



# Current CAS Issues and Directions

*Casualty Actuaries in Europe*  
*July 29, 2011*



# Agenda

- Education issues
- CERA Update
- International
- Foundational Statements
- Election issues
- Bylaws proposals
  - Associate Rights
  - Joint Discipline



# Education Issues



# Actuarial Skill Set

## Board resolution at November 2011 meeting:

All CAS members should be competent in the application of casualty actuarial techniques.

CAS Fellows should not only be able to apply such techniques, but be able to synthesize such methodology and exercise complex judgment to bring those tools to bear in developing practical solutions to business problems not necessarily encountered before.

Inherent in this ability is that Fellows be able to clearly communicate this understanding and complex judgment including inherent assumptions made and limitations in the approach taken to another party.



# Actuarial Skill Set: A Question of Balance

- Technical Competence
  - Ability to apply casualty actuarial techniques
  - Synthesis skills
  - Critical thinking/informed judgment
- Ability to communicate effectively
  - Relevance: A business perspective
  - Articulate judgments, assumptions, limitations
  - Audience may vary – Sr. Management vs. Peers
- Business sense



# Actuarial Skill Set: A Question of Balance

- Immediate Impact:
  - Testing higher order thinking on the exams (Bloom's Taxonomy)
  - May Board – accelerate the phase-in
  
- Longer term impact:
  - TBD – feedback welcome
  - Basic Education vs. Continuing Education



# A Question of Balance

- Input to be sought from:
  - Corporate training programs
  - Non-traditional actuaries
  - Non-actuary directors on the CAS Board
  - Academia
  - CAS resources, including David Core (CAS Director of Professional Education)



# Continuing Education

- CAS Continuing Education Policy approved May 2010
- C. E. required for all members who provide actuarial services, either through:
  - Compliance with approved National Standards
    - Academy (US)
    - CIA
    - UK
    - Australia
    - Others may apply for pre-approval
  - Compliance with Alternative Standards





# Continuing Education

- All FCAS and ACAS members are required to:
  - Certify compliance annually;
  - Maintain log of continuing education activities;
  - If selected for audit, supply log to CAS on a timely basis.
  
- CE status will be publically available on the web
  
- Plans are to audit the logs of
  - 1% of members, plus
  - 100% of CAS leadership (Board & Executive Council)



# CERA Update



# The Global CERA Treaty

- November 2009 – 14 actuarial organizations, including the CAS, sign the the Global Enterprise Risk Management Designation Treaty. (*now 13 due to UK merger*)
- Objectives for the Global ERM Designation (CERA):
  - Recognize and promote the capabilities of actuaries globally to provide ERM services.
  - Stringent ERM education requirements
  - Strong code of professional conduct.



# CAS CERA Status

- Treaty signatories need to apply for permission to award CERA.
- CAS application to award CERA being reviewed by a panel, to ensure compliance with treaty. Moving slowly.
- Our pending application has two paths by which members might qualify for the CERA designation:
  - Examination (see August 2010 Actuarial Review)
  - Experienced Practitioner Pathway (transitional)



# International



# How International Should the CAS Be?

- In conjunction with the CAS Strategic Planning Process, the Board is exploring what the scope and objectives for CAS international activities should be
- There are three general purposes for CAS international activities:
  - Global Citizen;
  - Partnering in Research and Education;
  - Member Support outside North America



# International: Board Direction

- The Board adopted the following guiding principles for International at its March 2011 meeting:
  - The CAS will **utilize an International Cooperation Model** to support the mission to advance the body of knowledge of actuarial science applied to property, casualty, and similar business and financial risks.
  - In a measured way, the CAS will **promote membership in the CAS internationally**. In home locations of actuarial organizations providing casualty actuarial education (e.g. UK, Australia), mutual recognition and/or CAS Affiliate Membership will be promoted.



## International Direction (cont.)

- For the ultimate benefit of CAS members, the CAS should **promote casualty actuarial expertise worldwide.**
- CAS members and students should **receive a level of service commensurate with dues paid**, irrespective of where they physically reside.





# Foundational Statements



# Foundational Statements

March 2011 Board decisions:

- Discontinue development of the Foundational Statements.
- Disband current Task Force with thanks.
- Form new Task Force (with 4 Board members) to
  - review the sections of the current Statements of Principles that need to be updated, and
  - revise the Statements accordingly so they are no longer outdated or in conflict with existing Standards of Practice.
- Charge for this new TF was approved in May.



# Election Issues



# CAS Board

- In charge of:
  - Strategic Direction
  - Policy
  - Dues
  - Management oversight
  
- Current structure
  - 12 Elected directors (3 year terms) – 4 elected each year
  - President Elect, President, Immediate Past President
  - 3 Appointed Directors (non-actuary) – up to 3 consecutive yrs



# CAS Board Elections

## Process for electing 4 new Board members each year

- February – request for petition candidates
- March-May – Nominating Committee fills out the slate
  - At least 8 candidates for the 4 openings
  - But always add at least 4 (in case of more than 4 petitions)
- June – candidates present their election material
- June 27 – Meet the Candidates web site opens
- July – Open Question Forum
- August – election
- September – results announced
- End of Annual Meeting – new term starts



# CAS Elections

## Newly approved changes

- Background checks – Nominating Committee authorized (not required) to perform on candidates
- Disclosure statement – Required for all candidates (2012+)
- Removal of elected officer or director – procedure now in place



# Bylaws proposal – ACAS rights



# ACAS Rights

- Associates are an important part of the CAS:
  - 25-30% of Associates no longer take exams.
  - Many Associates contribute extensively to the profession as volunteers, on committees (with some as committee chairs), as speakers and authors, etc.
  - Associates pay full dues, but cannot vote.
- Feedback from the 2008 Membership Survey identified Associate Rights as an issue.
- Task Force on Associate Rights was formed as a result. The TF presented its report in September 2010.





# Board Response to ACAS Rights Task Force Report

- Nominating Committee has been expanded by 2 members, with at least one ACAS on the committee.
- Proposed amendments to the bylaws to be voted on this summer. (*These are two separate votes.*)
  - Allow ACAS to vote after 5 years
  - If above passes, allow voting ACAS to be on the Board.
- CAS Executive Committee will still be restricted to only those with FCAS designation.



# ACAS Voting Rights history

- A similar vote occurred several years ago, but issue was muddied by discussion of possibly elimination of the ACAS membership category.
- CAS Board has now committed to retaining the ACAS designation.
- SOA has a similar history regarding Associate voting rights. They now allow an ASA to vote in elections.
- Some societies have more restrictions on associates, but also lower dues for associates.



# Bylaws proposal – Joint Discipline



# Joint Discipline

- Council on US Presidents has worked on a proposal that would streamline our discipline process;
- Proposed streamlined process:
  - Is more efficient for both the professional organizations and the subject of the complaint (“the 2n+1 problem”)
  - Minimizes the reputation risk for the profession from different discipline decisions from different US-based actuarial organizations for the same incident
  - Retains CAS member control over CAS member discipline.

*(US-based actuarial orgs – CAS, SOA, Academy, CCA, ASPPA)*



# Joint Discipline (cont.)

## Proposal – Joint Panel:

- Joint Discipline Panel created to hear recommendation of investigatory body (CIA for Canadian practice, ABCD otherwise).
- Panel has a majority of members consistent with Subject Actuary's membership
- Example: if Subject Actuary is FCAS, MAAA, and seven on the panel, then
  - At least 4 of the 7 are Academy members,
  - At least 4 of the 7 are CAS members.



# Joint Discipline (cont.)

Proposal – Joint Panel (cont.):

- Panelists must come from same orgs. as Subject Actuary
  - Example: If Subject Actuary belongs only to CAS, then all Panelists must also belong to CAS.
- Panel needs supermajority (all but one) for a discipline decision.



# Joint Discipline (cont.)

## Proposal - discipline:

- If panel decision is 2 years suspension or lower, then decision implemented by all relevant orgs. (Academy and CAS in prior example.)
- If panel decision is more than 2 years suspension, then each org. decides separately whether to affirm penalty or reduce to a suspension of not less than 2 years.
  - For CAS, this likely to be done by a CAS Discipline Committee.
- Requires bylaws change for the CAS. Vote this summer.



## Joint Discipline (cont.)

Proposed Bylaws wording gives the CAS Board the *authority* to enter into joint discipline agreements, *provided*:

- 2/3 of the Board approves
- No CAS member will be disciplined unless:
  - a majority of the panel judging that CAS member is composed of CAS members and
  - a majority of those CAS members concur with the discipline.
- CAS retains authority for expulsions and suspensions over 2 years.





Elections take place this August.

**PLEASE VOTE!**

- Board
- Bylaws
- President-Elect



**Feedback?**  
**Questions?**  
**Suggestions?**