

MINUTES
CAS BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2007
Hilton New York, New York City

Present

Directors: Irene Bass, Regina Berens, Brian Brown, Charles Bryan, Eugene Connell, Allan Kaufman, Don Mango, Glenn Meyers, Robert Miccolis, Mary Miller, Roosevelt Mosley, Joanne Spalla, Karen Terry, Mark Vonnahme.

Board Chair: Paul Braithwaite.

President: Thomas Myers.

President-Elect: Christopher Carlson.

Vice Presidents: Amy Bouska (International), James Christie (Admissions), Roger Hayne (Research & Development), John Kollar (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: Deborah Rosenberg, Chair, Task Force for Enhancing the Reputation of Casualty Actuaries and Ralph Blanchard, 2007-08 Vice President – International.

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

Observers: Clive Keatinge.

The meeting was called to order at 8:00 a.m. EDT on Monday, September 17.

I. CONSENT ITEMS

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

1. Minutes of June 17, 2007 Board Meeting

The Board approved these minutes as submitted.

2. 2007-08 Chairs of Board Committees

The Board approved these appointments as submitted:

Audit Committee – Brian Brown

CAS Awards Task Force – Mavis Walters

CAS Centennial Commemorative Steering Committee – Steve D’Arcy

CAS Centennial Steering Committee – Gail Ross

CAS Centennial History Committee – C. K. Stan Khury

CAS Centennial Finance Committee – Robert V. Deutsch

CAS Centennial Marketing Committee – Joanne S. Spalla

Discipline Committee – Patrick J. Grannan
ERM for the CAS Committee – Steven J. Johnston
Nominating Committee – Paul Braithwaite
Strategic Planning Committee – Regina Berens
Task Force for Enhancing the Reputation of Casualty Actuaries – Deborah Rosenberg

Discipline Committee Members: Janet Fagan, Michael Fusco, Alice Gannon, Steven Goldberg, Patrick Grannan (Chair), Stan Khury, Orin Linden, John Purple, Sheldon Rosenberg, Richard Roth, Jr.

3. Matthew Rodermund Service Award

The Board approved Jeffrey T. Lange and Darrell W. Ehlert as the 2007 recipients of the Matthew Rodermund Service Award. Furthermore, the Board adopted a new policy of awarding the Rodermund Award to at least two individuals each year to provide more opportunities to recognize the many volunteers who have made noteworthy contributions to the CAS.

4. 2008 Nominating Committee Members

The 2008 Nominating Committee Membership is as follows, including vacancies that need to be filled according to the approved rotation plan:

Paul Braithwaite – Penultimate Past President, Chair
Tom Myers – Past President
NEW – Member-At-Large > 10 Years
James J. Matusiak, Jr. – Member-At-Large < 10 Years (served 2007)
NEW – Member-At-Large < 10 Years
Robert V. Deutsch – Past Board Member (served 2007)
LeRoy Boison – Member-At-Large > 10 Years (served 2006 and 2007)

The Board recommends that the “sophomore class” of the Board of Directors identify and recommend to the full board at the November 2007 Meeting the two new members of the Nominating Committee.

5. Dismiss Task Force on CAS Exam 3 & SOA Exam M

The Board dismissed this Task Force, with thanks.

6. Member Reinstatements

The Board approved the reinstatement of two members who had lapsed for nonpayment of dues, subject to payment of reapplication fees and 2008 dues.

8. CAS Crisis Communication Plan

The Board approved the proposed Crisis Communication Plan to be included in the Disaster Recover Plan.

9. Vital Statistics Review

The Vital Statistics Report as of September 4, 2007 was presented for the Board’s review.

10. Election Results

The 2007 CAS Election Results were presented for the Board’s information.

The motion to approve these items was carried unanimously, with 14 members voting.

II. APPOINTMENT AND REAPPOINTMENT OF DIRECTORS

This item, regarding the appointment and reappointment of directors, generated a few procedural questions. It was agreed that the suggestion to hold a separate meeting of elected Board members to evaluate the effectiveness of incumbent appointed directors was acceptable, since this meeting would be only for discussion purposes and no action would be taken. It was also agreed that the Chairman should seek input from appointed Board members regarding the performance of their appointed colleagues and share this with the elected Board members during the special meeting, since appointed members would not attend the meeting of elected Board members.

A motion was made to approve the procedures for appointment and reappointment of Directors.

The motion was seconded and passed unanimously with 14 votes.

III. AXIS CAPITAL PROPOSAL

Axis Capital has proposed an initiative to support the CAS and expand its exposure in the industry in China. Axis suggested several options; the option recommended for the Board's approval was for Axis to sponsor donation of CAS study materials to Chinese universities. There was some discussion of whether acceptance of this proposal would create an inappropriate corporate sponsorship of core CAS activities. There was general sentiment that the proposal would not create difficulties along these lines.

A motion was made to approve CAS participation with Axis to provide CAS study materials to Chinese universities.

The motion passed with 13 voting in favor and one abstention

IV. SAM GOAL REPORT FROM STRATEGIC PLANNING COMMITTEE

Regina Berens introduced this topic (Item 11 in the Board materials). The Strategic Planning Committee would like to establish a better set of SAM goals related to the Centennial Goal. The Committee is seeking Board input on the proposed SAM goals as well as reaction from the Board to the idea that some of the goals may not be amenable to quantitative measurement; establishing a quantitative metric might in some cases lead to fulfilling the metric without truly accomplishing the goal. In such cases, the Committee suggests it would be possible to align concrete action items, rather than quantitative metrics, with these goals.

The Board first addressed the International goals. One Board member suggested that the international SAM goals should make clear that the CAS is seeking partnership with other actuarial societies worldwide, and that the desired end state would be not only for CAS materials to be used by other societies but for the CAS to use materials developed by other societies as well. This suggestion attracted broad support.

One Board member expressed concern that the goal for growth in non-U.S. members might be too aggressive. However, it was noted that there is a very large pool of overseas candidates currently taking CAS exams. Also, the non-U.S. members will include Affiliate Members and members by Mutual Recognition.

It was observed that recognition of CAS members' expertise might not necessarily entail acceptance of their suitability to practice in jurisdictions outside North America. Several Board members commented that in many circumstances it is appropriate to follow a "joint venture" business model with a local actuary.

The discussion next turned to the issue of metrics. While quantitative metrics were proposed for the International portion of the Centennial Goal, no such measurements were proposed for the Core Skills and ERM Skills portions. Some Board members felt that these portions of the Centennial Goal might not be amenable to

quantitative measurement. Others felt that without metrics, it would be difficult to determine whether the goals had been achieved. A few members voiced the opinion that it would be possible to have goals of an inherently qualitative nature, but still establish metrics and/or milestones. The sense of the Board was that it would be best to maintain measurable goals where feasible, but at the same time, it would not be appropriate to institute measurement solely for the sake of measurement. Some also expressed the sentiment that the Board must not stop at the measurement stage, but should then go on to interpret the metrics and act upon them.

The Core Skills section was discussed next. Some Board members observed that several of the SAM goals mention supporting the American Academy of Actuaries (AAA) in particular activities that the AAA may not be undertaking at the present time. The intent is that in these cases, the CAS would encourage the AAA to take on such activities and then provide support.

The question was raised as to whether the Core Skills portion of the Centennial Goal is intended to apply internationally. The general sense of the Board seemed to be that the Core Skills should be focused on actuarial techniques, and would apply to individual actuaries in their geographic region of practice.

Regarding the ERM portion of the Centennial Goal, one Board member expressed concern that the CAS has not yet worked to establish standards on risk and capital management. The sense of the Board was that this issue should be put on the AAA agenda to consider for a practice note. There was also discussion as to whether ERM would fall within the purview of the Committee on Dynamic Risk Modeling or the ERM for the CAS Committee, or whether instead a new committee or working party should be established to address this topic. The Board asked the EC to consider this question and present recommendations at a future Board meeting, including next steps for the CAS: for example, should a white paper be produced?

On the issue of measuring progress towards the SAM goals, the Board asked the operational committees to help the Strategic Planning Committee develop appropriate metrics and benchmarks. It was observed that for the ERM portion of the goal, one possible metric would be to use the Membership Survey to determine how many members hold the title of Chief Risk Officer or work primarily in ERM.

The Board asked the Strategic Planning Committee to present revised goals and metrics after these discussions are complete.

V. INTERNATIONAL VISION

Amy Bouska introduced this item, which was an executive summary of the longer document presented at the June 2007 Board meeting. There was some discussion of how the document might be slightly reworded to clarify its intent. Additionally there was discussion of how the CAS can best work together with bodies such as ASTIN and the IAA to achieve the Society's international vision. The Board asked Amy Bouska and Ralph Blanchard to finalize a version of the International Vision document and submit it for Board approval.

VI. PENSION FUNDING

Ken Quintilian introduced this topic, numbered 13 in the Board materials. The EC recommends that the Board resolve to make an additional pension contribution in FY 2007 equal to the additional pension liability that will be recorded as a result of the accounting change requiring organizations to record pension liability as the Projected Benefit Obligation rather than the Accumulated Benefit Obligation. While the CAS is under no obligation to put in the recommended amount of \$212,352 at this point in time, this would bring the CAS plan close to the 90% funding level that many pension plans have voluntarily adopted.

It was moved and seconded that the CAS make an additional pension contribution in FY 2007 equal to the additional pension liability that will be recorded as a result of the accounting change requiring organizations to record pension liability as the Projected Benefit Obligation rather than the Accumulated Benefit Obligation, subject to the stipulation that the amount funded be within 10% of the current estimate of \$ 212,352.

This motion passed unanimously with 16 members voting.

Before leaving this topic, a few Board members expressed the desire to revisit at some point the idea of moving to a defined contribution plan. One suggestion was that the question be reviewed on a regular basis, perhaps every three to five years.

VII. 2008 FY BUDGET

Ken Quintilian introduced this item by noting that the CAS has been facing higher expense trends in recent years, and for 2008 must contemplate changes in the revenue stream to cover the higher level of expenses. The Finance Committee drafted two different budgets for the EC's consideration: one reflecting a marked increase in meeting and seminar fees and one reflecting a marked increase in dues. In the end the Finance Committee favored the second option ("B"), which increases meeting fees in pace with inflation, and generates additional funds through a substantial increase in dues. The EC's recommendations to the Board reflect some changes from the Finance Committee's "B" budget, with a more balanced approach to increasing both seminar fees and dues.

Various members of the Board expressed concerns about the operating losses forecast for 2008 and 2009. In part, the growing imbalance between revenues and expenses is by design because some years back, the CAS surplus was viewed as excessive, and the EC was given the task of reducing the surplus ratio.

Many Board members expressed that the CAS is under-pricing seminars such as those on reserve variability, DFA, and predictive modeling, that is, these seminars should be priced based on value, not on cost. Other organizations charge on the order of \$1,500 in registration fees for comparable seminars. It was suggested that the CAS consider a longer-term plan of moving towards value-based pricing.

In terms of keeping seminar fees affordable, there was discussion of offering more content remotely, for example holding webinars on basic ratemaking and reserving topics instead of covering these topics at the meetings. Since travel and hotel expenses predominate, it might be possible to charge a similar or even higher fee for content offered online or by teleconference and still bring down the overall price tag for participants. Some members suggested that the CAS should consider corporate sponsorship for meals and/or receptions.

There was a motion to expand the scope of the task force organized by the VP – Professional Education to take a broader look at the CAS meeting / seminar strategy, including sponsorships, and come back with a recommendation to the Board at the June 2008 meeting.

This motion was seconded and passed unanimously, with 16 voting.

There was some discussion of the level of expenditure budgeted for international travel. There was broad consensus that international issues are very important, and the CAS must be involved in setting direction for international standards. However, some Board members questioned whether these issues could be handled in a more cost-effective manner; on the other hand, others pointed out that total international expenses are only 5% of the CAS budget and in the context of FASB / IASB convergence and the CAS Centennial Goal, this is a moderate cost.

Next the question arose as to whether paper versions of the Proceedings/Yearbook are needed any longer. Members and candidates have indicated that they turn to the CAS Web Site in most cases for this information. Discontinuing printing of these items would generate a savings of \$32,500.

It was moved and seconded that the CAS discontinue printing the Proceedings/Yearbook, subject to ensuring that all content is available on the CAS Web Site.

This motion passed unanimously, with 15 voting.

There was a request for greater transparency of office expenses.

There followed some discussion of the expense of printing and mailing paper copies of *Future Fellows*. It was noted that this publication serves a recruiting purpose as well as being a vehicle for communication to candidates. Some suggested that it might be reasonable to ask the EC to review all hard copy publications, and consider relying solely on electronic communication for international recipients.

The preceding discussion on individual budget items generated comments to the effect that having the Board as a whole review the budget line-by-line is not necessarily the most efficient process. Several members suggested that the Board give the Finance Committee and the EC high-level guidance as to budgetary goals and delegate some of the detailed oversight to a Board-level budget committee. Some members expressed reluctance about delegating too much of the detail, emphasizing the fiduciary responsibility of the Board. Others felt that the current process is not the best way to fulfill that responsibility. It was also suggested that the current budgeting cycle is too time-compressed.

There was a motion to approve the 2008 budget proposed by the EC with the previously discussed amendments, and to establish a Board Task Force to review the budget process and make recommendations for the 2009 budgeting process to the full Board during the March 2008 meeting.

After this motion was seconded, the Director of Finance and Operations observed that the 2008 budget as presented is inaccurate: \$27,000 of expenses originally budgeted for 2007 will have to be shifted to 2008 because the GIRO meeting will occur in October instead of September as originally planned.

The question of seminar fees potentially being too low surfaced again. The President called for a straw poll on increasing seminar fees, which indicated 14 in favor of this idea.

In light of these issues, there was a motion to table the prior motion to approve the amended 2008 budget.

This was seconded and approved unanimously with 16 members voting.

The following changes to seminar fees were proposed:

Category	Duration	Program	FY 2007 Price	Proposed FY 2008 Price
Meetings	Over 3 days	Annual Meeting	\$800	\$950
		Spring Meeting	\$800	\$950
Seminars	1.5 days	Ratemaking	\$700	\$800
		Predictive Modeling	\$700	\$800*
	1.75 Days	ERM Symposium	\$945	\$995
		Reinsurance	\$700	\$850
		CLRS	\$750	\$850
Limited	1 day	Reinsurance	\$575	\$675

Attendance Seminars	1.5 days	Reserve Assumptions	n/a	\$775
	1.75 days	Predictive Modeling	\$675	\$825
	2 days	DFA Workshop	\$775	\$925
	2.5 days	Reserve Variability	\$825	\$950*
COP	2 days	Prof Ed Courses	\$550	\$700*
Online Courses	2 weeks	ERM Online	\$400	\$450

* At the time of the September 2007 Board meeting, registration brochures for these meetings had already been released. The October 2007 Predictive Modeling Seminar fee was \$750, the October 2007 Reserve Variability Limited Attendance Seminar fee was \$900, and the December 2007 Professional Education course fee was \$600. The fee listed in the table above would be charged for CY 2008 events.

A motion to approve these proposed fee changes was made and seconded.

This motion passed with 13 in favor, two opposed, and one abstention.

It was then suggested that, given the increased revenue anticipated from the change in seminar fees, the dues increase in the proposed budget be reduced.

It was moved and seconded that dues for 2008 be amended to \$390.

It was noted that the dues discount for members electing to receive the *Forum* and *Discussion Paper Program* in electronic format only would be discontinued, since those publications will be no longer offered in print.

This motion went to vote and passed with 8 in favor, 7 opposed, and one abstention.

The Board then went back to consider the motion previously tabled. This was reintroduced as follows:

Moved that the CAS Board of Directors approve the 2008 budget recommended by the EC, with the incorporation of all previously approved amendments:

- **Discontinue publication of the Yearbook and Proceedings in paper format, and ensure all content available on the CAS Web Site**
- **Shift the \$27,000 of expense for the GIRO meeting from fiscal year 2007 to fiscal year 2008**
- **Change the meeting/seminar fees as previously approved**
- **Change CAS membership dues to \$390**

and in addition, that a Board Task Force be established to review the budget process and make recommendations for the 2009 budgeting process to the full board during the March meeting.

This amended motion was seconded and the vote in favor was unanimous, with 16 members voting.

VIII. REPORT OF THE TASK FORCE ON ENHANCING THE REPUTATION OF CASUALTY ACTUARIES

Deborah Rosenberg submitted the report of the Task Force on this topic and asked for feedback from the Board.

The idea of identifying differences between the “best estimates” of management and the actuary was discussed. Some questioned whether the issue of “dueling opinions” is actually a problem. Others expressed concern that publicizing a best estimate focuses too much attention on a single number and downplays the uncertainty of the estimate. The Board reviewed current practice in other countries: in the UK no actuarial opinion is required except at Lloyds, where the booked number cannot be lower than the actuary’s best estimate. In Canada the

appointed actuary must make an annual, non-public report to the regulator showing the actuarial best estimate, and in the annual statement must attest that the booked number “fairly represents” the actuarial best estimate (this is generally interpreted as meaning not “materially different” from the actuarial best estimate).

It was noted that the ABCD has rejected the idea of requiring the appointed actuary to provide an explanatory document whenever the change in the actuary’s reserve estimate over a defined period of time exceeds certain predetermined thresholds: in the view of the ABCD it would be inappropriate for an investigation to be triggered by such an outcome.

Various members mentioned the importance of being proactive in enhancing the reputation of casualty actuaries and of being prepared to deal with any future issues. Actions along these lines could include education on improved methods for rate monitoring and reserving as well as making improvements in terminology and communication.

The Board asked the Task Force and the VP – Marketing and Communications to investigate what the various other bodies are doing as respects actuarial credibility in the U.S. and report back to the Board.

IX. REPORT OF THE ERM FOR THE CAS COMMITTEE

John Kollar introduced this topic, noting that the biggest threat to the CAS identified by the ERM for the CAS Committee is in fact actuarial credibility. The sense of the Board was that this is indeed a key issue and one that must be addressed with a long-term strategy, not a short-term fix. Potential methods discussed for addressing this risk included more specific reserving standards, and the development of better industry data.

It was suggested that the Board could ask the EC to investigate specific steps that could be taken to mitigate the risk identified as credibility of the profession. John pointed out that this task could also be delegated to the ERM for the CAS Committee. Some were in favor of renaming this committee and increasing its involvement with the Board and with the Strategic Planning Committee. No firm consensus on how to proceed was reached at this time.

X. SOA CERA CREDENTIAL AND COMUNICATION PLAN

John Kollar introduced this item, asking for the Board’s direction.

It was observed that the requirements for the CERA credential are totally contained within the SOA syllabus. While there is no alternative ERM credential totally contained within the CAS syllabus, many Board members expressed the view that the FCAS is in a sense an ERM credential: the CAS Syllabus is the best available treatment of enterprise risk in the property and casualty space.

Some members felt that the draft communication plan did not make wholly clear what guidance would be appropriate to give a college student trying to decide whether to become a CERA or an FCAS. One suggestion was that it might be possible to include specific examples demonstrating that the FCAS has helped individuals become successful risk managers.

XI. ERM-II

In light of the preceding discussion, the Board considered whether there are any particular items that should be brought to the attention of ERM-II. Since ERM-II is primarily a university-based organization, it does not seek to

become a credentialing body but rather to focus on education in the context of bachelors and masters degrees and advanced research. No specific items were identified for ERM-II.

XII. GUEST ACTUARY POSITION DESCRIPTION

The Executive Director put this item forward for the Board's review and consideration. As proposed this would be a part-time position: approximately 5 days per month, not all of which would necessarily be in person at the CAS office. Duties would include educating the CAS staff on actuarial issues and conducting data mining and analysis on data about CAS activities, membership, and finances. The exact job description would presumably be tailored to the individual. The intent would be for the position to rotate, with any given individual holding the responsibility for no more than a year or two. If this idea is to move forward, the question of compensation and/or coverage of expenses would need to be resolved.

The Board discussed whether the goals addressed by the Guest Actuary position might be served by one or more volunteers, perhaps an Office Support Committee. There was some sentiment that it might make sense to seek volunteers to address the education and analytical needs in the short term while considering what to do over the long term.

At 4:00 p.m. EDT the Board went into Executive Session and then adjourned for the day at the conclusion of Executive Session.

The open Board meeting reconvened at 8:00 a.m. EDT on Tuesday September 18.

The first item of business was the staffing of the Board Task Force on the budgeting process. Joanne Spalla, Brian Brown and Mark Vonnahme will comprise this Task Force, with Ken Quintilian as EC Liaison and Todd Rogers as Staff Liaison. [Mary Miller subsequently volunteered for this as well.]

XIII. AUTOMATIC ACADEMY MEMBERSHIP

Tom Myers introduced this issue, explaining that the Council of U.S. Presidents (CUSP) has been discussing ideas for addressing the fact that only about 75% of actuaries practicing in the U.S. are AAA members. Several ideas have been advanced for increasing AAA membership, including

1. Membership drive
2. Clearer articulation of AAA value proposition
3. Automatic AAA membership upon joining the CAS, SOA, or other U.S.-based actuarial organization
4. Partial funding (fund all of the activities that the AAA conducts on behalf of the U.S. profession via pass-through fees charged to members of the other organizations who are not AAA members)

A number of Board members expressed opposition to Option 3, asserting that CAS members should not be compelled to join the AAA. Others pointed out that CAS members who are not Academy members do benefit from AAA activities and that in Canada, practicing actuaries must belong to the Canadian Institute of Actuaries.

It was suggested that automatic membership with a provision allowing certain individuals to opt out (e.g. retirees, those not doing actuarial work) might be more appropriate.

It was observed that the AAA could not implement Option 3 or Option 4 without the agreement of the other four actuarial organizations. Option 3 would require a vote of the CAS membership; Option 4 would not.

XIV. CAS EDUCATION WHITE PAPER UPDATE

Tom Myers began with a summary of the history of this topic. Originally the review of CAS education sprang from the Task Force on Classes of Membership, but the two issues have become essentially independent. At the June 2007 Board meeting, the recommendations of the Task Force on CAS Education were presented; the Board asked for suggested transition rules and for employer feedback. The Task Force has put forth suggested transition rules for each of the options previously presented:

Option 1 – Merge All Exams

Option 2A – Merge Current Exams 5 / 6 / 8 (Insurance Accounting Principles in the new Exam 6)

Option 2B – Merge Current Exams 5 / 6 / 8 (Insurance Accounting Principles in the new Exam 7)

Option 3 – Merge Current Exams 5 / 8 / 9

At this point three employers have offered feedback: one did not support any of the recommendations, while the other two preferred different options. Tom opened the topic for discussion with the following question: are the benefits to be gained from the proposed changes worth the impact on candidates at this point in time?

There was discussion of potential benefits, including reducing the number of exams, shortening travel time, moving away from reliance on paper-and-pencil exams, and offering a hands-on workshop as a capstone seminar.

The VP – Admissions observed that changes are needed regarding Part 8, because currently some material is tested twice. However, pending direction from the Board on the larger questions, the Syllabus Committee has not begun to address this redundancy.

One Board member expressed the opinion that having the Board decide on operational details is problematic: that the Board should be focused on policy rather than operations. This Board member asked whether the issue could be referred to the operating committees.

It was pointed out that the Syllabus Committee was previously charged with reducing the number of exams from nine to eight, but could not decide which topics to cut and reverted to the Board for guidance. That question has been answered, since all of the options now before the Board have the same content.

A motion was put forward that the Board should adopt Option 1, including a mandatory capstone seminar.

This motion was seconded, but after further discussion the Board voted to table the motion and take a series of straw polls.

The first straw poll question, whether to make a significant change in CAS education or maintain the status quo, revealed strong support for change: 13 were in favor of change, with none opposed and two abstentions.

The second straw poll question, whether the CAS should pursue offering an internet course on the basics of P&C insurance operations, attracted 15 in favor and none opposed.

The third straw poll question asked whether the CAS should establish a mandatory capstone seminar. There were 9 in favor, 4 opposed, and two abstentions. In follow-on discussion, various concerns about the idea of capstone seminars were brought forward; in particular, the cost of making such seminars available to candidates overseas could be very high. Some considered such seminars a good idea but believed that the CAS was not yet ready to implement them. Others felt that seminars should best be used as continuing education, and not made part of basic education.

The fourth straw poll question was whether reducing the number of exams to eight should be a high priority. On this question there were 10 in favor, one opposed, and 4 abstentions.

The fifth straw poll question asked whether cohesion of topics on individual exams should be a higher priority than minimizing transition issues for candidates. This poll revealed 11 in favor of exam topic cohesion as the priority, 3 in favor of minimizing transition as the priority, and one abstention.

The sixth and last straw poll asked Board members about the importance of trying to structure the exams so that the ACAS requirement would be only six exams rather than seven. On this question, 6 Board members took the position that this would not be an important goal; 7 members said it would be a benefit but not worth sacrificing exam topic cohesion; and none considered this an overriding priority.

The Board asked the Task Force to take the guidance from these straw polls to the Syllabus Committee for their feedback. The Syllabus Committee will convene at the 2007 Annual Meeting, and it was suggested that Board members attend the committee meeting if possible in order to discuss this topic.

The tabled motion to adopt Option 1 (including a mandatory capstone seminar) was withdrawn.

Key messages to be communicated at this point are that the Board believes the CAS should proceed with the best ideas from the original Education White Paper, but is still in the process of working out the details. Internet testing of “general familiarity” topics is under consideration; the idea of education “tracks” has been rejected; and while the Board is interested in the idea of a capstone seminar it gives rise to many questions that would have to be resolved.

XV. EXPENSE GOVERNANCE TASK FORCE REPORT

It was moved and seconded that the Board approve this report as written and formally adopt the proposed authority guidelines.

This motion passed unanimously with 15 members voting.

XVI. DONOR VALUE PROPOSITION

Don Mango presented this item, which included draft text for a brochure to be used in an effort to support CAS members in explaining the value of CAS and AAA volunteer work to employers. Some employers are more receptive to volunteerism than others and the CAS would like to generate broader employer support.

In general, the sense of the Board was that while such a document would be a start, more creative means are needed to address the issue of communicating the value proposition of donated volunteer time. Many expressed the sentiment that it is very important for the CAS to communicate its appreciation to “donor” companies that support their employees’ volunteerism. One possible model for doing so is used by the Society for Chartered Property and Casualty Underwriters: they identify “donor” employers and the CPCU Society leadership schedules brief personal meetings with the CEOs of these companies. They also visit the CEOs of employers found to be less supportive. Many Board members supported the idea of personal contact as a tactic for broadening employer support.

XVII. REVIEW OF PAST BOD EVALUATIONS

Paul Braithwaite gave a verbal overview of the evaluations of the past year’s Board meetings. There were mixed responses regarding which topics the Board should focus on to a greater or lesser degree. One item which did attract a consensus was that the Board should spend more time on strategic planning.

A detailed summary of the evaluations will be provided at the next Board meeting.

XVIII. INFORMATION ITEMS

The following items (numbered as in the Board meeting materials) were presented for the Board's information. Board members were given the opportunity to comment on any item:

26. CAS Insurance Program for 2007-08
27. Proposed EC Goals for 2007-08
28. Results of May 2007 Exams
29. ABCD Status Report
30. Q3 FY 2007 Financial Statement
31. Annual Attendance Report
32. Multiple Meeting Report
33. Status Report Publications Management Board
34. EC Minutes (May 15, June 19, July 17, and August Agenda)
35. Executive Director's Report
36. NAAC Report
37. July 2007 CUSP Update
38. Joint China Office Report
39. Second Annual ERM Report
40. Qualifications Standards Communication Plan
41. NAAC Statement of Position on Practice Standards and Other Guidance
42. Member versus Staff Statistics
43. Consolidated International Expenditures
44. International 2007 Activities Summary
45. SOA Guest President's Speech

Seeing that these items did not generate lengthy discussion, the Chairman called for a motion to adjourn.

A motion to adjourn was made, seconded, and approved unanimously. The meeting adjourned at 11:15 a.m. EDT on Tuesday, September 18.

Respectfully submitted,

Alice Underwood
Assistant Secretary – Board of Directors

Approved November 11, 2007

Subsequent to the meeting, the Board unanimously approved via e-mail the recommendation to post on the CAS Web Site the September 17-18, 2007 Board Meeting Executive Summary, with 13 voting.