

**MINUTES  
CAS BOARD OF DIRECTORS MEETING  
JANUARY 10, 2006  
Chicago, IL**

**Present**

Directors: Irene Bass, Regina Berens, Christopher Carlson, Robert Deutsch, Sholom Feldblum, Andrew Kudera, Donald Mango, Glenn Meyers, Roosevelt Mosley, Karen Terry, and Robert Wolf.

Immediate Past President: Stephen D'Arcy.

President: Paul Braithwaite.

President-Elect: Thomas Myers.

Vice Presidents: Amy Bouska, James Christie, Beth Fitzgerald, Roger Hayne, John Kollar (by teleconference), Debbie Rosenberg, and Joanne Spalla.

CAS Executive Director, Cynthia Ziegler; Assistant Secretary – Board of Directors, Kenneth Quintilian.

Other Attendees: Michael Boa – Director of Communications and Research, CAS Staff; Todd Rogers – Director of Finance and Operations, CAS Staff.

Invited guests: Mary Frances Miller, Oakley Van Slyke (by teleconference).

Observer: Clive Keatinge.

Excused: Allan Kaufman.

**FCAS EDUCATION BOARD TASK FORCE REPORT AND DISCUSSION**

Steve D'Arcy called the meeting to order at 10:00 a.m. on Tuesday, January 10, 2006. He introduced the sole item of business for the meeting, which was to be the discussion of the report of the Board Task Force on FCAS Education, and the attendant strategic and policy decisions that the Board is faced with making in order to act upon the results of that report. The following outlines in broad topical format the ideas and issues that were discussed.

It was agreed that “mastery” (comprehensive knowledge – the actuary can “do” it) and “familiarity” (a less detailed knowledge, coupled with the ability to obtain more information as needed – the actuary can “understand” it) are critical concepts in the context of a major revision of the CAS education process. All learning objectives (LO's) to be conveyed by the CAS education process are first to be assigned to one of these categories, in order to help decide in how much detail they should be taught. This does not determine how the LO's are to be taught (pencil-and-paper exam; continuing education, in-depth seminar, etc.), but knowing how deep and broad the knowledge should be provides a framework to begin the discussion of how to teach it.

One of the products of the Board Task Force was a listing of the LO's from the current exam syllabus, divided between these two headings, with one or two LO's added. It was noted that the current testing scheme implies that nearly all LO's are currently under the “Mastery” heading. At the same time, the absence of an LO from the list does not imply it should not be taught at all; it simply means that the topic is not currently on the syllabus.

Another issue needing to be discussed in this context was whether all LO's need to be learned or mastered by all actuaries. One of the goals of this meeting was to decide whether an “elective” approach to FCAS education was advisable.

The Board held a series of straw votes (inviting all present to vote, including observers and the Executive Director) on the assignment of the LO's to four broad subcategories. These represent the desired educational end result, with the goal being to achieve these ends within the formal education process, either pre- or post-FCAS. Results of these polls are enclosed as Exhibit 1 (the results were not rigorously tallied, as these were not formal votes but straw polls to obtain the sense of the Board).

The topics are numbered in the order they were presented in the LO grid that was distributed to the Board by the Task Force. LO's 1 through 9 were originally assigned by the Board Task Force to the "Mastery" column, whereas 10 through 17 had been assigned to the "Familiarity" cohort. The five columns on Exhibit 1 represent:

1. All casualty actuaries should master this topic.
2. Some actuaries should achieve mastery (and all will need to become familiar with it).
3. All actuaries should become familiar with this topic.
4. Some actuaries should become familiar with it.
5. No education on this topic is necessary.

Many were of the opinion that the best way to achieve an educational system that achieves these goals is to move toward an elective or "track" structure, wherein aspiring FCAS's could choose (for example) two out of three or more modules as their final educational task pre-FCAS. Such modules could be constituted in a variety of ways, including an exam, or a rigorous seminar culminating in some sort of graded exercise or exam.

It was also widely agreed that additional Continuing Education opportunities (and requirements) post-FCAS would be beneficial to the CAS exam process, and would be helpful in achieving many of these goals. Additional CE would also allow current Fellows to "cross-train" into a new track by obtaining a certificate in the process that would enhance their FCAS credential and provide them with necessary credibility to enter the new sub-field.

It was generally agreed that one of the hallmarks of the FCAS designation is the generalist nature of the current education process. It would be necessary to avoid overspecializing, which could result in diminishing Fellows' strength as generalists.

The Board proceeded to take suggestions from the floor on additional LO's that those present would like to see in the educational syllabus. These are listed at Exhibit 2, along with the results of the straw polls that followed.

One suggestion being debated is a six-exam syllabus, culminating in ACAS (or what will be deemed an ACAS - level accomplishment), followed by the selection by the candidate of two advanced seminar tracks to obtain FCAS. Under such a concept, the "Mastery by All" topics would be the bulk of the material retained on the exam syllabus, with the remaining topics being tested in an alternative structure such as seminars, or being made available through CE or some other mechanism.

It was agreed that a white paper should be drafted to delineate all of the relevant findings of the two Task Forces and the Board, in order to present to the CAS members and other stakeholders the outcome of these deliberations.

## **BOARD RESOLUTIONS**

The Board passed several informal resolutions for the direction of the next steps in this process, and particularly for the direction of the group (led by Tom Myers) who will be preparing the White Paper:

- 1. There will be prepared a White Paper to present the Board vision with regard to FCAS Basic and Continuing Education to the stakeholders of the Society – employers, members, regulators, etc. – in order to get their input before any final decisions are made.**
- 2. The Board endorses an education vision for Fellowship that includes the use of electives.**
- 3. These electives will also be made available to the Fellows after completion of basic education in a rigorous Continuing Professional Development format that includes appropriate verification. The modeling seminar is an example, and should be offered both to candidates as an advanced topic choice and to FCAS's as a part of Continuing Professional Development.**
- 4. Mastery of the following subjects (items 1 through 6 on Exhibit 1) must be demonstrated by all candidates through timed, closed book examinations or through equally rigorous methods.**

The remainder of the LO's (beyond item 6 as mentioned above) will be discussed in the White Paper in accordance with the sense of the Board as contained in the straw polls. Tom Myers' group will seek to complete the White Paper in time for discussion at the March Board meeting.

**A motion was made to dismiss the Board Task Force on FCAS Education, with thanks.**

This motion was seconded and approved unanimously, with 14 voting.

Steve adjourned the meeting at 2:50 p.m.

Respectfully submitted,

Kenneth Quintilian  
Assistant Secretary - Board of Directors

Approved: March 9, 2006

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**Exhibit 1 -- Assignment of Task Force LO's by Familiarity Cohort**

	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
	<b><u>All Master</u></b>	<b><u>Some Master</u></b>	<b><u>All Familiar</u></b>	<b><u>Some Familiar</u></b>	<b><u>None</u></b>
1 Probability	<b>22</b>	1			
2 Interest Theory	<b>23</b>	1			
3 Modeling Risk for Business	<b>12</b>	8	2		1
4 Stats / Credibility Applications	<b>16</b>	4	2		1
5 Rates / Classifications	<b>20</b>	3			
6 Loss Reserving	<b>19</b>	4			
7 Financial Statements	6	<b>17</b>	1		
8 Enterprise Risk Management	1	<b>18</b>	3		2
9 Financial Risk	6	<b>10</b>	7		1
10 Math/Stats/Econ/Finance (VEE)	5	4	<b>11</b>		1
11 Policy Forms & Endorsements	2	2	<b>19</b>		
12 Insurance Company Ops	5	7	<b>9</b>		
13 General Insurance Industry Considerations	4	4	<b>15</b>		
14 Insurance Law	1		<b>22</b>		1
15 Insurance Regulation		5	<b>17</b>		2
16 Financial Reporting		<b>15</b>	8		1
17 Professionalism	10	2	<b>12</b>		

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**Exhibit 2 -- Assignment of Proposed New LO's by Familiarity Cohort**

	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
	<b><u>All Master</u></b>	<b><u>Some Master</u></b>	<b><u>All Familiar</u></b>	<b><u>Some Familiar</u></b>	<b><u>None</u></b>
18 Taxation of Insurance			<b>21</b>		3
19 Reinsurance for Risk Management		<b>16</b>	8		
20 Price Monitoring			<b>23</b>		1
21 Cat Modeling		<b>12</b>	11		1
22 Communication		2	1		1 <b>20</b>
23 Management			1		<b>23</b>
24 Retrospective / Performance Measurement		4	<b>17</b>		
25 Actuarial Control Cycle			<b>19</b>	4	1
26 General Banking			2	<b>17</b>	5
27 Bank Credit Analysis / Technical		1	2	<b>16</b>	5
28 Risk Management			<b>12</b>	<b>12</b>	
29 Stochastic Reserving		<b>24</b>			
30 GLM / Predictive Models		<b>23</b>	1		
31 Asset Management		<b>12</b>	<b>12</b>		
32 Valuation		10	<b>12</b>		