

· · · · · · · · · · · · · · · · · · ·	nd the CAS Exams: ling Out the Actuary	
2010 CAS Ratemaking and Product Management Seminar		
Kelly McKeethan, FCAS, MAAA, CPCU, ARC, AIS, ACP		
March 16, 2010	2010 CAS RPM Seminar	2

# (AS)

## Antitrust Notice

- The Casualty Actuarial Society is committed to adhering strictly to the letter and spirit of the antitrust laws. Seminars conducted under the auspices of the CAS are designed solely to provide a forum for the expression of various points of view on topics described in the programs or agendas for such meetings.
- Under no circumstances shall CAS seminars be used as a means for competing companies or firms to reach any understanding – expressed or implied – that restricts competition or in any way impairs the ability of members to exercise independent business judgment regarding matters affecting competition.
- It is the responsibility of all seminar participants to be aware of antitrust regulations, to prevent any written or verbal discussions that appear to violate these laws, and to adhere in every respect to the CAS antitrust compliance policy.

Beyond the CAS I	Exams: Rounding (	Out the Actuary	
Outline			
<ul> <li>Program Content         <ul> <li>CPCU</li> <li>IIA</li> <li>IDMA</li> <li>AICP</li> </ul> </li> </ul>		5-7 8-18 19-25 26-27	
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## Program Content

- Administered by the Institutes www.aicpcu.org \* American Institute for Chartered Property Casualty Underwriters (AICPCU) \* Insurance Institute of America (IIA)
- CPCU
  - \* Three components Education, Ethics, Experience

## Education

- Five Foundation Courses Exam Type
   -Foundations of Risk Management, Insurance, and Professionalism Short Essay
   Insurance Operations, Regulation, and Statutory Accounting Multiple Choice
   The Legal Environment of Insurance Multiple Choice
   Financial Service Institutions Short Essay

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## Beyond the CAS Exams: Rounding Out the Actuary

## Program Content (CPCU continued)

Concentration Courses – choose Personal Lines or Commercial Lines

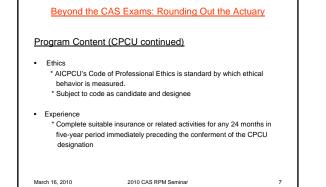
\* Personal Lines

- Personal Risk Management and Property-Liability Insurance Short Essay - Personal Financial Planning – Short Essay
- Survey of Commercial Risk Management and Insurance Multiple Choice

\* Commercial Lines

- Commercial Property Risk Management and Insurance - Short Essay - Commercial Liability Risk Management and Insurance - Short Essay - Survey of Personal Risk Management, Insurance, and Financial Planning -Multiple Choice

\* Cannot mix and match, but there is exposure to the other concentration March 16, 2010 2010 CAS RPM Seminar



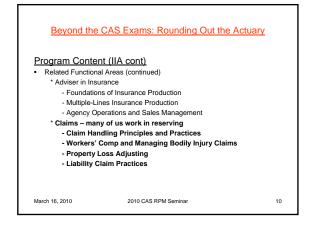
# Beyond the CAS Exams: Rounding Out the Actuary Program Content • IIA – 16 Programs – all multiple choice exams - all lead to designation of Associate • Four Broad Categories (my categories, not those of the AICPCU) \* Related Eurocional Areas

\* Related Functional Areas \* Management \* Line of Business \* Specialty

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Program Conten	t (IIA Continued)		
Related Functional Are	eas - we need to be relev	ant - "Actuaries are pursuing	
		vance" - CAS Report of the	
CEO Advisory Tas	k Force - 11/1/1999		
* Adviser in Insurance		(AAI)	
* Claims		(AIC)	
* Insurance Technology		(AIT)	
* Insurance Accounting and Finance		(AIAF)	
* Insurance Services		(AIS)	
* Premium Auditing		(APA)	
* Regulation and Compliance		(ARC)	
* Reinsurance (ARe)			
* Risk Managem	ent	(ARM)	
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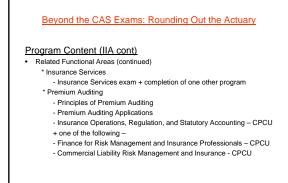
## Program Content (IIA cont)

 Related Functional Areas (continued) \* Insurance Technology

- Essentials of Information Technology
  - Insurance Uses of Technology
    - The Strategic Management of Information
  - \* Insurance Accounting and Finance many of us work with Finance
    - Statutory Accounting for Property-Casualty Insurers - Insurance Information Systems
    - Insurance Operations, Regulation, and Statutory Accounting -
    - CPCU - Finance for Risk Management and Insurance Professionals - CPCU

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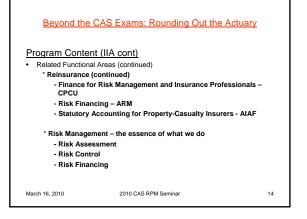
Program Content (IIA cont)

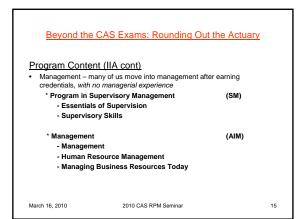
- Related Functional Areas (continued)
  - \* Regulation and Compliance many of us work on filings to DOIs - Insurance Regulation
    - Statutory Accounting for Property-Casualty Insurers AIAF
    - Insurance Operations, Regulation, and Statutory Accounting CPCU
  - \* Reinsurance many of us work for reinsurers or with reinsurance - Primary Insurance Coverages
    - Reinsurance Principles and Practices
    - Readings in Reinsurance Issues and Developments
    - Insurance Operations, Regulation, and Statutory Accounting CPCU

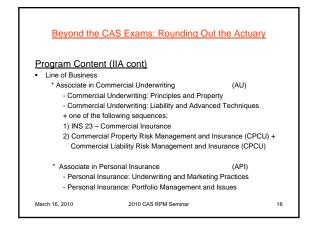
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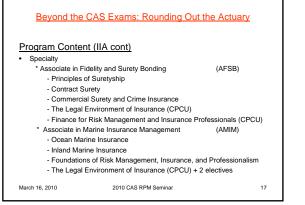
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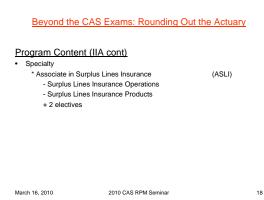
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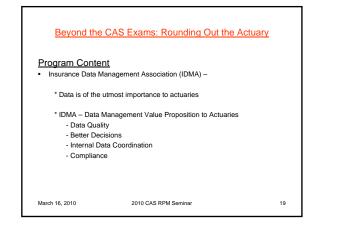










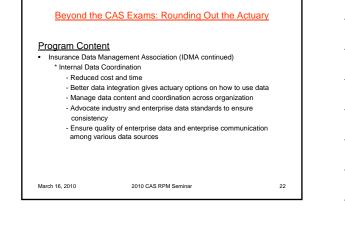


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# Beyond the CAS Exams: Rounding Out the Actuary Description • Insurance Data Management Association (IDMA continued) • Better Decision • Result from better data • Lead to better pricing – increased number of customers, retention, customer satisfaction – impact bottom line • Improve ability to explain and defend decisions (my italics) • Improve data integrity and utility • As data availability increases, privacy and confidentiality are critical • When data quality is handled by data manager, actuary is free to focus on core responsibilities but actuary still improves process with understanding of data management • Improves predictive modeling

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## Program Content

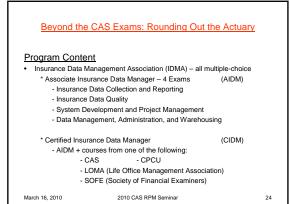
Insurance Data Management Association (IDMA continued)

\* Compliance

- Protect privacy and confidentiality of enterprise dataEnsure compliance with data reporting laws and regulations
- Assist in identifying solutions to data reporting issues
- Communicate/interface with regulators
- Provide non-confrontational mechanism for dialogue
- Represent company to regulator and bring back information on regulatory perspectives, allowing for better decision-making

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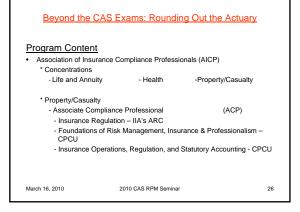


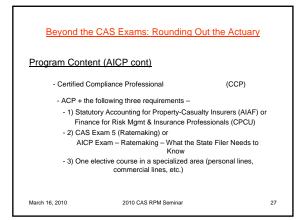
## Program Content (IDMA cont)

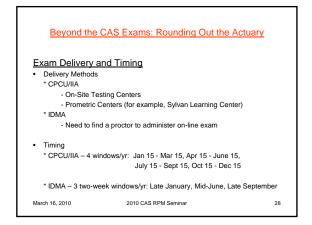
- \* CAS Exam 2 (Financial Math) or 8 (Investments/Financial Analysis) - Exam 3 or 4 (Actuarial Models)
  - Exam 5 (Ratemaking) - Exam 6 (Reserving, Accounting, Reinsurance, ERM) or Exam 7
- \* CPCU Insurance Operations, Regulation, and Statutory Accounting - Finance for Risk Management and Insurance Professionals
  - + 2 of the following -
  - Commercial Property Risk Management and Insurance
  - Commercial Liability Risk Management and Insurance
  - Personal Risk Management and Property-Liability Insurance
  - Personal Financial Planning

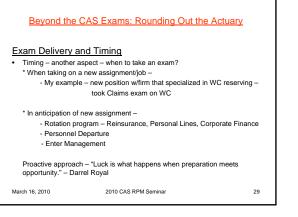
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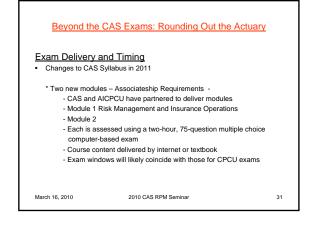


## Exam Delivery and Timing

• Timing – another aspect – when to take an exam?

- Knowledge is the most important aspect more important than designation - make ourselves relevant to our employers
- \* One more thought on timing of exams schedule in conjunction with CAS Exam on common material -
  - Exam 5 has material from CPCU Exams on Commercial, Personal,
  - Insurance Company Operations, and Risk Management - Exam 6 has material from CPCU Exam on Insurance Company
  - Operations and IIA Exam on Reinsurance

  - Exam 7 has material from CPCU Exams on Risk Management,
- Personal Insurance, Legal Environment, and IIA Exam -Regulation March 16, 2010 2010 CAS RPM Seminar 30



## Study Approach/Considerations

- Approach from each day's study session, take one thing into the workplace – make ourselves relevant to our employers
- Considerations
- \* Financial Support I have worked in all three environments: - Employer Pays Up-Front - Employer Reimburse - No Support \* Study Time - Not Likely to receive from Employer - My experience – 60-100 hours per course \* Study Aids – AICPCU has available, as do other organizations March 16, 2010 2010 CAS RPM Seminar

## Beyond the CAS Exams: Rounding Out the Actuary

## Personal Experiences/Benefits

- Knowledge Approach Goal take one thing into the workplace from each day's study session – make ourselves relevant to our employers
   \* Examples – Associate in Services (AIS) course – covered topic of teambuilding as I was starting as team leader of a state expansion project
- Respect from Other Departments "I love working with someone who can work outside their area."

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- · Access to CPCU Society Publications and Webinars
- Participation in Local CPCU Chapter Leadership Skills

## Helps with Job Search March 16, 2010

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