



Current CAS Issues and Directions

Casualty Actuaries of the Southeast (CASE)
October 5, 2011



Agenda

- n Centennial Goal
 - n International
 - n ERM
 - n Core Skills
- n Election Results
 - n Associate Rights
 - n Joint Discipline
- n Communication



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.

March, 2007 Board meeting



International



How International Should the CAS Be?



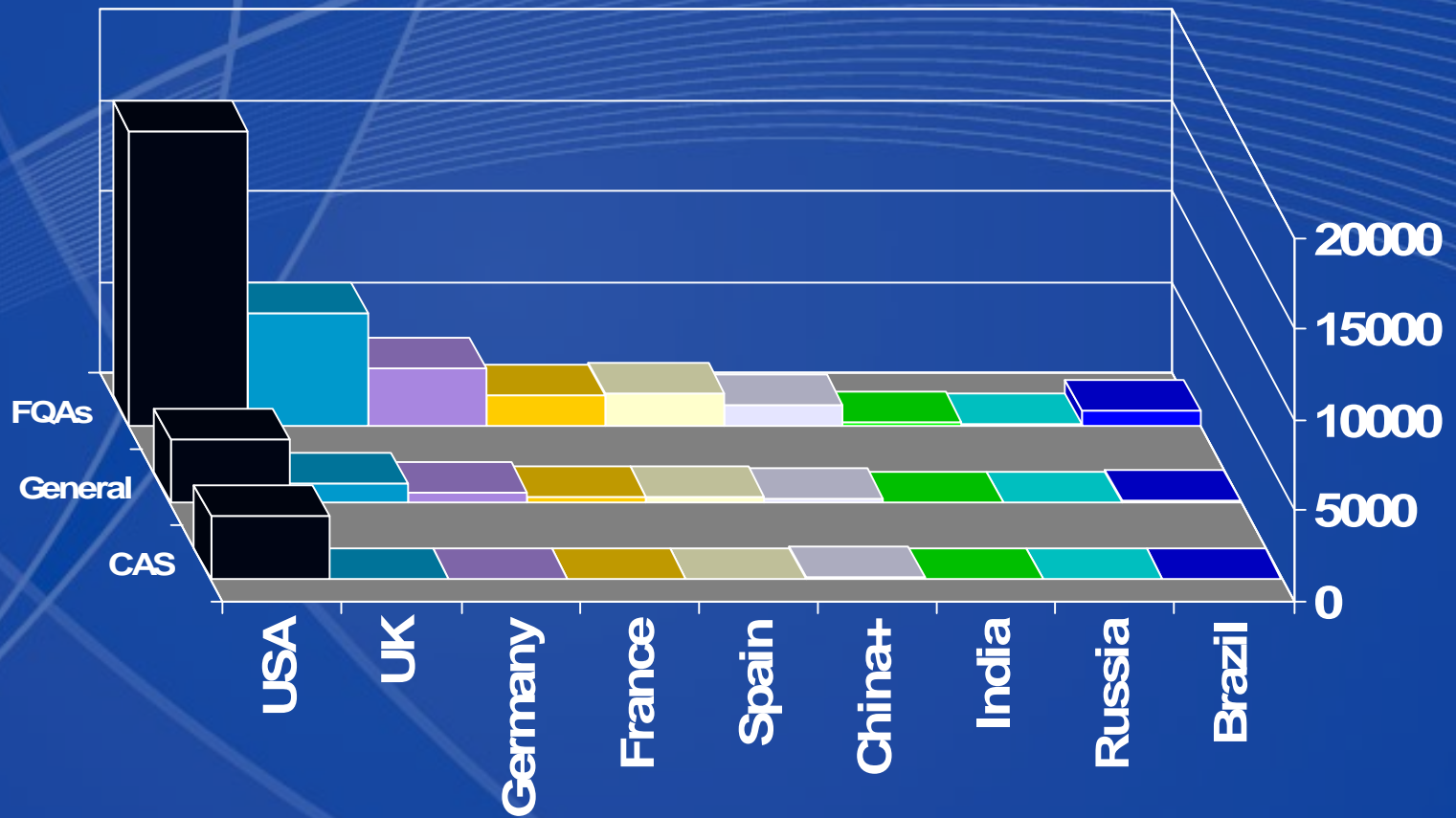


How International Should the CAS Be?

- n Through the CAS Strategic Planning Process, the Board is exploring the scope and objectives for CAS international activities
- n The Board has agreed on general purposes for CAS international activities:
 - n Be a Global Citizen;
 - n Partner on Research and Education;
 - n Support CAS Members outside North America



International Perspective





International Direction

- n 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.
- n 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.)

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

March, 2011 Board meeting



ERM (CERA Update)



The Global CERA Treaty

- n November 2009 – 14 actuarial organizations, including the CAS, sign the the Global Enterprise Risk Management Designation Treaty.

- n **Objectives for Global ERM Designation (CERA):**
 - n Recognize and promote globally the capabilities of actuaries to provide ERM services.
 - n Stringent ERM education requirements
 - n Strong code of professional conduct.



CAS CERA Status

- n Treaty signatories apply for permission to award CERA.
- n CAS application to award CERA being reviewed by a panel, to ensure compliance with treaty. Moving slowly.
- n Pending application has two paths by which members might qualify for the CERA designation:
 - n Examination - This path was recently modified from what was originally announced
 - n Experienced Practitioner Pathway (transitional)



Core Skills (Education)



Actuarial Skill Set

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

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

November, 2010 Board meeting



Actuarial Skill Set: A Question of Balance

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



Actuarial Skill Set: A Question of Balance

- n Immediate Impact:
 - n Testing higher order thinking on the exams (Bloom's Taxonomy)
 - n Board Direction – move quickly / accelerate

- n Longer term impact:
 - n TBD – feedback welcome
 - n Basic Education vs. Continuing Education



Actuarial Skill Set: A Question of Balance

- n Input to be sought from:
 - n Employers
 - n Corporate training programs
 - n Non-traditional actuaries
 - n Non-actuary directors on the CAS Board
 - n Academia
 - n CAS resources, including staff and members



Continuing Education

- n CAS Continuing Education Policy approved May 2010
- n CE required for all members who provide actuarial services, either through:
 - n Compliance with approved National Standards
 - n American Academy (US)
 - n Canadian Institute
 - n UK Institute/Faculty
 - n Australia Institute
 - n Others may apply for pre-approval
 - n Compliance with Alternative Standards



Continuing Education

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



Foundational Statements



Foundational Statements

March 2011 Board decisions:

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



Election Results



CAS Board

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



Board Elections

- n Fellows elected four new Board members:
 - n Shawna Ackerman
 - n Steven Armstrong
 - n Annette Goodreau
 - n James Merz
- n The Board appointed a new non-member to serve on the Board: Michael Steele (replaces Morton Lane).
- n New terms begin at the end of Annual Meeting.



Associate Rights

ACAS Issues on 2011 Ballot:

- n Allow ACAS to vote after 5 years - **Not Approved**
- n Allow ACAS to be on the Board - **Not Approved**

The Board agreed to consider the implications of the vote on ACAS issues on other aspects of the CAS (e.g., dues, IAA membership).



Joint Discipline

- n Council of US Presidents (CUSP) developed proposal to streamline actuarial discipline processes;
- n Proposed streamlined process:
 - n More efficient for both the professional organizations and the subject of the complaint
 - n Minimizes the reputation risk for the profession that would arise from different discipline decisions from different US-based actuarial organizations for the same incident
 - n Retains CAS member control over CAS member discipline.



Joint Discipline (cont.)

Proposal:

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



Joint Discipline (cont.)

Proposal:

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



Joint Discipline (cont.)

Proposal:

- n Panel needs supermajority (all but one) for a discipline decision.
- n If panel decision is 2 years suspension or lower, then decision implemented by all relevant organizations.
- n 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.
 - n For CAS, this likely to be done by a CAS Discipline Committee.



Joint Discipline (cont.)

Recent election approved Bylaws change that gives the CAS Board the *authority* to enter into joint discipline agreements, *provided*:

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



Other Issues

Other Amendments to Constitution and Bylaws:

- n Joint Discipline proposal - **Approved**
- n Remove outdated language - **Approved**



Election Procedures

Recently approved changes to elections process:

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



Communications



Improving Member Communications

The CAS will:

- n Formalize the outreach to Regional Affiliates – annual presentation on CAS Issues at every affiliate.
- n Publish The Actuarial Review more frequently (e.g., 6x per year).
- n Explore the use of video as a communication vehicle.
- n Experiment with ways to obtain timely membership-wide feedback (e.g., Online Poll Questions).
- n Blog utilizing the CAS Roundtable as a new communication vehicle.



THE CASUALTY ACTUARIAL SOCIETY ROUNDTABLE

Conversations about CAS activities, voices from the actuarial profession, and more



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CAS Modifies Its Proposed CERA Requirements

Posted on August 18, 2011 by Ralph Blanchard



There have been recent developments regarding the CAS application for CERA award signatory status that warrant an announcement to CAS members at this time.

As background, in 2009 [the CAS joined 13 other actuarial organizations across the globe in signing a treaty](#) to establish a new enterprise risk management (ERM) designation. The credential CERA, or Chartered Enterprise Risk Analyst, will identify actuaries who meet stringent education requirements in ERM and are governed by a strong code of professional conduct. Per the treaty, the CERA Review Panel was formed to ensure that each treaty organization's proposed CERA program meets the treaty standards. As each organization applies to become an Award Signatory (i.e., obtains permission to award the CERA designation) it must first be reviewed by this panel, which then makes its recommendation to the CERA Treaty Board.

The CAS submitted its application to become an Award Signatory to the CERA Review Panel last year and has been engaged in an on-going dialogue with the Panel regarding the proposed CAS program, which was first described in the [August 2010 issue of The Actuarial Review](#). As part of that dialogue, the CAS has made revisions to its application, which have been approved by the CAS Board and resubmitted to CERA Review Panel. We are now awaiting feedback on our revised proposed requirements.

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About CAS

The Casualty Actuarial Society is a professional organization whose purpose is the advancement of the body of knowledge of actuarial science applied to property, casualty, and similar risk exposures.

[Learn More »](#)



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<http://t.co/9wibBX7>

New CAS Blog: The CAS Roundtable



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