



Current CAS Issues and Directions

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Session Agenda

- SOA Proposal and Recent Developments
- International / Strategic Plan
- Response to Fall 2011 Exam Results
- Longer Term Education Issues
- CERA Update
- Communication with Members



SOA Proposal and Recent Developments



Developments

- Brad Smith Presidential Address proposing consolidation (Oct. 2011)
- CAS makes clear that CAS values independence (first Board statement, Nov meeting)
- SOA forms another TF to evaluate feasibility of offering a casualty exam track
- Consolidation focus ‘cools’, shifts to profession-wide TF on structure



Developments

- CAS Board agrees to participate on profession-wide Task Force (March 2012)
 - TF to evaluate functions carried out on behalf of the U.S.-based actuarial profession
 - Propose 'optimal structure' for U.S. profession
 - Approval / Implementation left to individual Boards
- SOA announces intention to offer a general insurance specialty track leading to Fellowship in the SOA (Mar. 14)
- Second CAS Board Statement (Mar. 15)



CAS Board Statement

The Society of Actuaries (SOA) recently announced its intention to offer a general (property-casualty) insurance specialty track leading to Fellowship in the SOA stating that "including general insurance education will help fulfill the strategic vision for the SOA as a leading global provider of actuarial education."

The CAS Board affirms that it is the intention of the CAS to remain independent while at the same time cooperating with other actuarial organizations to meet challenges to the profession. Your Board has adopted the following statements:



CAS Board Statement (cont'd)

1. As the only actuarial organization in the world exclusively focused on general insurance risks, the CAS is uniquely positioned to provide the most comprehensive and rigorous education in actuarial science and risk management for general insurance actuaries. The CAS will continue to strengthen its education, research, and programs to support our members worldwide in meeting the requirements of their principals and the public.



CAS Board Statement (cont'd)

2. A key advantage that has enabled the CAS to achieve this status during its nearly 100-year history has been the single focus it has maintained on general insurance with respect to all aspects of actuarial education, research, and programs.



CAS Board Statement (cont'd)

3. With the continued expansion of challenges in general insurance, the CAS will maintain this single focus in seeking to meet its mission, irrespective of any new entrants to the marketplace.



CAS Board Statement (concl.)

The CAS has a long history of independence while concurrently collaborating with all actuarial organizations in the U.S. and around the world on matters of mutual interest. This continues to be the policy of the CAS.



Developments

- SOA actively soliciting GI authors and experts within and outside the CAS to provide syllabus content and help with exams
- SOA leadership meets with CAS Board (May 20, 2012) to discuss rationale, international strategy



Further Actions

- Full-day Board retreats (May and August 2012) to revamp CAS Strategic Plan with special focus on international and competitive issues (next section)
- Risk Management Committee assessing risks to CAS of joint activities with other organizations; report to Board discussed on May 20
- TF on preliminary (joint) exams considering goals and logistics if future administration became independent
- Moving to protect CAS exam and paper copyrights



Other Initiatives

- Leadership meets up to weekly to discuss events, take further steps, communicate with members
- Monitor/respond to ongoing SOA announcements at international venues, usu. in person
- Approach exam committees on Code of Conduct Precept 7 (conflict of interest)
- Move to define / protect the CAS brand
- Leadership outreach to major employers/ chief actuaries regarding the value of FCAS/ACAS



International / Strategic Plan



International: Direction from the CAS Board

- The CAS Board adopted the following guiding principles for International at its March 2011 meeting (*emphasis added*):
 - 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'd)

- 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
- Recent Board retreat was very consistent with these principles



Strategic Plan Update

- Basic international philosophy may change very little
- In current environment execution may change
- Competition has made updating the Plan more urgent
- Board adding extra meetings to address this issue
- Plan will prominently feature international issues
- CAS will not let other societies dictate our priorities
- But competition helps us focus on things we should be doing anyway: ‘wake us up’



Fall 2011 Exam Results Update



Possible Issues Affecting Results for Fall 2011

- New (2011) Exam Structure
- Change in Material Tested (more ERM)
- Escalation of Bloom's Taxonomy (less rote testing)
- Lack of Sample Question Bank for Candidates' Study
- Long Time since Prior Administration (18 mos.)
- Some similar signs could be seen in May 2011 as well



Developments

- Very low pass ratio for Fall 2011 upper level exams
- Fall 2011 Exam Results published along with explanatory letter to candidates
- CAS President Pat Teufel's Open Letter Re: the Fall 2011 CAS Exam Results
- Independent educational consulting firm engaged
- Invited members/candidates to suggest improvements



Other Actions Taken

- Executive Council agreed to make candidate papers available on a test basis
- Deadline for appeals was extended for November 2011
- Time available to complete Exam 9 permanently extended from 3 to 4 hours (with no other change in the exam)
- EC continues to review member feedback and suggestions



Education – Longer Term Update



CAS Continuing Education Policy

- CE is required starting 2011 for **all** members **worldwide** who provide **actuarial services**:
 - Approved National Standards (is the typical approach)
 - **American Academy (US)**
 - CIA (Canada)
 - Institute and Faculty (UK) – *under review*
 - Institute (Australia)
 - Others may apply for pre-approval
 - Alternative Standards (described in policy) may sometimes be elected



Continuing Education

- All FCAS and ACAS members are required to:
 - Certify compliance annually on-line (starting 12/31/11);
 - Maintain log of continuing education activities;
 - If selected for audit, supply log to CAS on a timely basis

- CE status is publicly available on the web

- Plans are to audit the logs of
 - 1% of members, plus
 - 100% of CAS leadership (Board & Executive Council)



Ongoing Developments

- Higher Level Testing – Bloom’s Taxonomy
- Statistics Testing on Preliminary exams/VEE
- Future of joint exams for CAS members
- CAS brand initiative with respect to a new FCAS
- Parts 5 and 6 to be offered twice a year, beginning in 2013 and 2014 respectively
- CAS will maintain primarily exam-centered education



CERA Update



CAS CERA Program

- Global Treaty Board approves CAS as award signatory
 - Standard Route
 - ACAS + Exams 7 and 9 + ERMM Seminar + UK ST-9 exam
 - Experienced Practitioner Pathway now available through 7/31/12
 - Transfer CERA designation from another organization
- CAS member interest high – 300+ attended webinar on CAS CERA program.
- Two sessions of ERMM Seminar to be offered each year



Communication



Improving Communication with CAS Members

Based on Task Force recommendations and Board discussions, the CAS is taking the following concrete steps:

- Formalize the outreach to all Regional Affiliates – there should be a presentation on CAS Issues at every affiliate annually
- Publish the Actuarial Review more frequently (6x per year)
- Increase the use of on-line video
- Experiment with ways to obtain timely and frequent membership-wide feedback (e.g., online polls)
- Blog: CAS Roundtable as a new communication vehicle
- Use of Social Media



Feedback?
Questions?
Suggestions?

Thanks!