boundaries. It will not become involved with actions at the level of the Member Associations or regional groups of actuarial associations, except at the express invitation of such an association or group.

The IAA will therefore take any measures necessary to avoid duplication or overlap with the activities of Member Associations or regional groups of actuarial associations.



CAS Centennial Goal

“globally recognized”

IAA Structure

Council

President, Secretary General

Executive Director

Staff

Executive Committee

Committees

Technical

Professional

Outreach

Administrative



CAS Centennial Goal

"globally recognized"

Major IAA non-life technical committees

Insurance Accounting

- IASB Phase II
- IAS – accounting issues
- Standards subcommittee – Educational notes and Model standards

Insurance Regulation

- IAA Internal Models Paper
- Solvency subcommittee
- Risk Margins paper – joint with Ins. Accounting

Enterprise & Financial Risk

- Financial Crisis commentary



CAS Centennial Goal

"globally recognized"

Examples of other IAA committees

Professional

- Professionalism – review draft standards, educational notes, develop IAA professionalism policy
- Accreditation

Outreach

- Supranational – contacts with World Bank, IMF, etc.
- Advice & Assistance – aid developing actuarial orgs.

Administrative

- Member Services
- Audit



CAS Centennial Goal

"...a leading resource in educating..."

- CAS syllabus designed to be international
- Nation specific material largely on a single exam
 - Currently Part 7
 - After 2011 syllabus revision, Part 6
- Canadians have commented favorably on this structure
- Canadian FSAs must pass an additional Canada Specific exam before they can become FCIA's



CAS Centennial Goal

"...a leading resource in educating..."

- Until recently we had two nation-specific courses – Part 7-US and Part 7-Canada
- The Actuarial Society of Chinese Taipei has developed a Part 7-Taipei
- Part 7-Taipei was approved as part of a policy allowing for a nation-specific examination under one of three options:
 - Local association develops and administers (e.g. Taipei).
 - Local association develops syllabus, CAS administers (e.g. Canada).
 - CAS develops and administers.
- No additional versions are currently in development but the door is open.



CAS Centennial Goal

"...a leading resource in educating..."

- CIA is expected to institute a program providing examination credit for passing university courses with sufficiently high marks at selected universities – CAS Parts 2, 3, and 4 only
- CAS has decided not to join in, but
- The CAS is likely to treat this program similar to the way it treats similar programs in the UK, Australia, and India – exam for exam waiver



CAS Centennial Goal

"...a leading resource in educating..."

- CAS currently negotiating with the Institute of Actuaries of India to establish a mutual recognition agreement.
- South Africa has requested MR but we are waiting for them to develop a track record
- We currently have agreements with:
 - U.K. Faculty/Institute (up for renewal)
 - Institute of Actuaries in Australia.
- To date, 20 FCAS via mutual recognition.



CAS Centennial Goal

"...a leading resource in educating..."

- CAS currently offers courses based on US practice standards and Canada practice standards.
- Course based on East Asia standards currently being developed.
- CAS Board has approved accepting local association courses (e.g., UK Institute) for those practicing in those locales, supplemented with Internet-based module on CAS Code of Conduct.



CAS Centennial Goal

"...a leading resource in educating..."

- May 2010 CAS Board approved a continuing education (CE) policy that applies to all members "providing actuarial services" as defined in the Code of Professional Conduct
- Can be satisfied by following CE requirements where member practices in US, Canada, UK, or Australia
- A 2-year, 60 (credit) hour requirement for others with certain internal limits, but allows for recorded sessions to count toward "structured" hours
- Self reporting each year with audits of small percentage of persons



CAS Centennial Goal

"...a leading resource in educating..."



CAS is repackaging live educational sessions and provides access to these sessions online.

Accomplished by recording sessions from live events, synching the audio with the PowerPoint presentations, and providing online access through an easy-to-use interface.



CAS Centennial Goal

"...in conducting research..."

- More international coordination of research efforts in GI
 - Joint ratemaking survey with UKAP, IAAust
 - Cross membership on research committees between UKAP (GIRO) and CAS
 - Also cooperating with Australian GI actuaries
 - Always open to more ideas
- NAAC Joint Research Committee (cross discipline)



CAS Centennial Goal

"...in conducting research..."

- CAS has a standing committee on Climate Change with a broad membership
 - Climate change scientists
 - CAS members
 - Members from Australia, Canada, and UK
- Goal to assess affects of climate change on general insurance risks
- Assisting Image of the Actuary Campaign by developing a climate change index



CAS Centennial Goal

"...in conducting research..."

- R Working Party putting together actuarial applications of the open source statistical package R
- Another working party putting together and maintaining a public access dynamic risk model for insurers
- Risk Theory committee looking at the issue of risk premium could be helpful in Solvency II



CAS Centennial Goal

"...experts in the evaluation of enterprise risks"

- 13 November 2009 signed Global CERA Treaty with 13 other organisations
- There is now a Swiss entity, a "verein" called the CERA Global Association (CGA) that will hold the CERA intellectual property and actually award the CERA designation
- A review committee is reviewing the applications of treaty signatories to become award signatories



CAS Centennial Goal

"...experts in the evaluation of enterprise risks"

- SoA already a CERA "award signatory"
- UK first before the review committee, Australia likely next since they will be using the UKAP's ST-9 exam
- CAS probably next. It is hoped that the CAS will be able to start qualifying CERAs in 2010



CAS Centennial Goal

"...experts in the evaluation of enterprise risks"

- Proposed paths to CAS CERA:
 - Thought leader – very limited (less than 10) number of true thought leaders
 - Experienced practitioner (EPP) – targeted to those well familiar with ERM topics, with high qualification standards and a rigorous seminar
 - Examination
- Thought leader and EPP subject to CGA Board approval and available for limited time, exams reviewed by review committee



CAS Centennial Goal

"...experts in the evaluation of enterprise risks"

- Examination path (2011 Syllabus)
 - Education qualifications for ACAS
 - Parts 7 & 9
 - Pass Exam RM administered by CPCU Society
- Transition – if CAS member qualified before 2011 syllabus then must also pass a rigorous seminar covering risk management material not present in earlier syllabi



Now for input from you



Thank You!
