



# Current CAS Issues and Directions

*Midwestern Actuarial Forum (MAF)*  
*March 5, 2012*



# Agenda

- 2012 Strategic Priorities of the Board
- SOA Consolidation Proposal
- Response to Fall 2011 Exam Results
- Longer Term Education
- CERA



# 2012 Strategic Priorities of the Board



# 2012 Strategic Priorities of the Board

- Strategic Plan
- Basic Education Structure and Philosophy
- Risk Management
- Response to SOA Proposal
- Member Communications
- Strengthening the CAS Brand
- Innovation



# Strategic Planning Process

- Mission/Vision  
(Approved by Board Nov. 2010)
- Evaluate Threats, Opportunities, Weaknesses, Strengths
- Set Objectives
- Develop Action Plans
- Measure Progress



# CAS Mission Statement

(As approved by the Board, Nov. 2010)

The purposes of the Casualty Actuarial Society are:

- to advance the body of knowledge of actuarial science applied to general insurance, including property, casualty and similar risk exposures;
- to expand the application of actuarial science to enterprise risks and systemic risks;
- to establish and maintain standards of qualification for membership;
- to promote and maintain high standards of conduct and competence;
- to increase the awareness of actuarial science;
- and, to contribute to the well being of society as a whole.



# Threats/Opportunities

## ■ Increased Competition

- Other Actuarial Organizations
- Other Professions
- Globalization
- Emerging Areas of Practice



# Strengths/Weaknesses

## ■ Strengths

- Respected and Valued Credential
- Highly capable and motivated staff
- Strong Volunteer Culture

## ■ Weaknesses

- Resistance to Change
- Slow to Take Action





# Consolidation Proposal Update



# Brad Smith Proposal for Consolidation of the Profession

*“There is absolutely no need for three separate professional organizations (CAS, SOA, Academy)...to exist. They need to consolidate into one efficient, effective organization.”*

- Proposal announced in Brad Smith’s inaugural speech as President of the Society of Actuaries.
- Full text of speech available through [www.soa.org](http://www.soa.org).



# Developments

## CAS Board Statement in Response to SOA President's Speech:

The CAS is the only non-nation specific actuarial organization exclusively focused on property-casualty risks, and our members find this of value. Our members have made it clear, and the CAS Board agrees, that they do not see benefits in consolidation with other actuarial organizations. The CAS has been, and continues to be, strongly in favor of cooperative efforts with other organizations, including efforts to address the concerns raised in the SOA President's speech.



# Developments

- Brad Smith Presidential Address (Oct. 2011)
- CAS Board issues Statement (Nov. 2011)
- SOA Board forms exploratory Task Force
- Academy Board authorizes discussions w/SOA
- Leaders of CAS and SOA meet (Nov. 30, 2011)
- SOA forms Task Force to evaluate feasibility of SOA's offering a casualty track
- Leaders of Academy and SOA meet (Jan. 2012)/Agree to form profession-wide Task Force



# Fall 2011 Exam Results Update



# Developments

- Fall 2011 Exam Results published
- Explanatory Letter to Candidates
- Pat Teufel's Open Letter Re: the Fall 2011 CAS Exam Results
- Invited members/candidates to suggest improvements
- Independent educational consulting firm engaged
- Executive Council agrees to make candidate papers available on a test basis / extends deadline for appeals
- Agenda item for March Board meeting
- Board will also consider EC recommendation to offer Parts 5 and 6 twice a year, beginning in 2013 and 2014 respectively.



# Education – Longer Term Update



# 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

- 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

- High Level Testing – Bloom’s Taxonomy
- Immediate Impact:
  - Testing higher order thinking on the exams
  - Board Direction – move quickly / accelerate
    - Training Exam Writers and Graders
    - Preparing Candidates
- Longer term impact:
  - Collecting feedback
  - Basic Education vs. Continuing Education



# Developments

- Task Force on Educational Balance formed; issues preliminary report
  - Interviewed employers of actuaries and academics
  - What skills are employers looking for in actuaries? Are we measuring up?
  - Whether actuaries are being displaced by other technically-proficient professionals?
  - If candidates are viewed as having insufficient technical, communication, and/or business skills?
  - What supplemental training employers are providing to address skills gaps among candidates?
  - Board will discuss Task Force report at its March meeting



# CERA Update



# The Global CERA Treaty

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



# 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
  - Transfer CERA designation from another organization
- January 24 Webinar - CERA Designations for CAS Members
  - CAS member interest high – 300+ attended webinar
- Two sessions of ERMM Seminar to be offered each year



# Enterprise Risk Management and Modeling Seminar

- Three-day seminar with interactive learning environment limited to 40 attendees.
- Objectives:
  - Fast-track understanding of effort needed to pass ST9 exam.
  - Cover ERM material not adequately addressed in ST9 exam.
  - Apply ERM concepts hands-on using a case study approach and an DFA model.
- Offerings:
  - March 2012, Chicago (full)
  - July/August 2012, Northeast (details TBD)



# ST-9 Exam

- Fellowship-level exam of the UK Actuarial Profession
- Three-hour exam with essay and problem-solving questions
- 2012 exam dates:
  - April 27 (registration deadline was February 9)
  - October 3 (registration deadline is July 19)
- Individuals taking the ST9 exam to qualify for CERA through the CAS must register for the exam through the CAS
- Exam Centers in California, New York, Chicago, Toronto





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

**Thanks!**