

MINUTES
CAS BOARD OF DIRECTORS MEETING
SEPTEMBER 16-17, 2008
Omni Shoreham, Washington, D.C.

Present

Directors: Irene Bass, Albert Beer, Brian Brown, Charles Bryan, David Chernick, Don Mango, Glenn Meyers, Robert Miccolis, Mary Miller, Roosevelt Mosley, Joanne Spalla, John Tierney, Mark Vonnahme, Michael Wacek.

Board Chair: Thomas Myers.
President: Christopher Carlson.
President-Elect: John Kollar.

Vice Presidents: Ralph Blanchard (International), James Christie (Admissions), Roger Hayne (Research & Development), Kevin Dickson (ERM), Andrew Kudera (Professional Education), Kenneth Quintilian (Administration), Patricia Teufel (Marketing & Communications).

CAS Executive Director, Cynthia Ziegler; Assistant Secretary – Board of Directors, Alice Underwood.

Invited Guests: David Menning, Louise Francis

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

Observers: Clive Keatinge

The Chair called the meeting to order at 8:00 a.m. on September 16, 2008.

I. CONSENT ITEMS

A motion to approve the following consent items (numbered as per the Board materials) was made:

1. Minutes of June 15, 2008 Board Meeting
The minutes were approved as submitted.
3. Matthew Rodermund Service Award
The Board approved David J. Grady and Stephen S. Makgill as the 2008 recipients of the Matthew Rodermund Service Award.
4. 2009 Nominating Committee Members
The Board recommends that the “sophomore class” of the Board of Directors identify and recommend to the full Board at the November 2008 meeting one new member of the Nominating Committee.

The motion to approve the items listed above was seconded, and carried unanimously.

Additional items from the consent agenda (numbered as per the Board materials) were identified for separate discussion.

2. 2008-09 Chairs of Board Committees

Audit	Brian Brown
CAS Centennial Commemorative Steering	Mavis Walters
CAS Centennial Steering	Gail Ross
CAS Centennial History	C.K. Stan Khury
CAS Centennial Finance	Robert V. Deutsch
CAS Centennial Marketing	Joanne S. Spalla
Discipline	Janet Fagan
Leadership Development	Pat Teufel
Nominating	Tom Myers
Strategic Planning	Regina Berens
Task Force on Revenue Opportunities	Joanne S. Spalla
Value Ladder Task Force	Joanne S. Spalla

Discipline Committee members: Amy Bouska, Janet Fagan (Chair), Michael Fusco, Alice Gannon, Steven Goldberg, C.K. Stan Khury, Orin Linden, John Purple, Sheldon Rosenberg, and Richard Roth, Jr.

5. Member Reinstatements

It was recommended that the Board approve the reinstatement of a member who was dropped from CAS membership for non-payment of dues, subject to payment of a \$500 reapplication fee and 2009 dues.

6. CIA FEM Proposal

As regards the issue of the CIA's Future Education Model proposal, it was recommended that the CAS Board of Directors approve the formation of the Joint Accreditation Committee and the Joint Task Force on Communication as described in the action paper.

After brief discussion of each of these items, **a motion to approve the above consent items 2, 5, and 6 (numbered as per the Board materials) was made.**

The motion to approve the items listed above was seconded, and carried unanimously.

Two further items from the consent agenda were presented for discussion.

7. Vital Statistics Review

8. Election Results

The Board offered congratulations to the newly elected officers and Board members.

II. BOARD EXPENSE TASK FORCE

Brian Brown presented this item (numbered 9 in the Board materials), first taking up the recommended profit / loss targets for meetings, seminars, exams, and international activities. He explained that these recommendations (outlined under Item 3 in the Task Force Memorandum) are intended to be revenue neutral. Brian clarified that the recommended profit / loss point at which action is required was meant to be flexible, so that the EC could review the situation and take action as appropriate. For example, at a

given point in time, depending on circumstances, the EC might consider it acceptable to have a loss on certain seminars but not others.

Regarding expense trends (item 4 in the Task Force Memorandum) the Task Force proposed that office expenses per member should grow at a rate less than the Consumer Price Index due to economies of scale, but found it difficult to suggest guidelines for other expenses. Some costs are negotiable, while others are one-time issues; therefore the Task Force believed that diagnostics rather than guidelines would be the best approach.

There was a motion to approve the Task Force recommendations in items 3 and 4 as proposed.

The motion was seconded, and carried unanimously.

Brian next asked for the sense of the Board on three topics:

(1) Overall profitability targets for the CAS

Currently the guideline is that the ratio of surplus to expense should be 40%–60%. Currently this ratio is in the high 40s. Some Board members expressed discomfort with this metric as it compares a balance sheet item to an income statement item. Cynthia explained that this metric is universally used by nonprofit associations because it is a metric used by the IRS. In fact the metric addresses solvency more than profitability; the goal is to have funds available to cover about six months of operating expenses.

(2) Reliance on exam fees and dues vs. seminars

In the past, the philosophy was that seminars should run at a profit in order to help fund research, but given the Board's recent actions on research funding that philosophy may have changed. There was broad consensus that meetings and seminars should not run at a loss, and some sentiment that member dues should be the primary funding source because all members benefit from research. The Chair asked the Task Force to provide some concrete numbers to assist the Board with evaluating the proper profitability targets for seminars.

(3) Should the CAS be providing more services?

It was agreed to wait for the results of the Quinquennial Survey and then revisit this question.

III. 2009 FINANCIAL YEAR BUDGET

Ken Quintilian introduced this item (numbered 10 in the Board materials) with a reminder to the Board that it is the “second pass version” per the new budgeting process, with the Board's first review of the budget taking place in June. He asked for feedback from the Board as to whether the process is working well and what changes might need to be made.

Several Board members asked for exhibits that would further break down significant changes by line item. The expense item in particular attracted scrutiny; it was explained that approximately \$120,000 of expense has been shifted from 2008 to 2009; furthermore the 2009 budget includes new expenses of \$75,000 for the new internet module, \$50,000 for the Exam 7 study note, \$51,000 for the increase in the research budget, \$30,000 for the proposed sponsorship consultant, and additional amounts for potential legal expenses and enhanced website functionality.

There was a motion to approve the budget as proposed, with the allocation for the sponsorship consultant pending specific approval.

This motion was seconded and carried with 16 votes in favor and one abstention.

IV. PRIZES AND AWARDS COMMITTEE

Ken Quintilian explained that the Committee developed recommendations (provided as Item 11 in the Board materials) based on the previously approved prizes and awards policy statement. One aspect that deserves special consideration is the role of the CAS Trust relative to The Actuarial Foundation (TAF); the Committee particularly wanted guidance from the Board in this area.

A number of Board members who currently have or previously had involvement with TAF expressed concern that the Committee's recommendations might be viewed as putting the CAS Trust in competition with TAF's goals. Youth education receives the greatest emphasis from TAF in terms of outreach, but the budget is divided fairly evenly among youth education, consumer education, and the AERF research efforts.

The CAS Trust has historically functioned as a somewhat passive instrument; it has served as the vehicle for handling occasional donations and bequests. The Task Force is proposing a more active donor outreach. Many Board members supported the idea that the CAS Trust should be used to support research in casualty-specific areas, but there was also sentiment that it would be premature to initiate a donor outreach program without a clear plan for how to use the funds.

There was a motion to approve those sections of the proposed CAS Strategy Statement addressing Research, Scholarships, and Volunteerism Awards.

This motion was seconded and carried with 17 votes in favor, none opposed or abstaining.

There was further discussion of research funding. Some felt that this issue should already have been resolved by the Board's decision to substantially increase research funding. Others commented that even the current level of research funds often go unused, and were uncertain how best to revitalize the research program. It was noted that a commitment to research is a long term commitment.

There was a motion to charge the Prizes and Awards Committee with developing (1) a value statement for funding additional casualty actuarial research and (2) a recommendation to the EC and BOD as to procedures for managing the CAS Trust and coordinating with TAF.

There was a second to this motion, but the Chair expressed the opinion that it would be inappropriate to ask the Prizes and Awards Committee to determine research strategy. The motion was withdrawn.

There was a motion to ask the President to appoint a Board Subcommittee to explore research needs.

This motion was seconded and brought to a vote; it passed with 16 in favor and 1 opposed.

There was a motion that the Board defer further action on clarifying the purpose of the CAS Trust and on establishing a donor development program.

This motion was seconded.

Some disagreed with waiting, and expressed the opinion that research is only part of the issue. One suggestion was that the Prizes and Awards Committee could be charged with fleshing out the aspects of the CAS Trust and donor development unrelated to research goals.

The motion was brought to a vote and carried with 14 in favor, 2 opposed, and 1 abstention.

V. REVENUE OPPORTUNITIES TASK FORCE REPORT

Joanne Spalla introduced this topic (item 12 in the Board materials), explaining that the report covers the current status of revenue initiatives that were previously approved by the Board.

To further explore the concepts of sponsorship and advertising, the Task Force surveyed the Member Advisory Panel. Results indicated that the more removed a possible sponsorship activity would be from educational content, the greater the comfort level. Members want to avoid any sense that the CAS is pushing a sponsor's products. And while members do not want to be inconvenienced – for example, by being forced to listen to commercials at meetings – they are comfortable with tasteful, passive advertising that is consistent with the CAS mission.

There was a motion to approve the CAS Policy on Sponsorship and Advertising, the CAS Guidelines for Sponsorship and Advertising, and the updated CAS Guidelines for Mailing Labels.

This motion was seconded and passed with 16 votes in favor, none opposed or abstaining.

The Task Force's research indicates that integrated sponsorship programs are the general trend of the industry and are more cost effective than other ways of managing sponsorships. Because the CAS does not currently have sufficient internal expertise to develop an integrated sponsorship program, a Request for Proposal was issued to potential consultants. Eight proposals were received; most involved costs of \$18,000-\$35,000 although one was \$135,000. After review of all eight proposals, the Task Force decided to recommend Potomac Communications Group, at \$25,500 cost, for the Board's approval.

There was a motion to accept the proposal from Potomac Communications Group to develop an integrated sponsorship program, and to approve this pending item in the 2009 budget.

This motion was approved unanimously with 17 voting in favor.

VI. CASUALTY PRACTICE COUNCIL REPORT

Bob Miccolis presented the AAA Casualty Practice Council report. A Board member asked about the Casualty Practice Council's reaction to the Board's request to look into qualifications standards. Bob stated that it has not yet been discussed in detail.

VII. IAA/IAIS/IFRS ISSUES

Ralph Blanchard provided an overview of this topic. He began by emphasizing that the accounting changes currently under way are not an "international" issue: all of these rules will eventually be implemented in most jurisdictions. Canada is already committed to adopting IFRS; most of Europe already has done so, and Australia has done so with some modifications. The view of the US Securities and Exchange Commission is that the US cannot be the lone holdout. Things are moving very quickly; Ralph said that his article in the last Actuarial Review is already out of date.

Ralph stated that IFRS *will* be adopted as the GAAP standard in the US. The future role of FASB is in question. Recently the SEC announced plans to create a timetable for US adoption on a staggered basis during 2014-2016. There is an urgent effort underway to finalize plans for this change by 2011, with adoption beginning in 2014. To have a final plan in place by 2011 requires an exposure draft by 2009.

He went on to identify a critical problem for the insurance industry: those at the IASB creating the new standard are not insurance experts and want a single standard that will apply across all industries. The specific needs of insurance discussed so far have mainly involved life insurance issues such as valuing

renewal premiums. It has been difficult, given the compressed time frame, to get the drafters to focus on property/casualty insurance issues. One example is the question of revenue recognition: will we continue to have earned and unearned premium, or will profit be recognized all up front? It is not clear that we have consensus even within the CAS; Canadian actuaries seem to favor an “up front” approach while US actuaries favor unearned premium.

Currently, the representation and consideration of property/casualty issues in the International Actuarial Association discussions of IFRS have been voiced chiefly by the delegates of the CAS and the Institute of Actuaries of Australia. Ralph’s view is that the CAS cannot afford to be silent.

At the conclusion of Ralph’s remarks, the topic was opened for discussion.

One Board member commented that this might be a productive area for research. In Europe, companies trying to get ahead of the curve are looking to the same large consulting firms for advice and so concepts are starting to crystallize without extensive research or formal guidance. Other Board members supported the idea of promoting research, noting a need for both guidance for the accountants’ decision-making and practical applied methods for implementing whatever accounting standard is decided.

Another comment was that although the impending accounting changes have been introduced at virtually all CAS seminars and meetings, the percentage of members who think they will be affected remains abysmally low. There is a significant risk that CAS members will be less effective in their practice because they lack sufficient knowledge. More communication and education are needed.

There was a motion to ask the EC to develop a proposal for the Board addressing specific research topics, educational needs, committee staffing, and any other needs that might arise in conjunction with the IFRS issue, and to present this proposal to the Board at the March 2009 meeting.

This motion was seconded and passed with 16 voting in favor, none opposed or abstaining.

VIII. RISK MANAGEMENT COMMITTEE REPORT

Kevin Dickson introduced this discussion topic (item 15 in the Board materials), noting that the Risk Management Committee is encountering some examples of scope overlap with other committees that also address risks faced by the CAS. He asked for the Board’s input on how best to handle this issue.

A number of Board members noted that such scope conflicts are common to many organizations as they seek to implement ERM. Overall, the consensus was that in cases where there is a designated committee for a particular risk area, the Risk Management Committee should take an advisory role; on the other hand where the CAS faces risks that do not fall into the jurisdiction of any other committee, the Risk Management Committee should take primary responsibility.

IX. CIA UPDATE

Jim Christie introduced this discussion item (numbered 16 in the Board materials). He reviewed a number of issues currently before the CIA Board, including the Future Education Model and the Global ERM Designation. Brief discussion ensued.

X. JOINT TASK FORCE ON DISCIPLINE

John Tierney introduced this topic (item 17 in the Board materials). After one meeting of the CUSP Joint Task Force on Discipline it appeared that the other four organizations agreed that the ABCD should

handle not only investigation but also adjudication and the appeals process. For all five actuarial organizations, adopting this procedure would require bylaws changes. It was noted that this proposed solution would apply only to the US and might require a bifurcation in process between US members of the CAS and non-US members.

The SOA and AAA strongly support this proposal. The CAS raised concerns, however, because the small number of CAS members on the ABCD at any one time may not give sufficient perspective on a casualty-related issue. The Task Force did not address this concern.

John presented a question to the Board: is it valid to suggest that only a CAS panel could give a fair hearing to a CAS member, and only a CAS panel should decide membership issues for the CAS?

Many Board members expressed dissatisfaction with the direction the Joint Task Force appears to be taking, as they have departed from their charge. They were asked to research how other professions handle the discipline process and this research has not been done. There was also concern expressed about the CAS ceding the authority to decide membership issues.

Jim Christie noted that in Canada, discipline panels are drawn from a pool of potential jurors and the panel consists of three people, two of whom are experts in the relevant practice area, with the third typically a retired judge. Several Board members stated that they would be comfortable with a process along these lines, and many expressed the opinion that if adjudication and appeals for CAS members were not handled by panels consisting solely of CAS members, then such panels should at a minimum have a majority of members drawn from the CAS.

The sense of the Board was that it would be appropriate to request that the Task Force fulfill the terms of their original charge, including research into the discipline process of other professions and consideration of various alternatives.

XI. FOUNDATIONAL STATEMENTS

Roosevelt Mosley introduced this discussion topic (numbered 18 in the Board materials). The Task Force's recommendations, intended to be followed in the order stated, are as follows:

1. Delay further action on Foundational Statements until items 2-4 below are addressed.
2. Undertake a detailed line-by-line review of the current Statements of Principles on Ratemaking and Valuation to determine whether each item is
 - a. Covered in an ASOP
 - b. Covered in an ASOP but inconsistent with the Principles
 - c. No longer necessary
 - d. Necessary but not covered anywhere else
 - e. Covered somewhere other than in an ASOP
3. Revisit the extant detailed review of the Statement of Principles on Reserving to determine whether each item falls into category (a) – (e) above.
4. For items in categories (b) and (d) above that can be addressed in ASOPs, petition the ASB to create or modify ASOPs to address the relevant subject matter.
5. For items in categories (b) and (d) above that cannot be addressed in ASOPs, maintain the items in some form, whether Foundational Statements or otherwise, possibly referencing ASOPs or other authoritative sources as deemed necessary.
6. Eliminate the current Statements of Principles.

After some discussion of these recommendations, there was a motion that the Board adopt recommendations 2 and 3 as described above, and instruct the EC to determine how best to accomplish these tasks.

This motion was seconded and put to a vote. The motion passed with 12 voting in favor, 4 opposed, and 1 abstention.

XII. CLASSES OF MEMBERSHIP

Tom Myers introduced this topic, explaining that at the request of the Board the EC has put together a more thorough discussion paper on this issue. The EC recommends that the Board ratify the existing classes of membership and then formally reconsider Associateship rights.

When the floor was opened for discussion, the Board thanked the EC for providing a thorough treatment of the issue. A number of points were mentioned:

- Under the new Basic Education system, the difference between ACAS and FCAS will be 3 three-hour exams.
- Under the new Basic Education system, advanced reserving is a Fellowship exam.
- Both the current ACAS requirements and the new ACAS requirements meet IAA standards.
- The AAA has been asked to review whether the new ACAS education would be sufficient qualification for signing NAIC reserve opinions.
- About 20% of NAIC signers today hold the ACAS credential, with an average of 17.6 years experience. There are fewer than ten NAIC signers with less than five years of post-ACAS experience.
- The Faculty and Institute of Actuaries in the UK have recently introduced an Associate designation.
- The SOA recently granted voting rights to their Associates.

There was a motion to approve Recommendation 1, thereby ratifying the existing classes of membership, maintaining both an Associateship and a Fellowship designation, each of which meets and will continue to meet the minimum educational requirement of the IAA.

This motion was seconded and passed with 16 in favor, 0 opposed, and 1 abstention.

Turning to the question of Associateship rights, there was general consensus that the question would be worth exploring. Several Board members expressed concern that this concept has previously been rejected by the voting membership. There was a desire to gather additional feedback from the members as to their feelings on this issue now that the classes of membership issue and the revisions to the basic education system have been settled. It was suggested that questions on this topic could be included in the Quinquennial Survey, although it was not clear whether there would be sufficient time to modify the survey.

There was a motion to formally consider Associate membership rights, including but not limited to the ACAS right to vote.

This motion was seconded and passed unanimously with 17 voting in favor, none opposed or abstaining.

XIII. REPORT OF THE CONTINUING EDUCATION TASK FORCE

Tom Myers introduced this topic (numbered 20 in the Board materials). In June 2008 the Task Force on Continuing Education presented its recommendation to the Board: under the Task Force proposal, CAS members practicing in the US would be required to comply with the AAA standards on continuing education (CE); those practicing outside the US would be required to follow local standards or, in cases where no local standard has been established, with the AAA standards. The Board was generally supportive of this proposal but asked the Task Force to consider whether there might be a better alternative to the AAA's definition of "Statement of Actuarial Opinion" in determining application of the Continuing Education standards, and what should happen if members do not meet the proposed standard. Tom reported that the Task Force believes that the AAA definition of "Statement of Actuarial Opinion" provides a sufficient basis for determining who would be subject to the proposed CAS Continuing Education standard, and believes that the existing CAS disciplinary processes provide a sufficient basis for dealing with noncompliance.

Discussion ensued. Some felt that following the AAA's definition of "Statement of Actuarial Opinion" might create the appearance of a loophole. It was noted that the SOA has adopted the policy that all members must comply with CE requirements or else be identified in the membership listing as non-compliant. The CIA also requires all members to comply with CE standards. One Board member was uncomfortable with the idea of basing an official CAS notation on self-reported statistics as this might put the CAS in the position of affirming something without verification.

There was a motion to accept the Task Force's recommendation and move forward with an exposure draft, and to disband the Task Force with thanks.

This motion was seconded and passed unanimously with 17 voting.

The Board directed the EC to move forward with the exposure draft.

XIV. 2009 BOD ORIENTATION

John Kollar introduced this topic, noting that for the first time, the 2009 Board orientation would be held jointly with other US-based actuarial organizations. The CAS has agreed to test the concept for 2009 to see how it works. The Vice President – International noted that a joint orientation process could pose problems in years when the incoming Board class included members not practicing in the US.

XV. CANADIAN LIAISONS

John Kollar introduced this topic, emphasizing the need for good communication between the CAS and the CIA as well as the AAA. It is proposed that the Board approve the establishment of a liaison between the CAS and CIA Boards and authorize the EC to approach the CIA Board about appointing a CIA/CAS member to serve in this position. It is further proposed that the CAS Board appoint the incoming AAA VP-Casualty as a liaison between the AAA, the Casualty Practice Council, and the CAS Board. Detailed discussion of this topic was deferred to Executive Session.

XVI. A GREENER CAS

Roger Hayne introduced this item (number 23 in the Board materials), pointing out that the recent meeting of the Institute of Actuaries of Australia was made "carbon neutral" by planting trees and buying green energy to offset attendees' travel-related emissions and other meeting-related activities that generated carbon output.. The meeting was paperless, and all attendees were given CDs including all meeting materials.

Roger presented two concepts for the board to consider:

- “Greening” the CAS office and CAS meetings by using environmentally friendly paper and inks, increasing the use of electronic documents, and other changes to procedures.
- Increasing the involvement of the CAS in research on climate-change related issues.

On the second point, it was noted that both GIRO and Institute of Actuaries of Australia have undertaken climate change related research projects. Susan Woerner has agreed to head up a Climate Change Issues Task Force for the CAS. Costs for this effort are not expected to be significant; primarily this discussion is meant to advise the Board of efforts that are already underway.

There was strong support among the Board for making CAS meetings and the CAS office more environmentally friendly. A number of Board members sought to more clearly separate the two concepts, i.e. distinguishing efforts to lessen the CAS’s impact on the environment from research related to climate change issues. It was noted that the area of expertise of the CAS is not climatology but rather the impact of various risks, including climate change, on future financial outcomes.

XVII. EXAM 7 TAIPEI

Jim Christie started this discussion by explaining that the Chinese Actuarial Association of Taipei will use the CAS exams as one of the routes to Fellowship in their organization. After finishing the CAS exams, their candidates will be required to pass two exams on Taiwanese accounting and regulation. This poses the question of whether such a process is close enough to the existing split of Exam 7 into US and Canadian versions to warrant creation of a localized Part 7 for Taiwan and possibly other countries. This could benefit the CAS in generating new members and advancing the CAS’s international goals. No proposal is before the Board at this time, but the EC would like to explore the possibility.

It was noted that Taiwan currently has 314 candidates taking the lower exams, while China has 496 and Hong Kong 108. This is roughly where Canada was 20 years ago.

There was some discussion of how such a concept could be put into practice. There was agreement that any such process would require the local actuaries to create and evaluate the local exam, just as Part 7C is supported by Canadian actuaries. In general the Board was in agreement with the EC moving forward to explore the issue.

XVIII. EXECUTIVE SESSION

At 4:45 the Board went into Executive Session, at the end of which the meeting was adjourned for the day.

The board reconvened at 8:00 a.m. on Wednesday, September 17. The Chair began by reintroducing items that were discussed in Executive Session.

There was a motion to establish the CIA and AAA liaisons, as described in item XV above.

This motion was seconded and passed with 14 voting in favor, none opposed or abstaining.

There was a motion to rescind the dismissal of the Continuing Education Task Force.

This motion was seconded and passed with 15 voting in favor, none opposed or abstaining.

XIX. STATUS OF STRATEGIC PLANNING COMMITTEE ACTIVITIES

Roosevelt Mosley presented the draft SAM Goals for 2020 (item 25 in the Board materials). He noted that many of the 2014 goals have been carried forward to 2020; metrics remain to be established, and the Strategic Planning Committee intends to present these to the Board at the November 2008 meeting. At this point the Committee is seeking feedback from the Board.

The Committee also asked for a small group from the Board to review the draft of the Globalization White Paper. Joanne Spalla, Mary Miller, and Tom Myers volunteered to do this.

XX. TECHNICAL EXCELLENCE

Don Mango and Pat Teufel began the discussion of this topic (numbered 26 in the Board materials). They asked for discussion from the Board on the following questions:

- Does the Board agree with the assessment that the quantitative skills of CAS members have not kept pace with the broader market?
- Does the Board agree that the CAS brand is in serious jeopardy unless quick and dramatic action is taken?
- Which of the following actions should be considered: mandatory CE, increased frequency of limited attendance seminars, university-based continuing education, engagement of the membership in a serious discussion of this issue, other?
- How, if at all, should the Board lead by example?

A number of varied opinions on these questions were expressed. Many expressed concern that the CAS is too slow to react to new developments. Some agreed with the reputational risk to a greater or lesser degree. Many felt that improving technical skills alone would not be sufficient: that members' general business skills would also need to be improved. There was considerable discussion of whether the technical excellence of all CAS members needs to be substantially enhanced, or whether it would be sufficient to ensure that a subset of the membership were thought leaders.

A number of areas in which technical excellence could be improved were discussed, including the areas where CAS members have traditionally operated (ratemaking, reserving), and new areas (asset modeling, ERM, risk integration). Some suggested that CAS members need not lead advancement in every technical area, as long as they are active participants and seen as adding value.

There was discussion of whether the focus should be on contributions from new members (i.e. Basic Education and fostering new thought leaders) or experienced members (i.e. Continuing Education). Related to this discussion was the distinction between "mastery" of a technical topic as compared to "familiarity" with the technical topic, and what level of expertise should be expected.

Some favored the idea of a periodic recertification requirement. Also discussed were changing the format of CAS meetings to allow for an "intensive" track, offering advanced certificates in various topics, partnering with universities to offer an executive MBA, requiring a certain number of continuing education hours to be focused on technical mastery, and "executive briefing seminars" for experienced members covering topics added to the syllabus since they took the exams

It was decided to create a board task force consisting of Don Mango, Pat Teufel, John Tierney, Mark Vohname, Andy Kudera, Mary Miller, and Glenn Meyers to explore this topic further.

XXI. REVIEW OF PAST BOD EVALUATIONS

Tom Myers asked the Board for reactions to the survey results.

A motion was made to create a task force to revisit governance and the respective roles of the Board and EC.

This motion was seconded and discussion ensued.

Several of those present considered such a task force to be unnecessary, viewing the issue to be something that the Chair, the President, and the President-Elect should handle. A number of Board members expressed the opinion that the Board agendas include too many operational issues, and that not enough time is spent on strategic issues. One suggestion was to put more of the topics currently included as Key Items into the Consent Agenda and Information Items. Another suggestion was to establish standing Board committees to drill down into the details of items like the budget. The idea of monthly information calls lasting no more than one hour was put forward. It was noted that more complete discussion papers, and fewer instances of materials being sent to the Board late, could shorten discussion. The topic of establishing a self-evaluation process was also discussed.

Following this discussion, the motion was withdrawn.

The Chair committed the leadership team to coming back with ideas and welcomed additional suggestions from the Board.

XXII. ERM DESIGNATION TASK FORCE REPORT

Kevin Dickson reported that the Task Force has identified topics that should be included in an ERM Designation syllabus. The original timeline called for a draft treaty to be ready at this point; this has not yet been achieved but should be soon. The SOA is concerned with several aspects of the unfinished draft as it exists, including automatic recognition and the delegation of the education requirement, and has indicated it is unlikely to approve the treaty without modifications.

Separately, working in parallel, a CAS group has been investigating the idea of a CAS ERM designation and would like input from the Board. The question is: does the CAS need to offer an ERM designation, and if so will the global designation be appropriate or is something else needed?

Some Board members felt that it would be important to be proactive in this area and offer a CAS designation in ERM whether or not the global designation is one the CAS chooses to endorse. Some felt that offering a certificate would be a good step, but others felt that nothing short of a designation would be sufficient. It was noted that one of the questions on the Quinquennial Survey is whether the CAS should offer an ERM designation.

The Executive Director reported that the SOA's Executive Director called recently to express an interest in talking to the CAS leadership about the CERA designation.

There was broad consensus among the Board members that the CAS should do something in this area, but it was not clear exactly what direction to take. The Board asked the Task Force to prepare a report for the November 2008 meeting outlining the pros and cons of various options, and offering a strategic plan for how this issue could evolve over time.

XXIII. INFORMATION ITEMS

The following items, numbered as per the Board materials, were presented for the Board's information. Members were given the opportunity to comment on any item:

29. CAS Insurance Program for 2008-09
30. Proposed EC Goals for 2008-09
31. Faculty & Institute Proposed Merger
32. Results of May 2008 Exams
33. Quinquennial Survey
34. ABCD Status Report
35. Q3 FY 2008 Financial Statement
36. Status Report Publications Management Board
37. EC Minutes (May 22, June 17, July 22 and August Agenda)
38. Executive Director's Report
39. NAAC Report
40. May 2008 CUSP Update
41. Joint China Office Report
42. Second Annual ERM Report
43. International 2008 Activities Summary
44. International Travel Budget
45. International Leadership Team Report
46. Reports from IAA Meetings
47. Mind the Gap Article
48. Perfect Storm Article

At 11:05 am a motion to adjourn was made, seconded, and approved unanimously.

The meeting adjourned at 11:05 a.m. on September 17, 2008.

Respectfully submitted,

Alice Underwood
Assistant Secretary – Board of Directors

Approved: November 16, 2008

Subsequent to the meeting, the Board unanimously approved via e-mail the recommendation to post on the CAS Web Site the September 16-17, 2008 Board Meeting Executive Summary, with 17 voting.