

Christopher S. Carlson

A.C.A.S. – May 1986

F.C.A.S. – July 1990

Education

The University of Oregon, Eugene – Bachelor of Science in Mathematics December 1978
Valparaiso University, Indiana - attended August 1973 to May 1975

Current Employment

Consulting Actuary with Pinnacle Actuarial Resources, Inc. – Dublin, Ohio

Activities with the Casualty Actuarial Society

- **Board of Directors,**
Member 2005-2006
- **Executive Council,**
Vice President Professional Education 2001 - 2004
- **Joint CAS/SOA Enterprise Risk Management Symposium Committee,**
Member 2003
- **Long Range Planning Committee,**
Member 2006
- **Committee & Task Force on Volunteer Resources,**
Member 1998 - 2001
- **Ratemaking Seminar Committee**
 - Chairperson 2000
 - Vice Chairperson 1999
 - Member 1995 - 1998
- **Research Policy and Management Committee, Member 1997 - 1999**
- **Research Committee on Ratemaking**
 - Chairperson 1994 - 1997
 - Vice Chairperson 1993 - 1994
 - Member 1990 - 1993
- **Examination Committee,**
Member 1991 - 1994
- **Task Force on Supporter & Exhibitor Review,**
Chairperson 2003 - 2006
- **Task Force on Promoting Nonmember Attendance at Seminars,**
Member 2001 - 2002
- **CAS Golf Tournament Director, 1999 to present**

Christopher S. Carlson

Additional Biographical Information

Other Actuarial Organizations

Actuarial Standards Board - Casualty Committee –

Member 1996 to present

Chair 2005 to present

American Academy of Actuaries Casualty Practice Council

Member 2005 to present

Other Professional Designations

Member of the American Academy of Actuaries

Employment History

Nationwide Insurance Companies 1979 to 2005

Professional Caddy LPGA and PGA Tours 1975 to 1979

primarily for Hall of Fame Golfer – Pat Bradley including five tournament wins

Membership and Activities in Other Organizations

North Carolina Rate Bureau Various Actuarial committees in the 1980s and early 1990s

Other Relevant Information

Married for 26 years - wife Ann Moseley,

Three children – Amanda (19), Bradley (16) and Nicholas (born 1995, deceased 2001)

Avid golfer, serious downhill skier and frequent attendee at various sporting events of all varieties

Former long distance runner – former member of the Oregon Track Club

highlights include Boston Marathon 2 hours and 26 minutes in 1978

All-state in Massachusetts High School – Cross Country and Track

All-state in Indiana Small College – Cross Country and Track

Christopher S. Carlson

Question #1: Why do you want to be President-Elect?

Response:

I have enjoyed my many CAS involvements over the past 16 years from committee membership to committee chairs to involvement as a member of the Executive Council and the Board of Directors. These opportunities have allowed me to develop a deep understanding and kind of a passion for our unique volunteer-led organization and our profession. The positions of President-Elect and President are opportunities to utilize the operational understanding as well as influence the future of the organization and the profession through involvement in strategic decisions and direction. I welcome the chance to continue to be involved in these aspects of the CAS.

With the many operational areas of the CAS through all of the committees, the speed of change within the CAS continues to escalate. Increased coordination and communication both within and between the many volunteers as well as all of the stakeholders (members, candidates and the various users of actuarial services) is essential to our continued strength and development as an organization. I would like to facilitate this communication and coordination in order to strengthen all of the areas of the CAS as we move towards our 100th anniversary.

There are so many possible changes on the horizon following the numerous changes seen over the past five or ten years. Changes in candidate and member education, the continued evolution of the ERM and international involvements, increased usage of working groups in the research area and the changes to our publications and how they are delivered to our members are all areas of potential change in the near term. I would like to be involved in seeing those changes successfully implemented as well as to be part of the team that helps our stakeholders understand the what, why, when, who and how issues that surround any change. We are conservative by nature. We sometimes have struggles embracing change. We will not change for the sake of change but for positive reasons and benefits.

As Woody Hayes, the famous college football coach at The Ohio State University so aptly put it- "You can never pay back, you can only pay forward." I hope to utilize the institutional knowledge gained over the years of involvement in paying forward for the wonderful opportunity to be part of the actuarial profession.

Christopher S. Carlson

Question #2: What particular qualities and experience would you bring to the office of President-Elect?

Response:

The duties of the CAS President-Elect and President are primarily in the areas of operational issues and ambassadorial roles. Our Board determines the strategies and organizational direction. The PE and President can contribute to the discussion on where we are headed but are primarily charged with implementation of the Boards policies.

My three years as CAS Vice President-Professional Education provided an appreciation and understanding of the day to day decisions and issues faced by the members of the Executive Council. I feel I have established a good working relationship with the members of the CAS Office Staff. Through various committee chair assignments, I have developed a better understanding of how to accomplish goals within our great volunteer organization.

Having attended the CAS Board meetings for the past five years, I have an understanding of the current and future professional issues facing our members and the organization in general. The internal issues are as varied as the current titles of our vice presidents suggest plus the issues that come as being part of the global actuarial community.

More recently, I have increased my appreciation and understanding of the international actuarial community as chair of the ASTIN Colloquium Organizing Committee. Similarly, through work on the ERM Symposium committee along with the encouragement of Don Mango and John Kollar, I have become a supporter of our involvement within the ERM space.

While these issues are not important to the everyday world of many of our members working in traditional actuarial areas in insurance companies or consulting firms, they are important to the profession in general and to those who will enter the profession in the future. Again, communication and coordination will be required to see these issues through to fruition – a challenge for the leaders of our Society for years to come. I hope to use my institutional knowledge and communication skills to move the issues of the CAS forward.

Christopher S. Carlson

Question #3: Candidate Issues Identification and Discussion:

Candidate Education Future members are the life-blood of any organization. Since the CAS is a “learned body” that determines and tests the qualifications required for membership, we should ensure that we are “teaching” the appropriate concepts at the appropriate level and that the travel-time is not so oppressive to deter large numbers of potential members. The generalist philosophy in our testing has caused the number of topics and pages on the exams to grow as our involvement into new areas expands. While continuing to maintain the high standards our various employers depend upon, we may need to recognize that our members may not all need the same level of mastery understanding on all topics on the syllabus. How many of us did not receive testing on loss distributions or dynamic financial analysis but developed expertise through some other manner in order to practice in that area. While the current education process has served us well in the past, we may need to adjust significantly in the future. Rather than having to subtract papers in order to add new papers or topics, we may need to develop new strategies to evolve. There are many efforts underway with promise such as replacing written examinations with practical workshops and additional on-demand on-line testing for the preliminary exams as well as offering more interactive workshops to our credentialed members.

Classes of Membership Outside of the US, most actuarial bodies only have one class of membership with practice rights. While our associate designation carries practice rights within the US, it does not in Canada and elsewhere. Also noteworthy, the SOA associate designation does not bestow similar practice rights, so they are not equivalent designations, even though we use the same word. In the US, there is continuing confusion over our two classes of membership and what the difference is to our employers.

I support the idea of one class of membership with the current ACAS members maintaining all current privileges and practice rights. I would like to see an alternate intermediate designation similar to the SOA associate after the preliminary set of exams. This new designation would assist in any transition so that candidates could count on testing credits not disappearing.

Enterprise Risk Management Opportunity This emerging practice area is perhaps THE opportunity to jointly partner with the SOA. This effort would include developing educational content and member expertise to showcase to our members, the insurance community and especially the business community at large, the value of the actuarial skill set in this practice area. It may also provide the opportunity for members of both organizations to jointly work on projects where both disciplines are understood and become valued partners in the success of the ERM process.

International Initiatives I favor the current practice of providing support to and eliminating barriers for our members wanting to practice outside North America. Similarly, we need to continue to support candidates from other countries desiring to become members of the CAS. I don't think that we could desire to be welcomed with open arms as the only general insurance society in light of the fact that there are other existing groups around the globe with general insurance education (although not singularly focused as is the CAS). We need to continue to be very visible as a Property Casualty focused organization on a global basis through the International Actuarial Association and the non-life section - ASTIN.

Christopher S. Carlson

Candidate Responses

1. "What is your position regarding the future of the Associate designation? If you favor a single class of membership, Fellow, what should happen to the current Associate population, in particular those deemed lifetime Associates? Should the designation be run off, should such individuals be grandfathered as Fellows?"

With the shrinking difference in the number of exams between Associateship and Fellowship and the global recognition of only our Fellows, continuing the current classes is more confusing than necessary. As stated in my initial comments, I support the idea of one class of membership with the current ACAS members maintaining all current privileges and practice rights. The ACAS designation would be a run-off class. I do not envision a scenario where career Associates would be automatically grandfathered as Fellows without some time of additional qualifying criteria such as an examination.

I would like to see an alternate intermediate designation similar to the SOA associate after the preliminary set of exams (4 or 5). This new designation would allow candidates to count on testing credits not disappearing in any exam transition. What we would call this designation might be the biggest hurdle.

2. "What do you view as the CAS' most effective next step in positioning actuaries for roles in some of the non-traditional arenas mentioned in the issues discussion (e.g., ERM, banking, etc.)?"

The migration of CAS members into new practice areas is an issue where initially some individuals will no doubt and have already lead the effort by using their actuarial and business skill sets in non-traditional roles. The CAS continuously attempts to identify practitioners in non-traditional arenas. As part of the Centennial Goal of the CAS, we have embraced and fostered the fact that our members are currently experts in dealing with hazard risk and can and should play an active role in operational and financial risk management.

There are two typical methods of providing educational opportunities for current and prospective members to learn about emerging areas- the exams and meetings / seminars. We already struggle with syllabus "overload" and travel time within the exam process. In order to add content to the syllabus, it is imperative to identify content that could be de-emphasized or replaced. The CAS jointly sponsors continuing education opportunities in ERM with the SOA and PRIMA. Limited attendance type seminars with hands on learning (post-Fellowship educational certification?) is an area with great potential where the CAS could assist our members in learning skills in more focused emerging arenas. Achieving critical mass with regard to interested members will determine whether these seminars can be held successfully.

In arenas where future opportunity might exist for a large number of members, the CAS should be able to assist interested members with research and educational support. At the present, I do not see the CAS in a position to take a lead role in exploring and finding opportunities for the members. Just as we take pride in being perhaps the best volunteer-led organization in the country, the emerging areas will be discovered by our members. Then organizational support from the CAS will be developed from the request of and with the heavy involvement of the membership.

3. "I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications. Briefly, section 2.1 sets certain requirements that a full member of the IAA (International Actuarial Association) would have to meet to be considered qualified to sign prescribed Statements of Actuarial opinion (SAO's). The IAA lists fifty-five international actuarial organizations.

In effect, if a full member worked "under the supervision" (a term that is not defined in the standard) of a "qualified actuary" (a term that is not defined in the standard) for three years, they would have met the AAA requirements to sign prescribed SAO's for US-based insurance entities. Please note that an FSA (Fellow Society of Actuaries) or a member of ASPPA could meet those requirements.

I urge you to carefully read Section 2.1 and then discuss:

- 1. In what ways do you see Section 2.1 as being advantageous to the CAS?**
- 2. In what ways do you see Section 2.1 as being dis-advantageous to the CAS?**
- 3. Please note that Section 2.1 does not require any exams. Would you prefer to see the actuary take certain CAS exams? If yes, which exams?**
- 4. If elected, what actions might you take in regard to Section 2.1?"**

In general, if the initial concern over the revised Qualification Standards involves the ability of professionals to sign the Statement of Actuarial Opinion on Loss and Loss Adjustment Reserves, there are additional requirements listed in Section 3 of the Draft Revisions that should also be considered. Also, in most jurisdictions that require actuarial certification of rate filings, the language specifically refers to members of the Casualty Actuarial Society (CAS) rather than members of the American Academy of Actuaries (AAA). This difference in required membership creates a disconnect whereby the AAA determines practice rights in the Reserving area while the CAS by regulation or legislation is the benchmark for many rating issues. Worthy of note is the fact that currently there are no continuing education requirements for on-going membership in the CAS – perhaps there should be?

As to the specific questions, while perhaps not total clear or apparent, Section 1 seems to expand the concept of what is a SAO beyond reserves to many other areas such as ratemaking, valuation and many other projects. Section 2.1 should be considered in combination with the expanded Continuing Education Requirements. While Section 2.1 could possibly allow non-CAS members to work in CAS dominated areas, there currently is no restriction other than the Precept in the Code of Professional Conduct for areas

other than Reserve ASOPs. The expanded continuing education requirements (30 hours) and supervision requirements may seem to be more onerous to non-CAS members than currently exist.

Qualification for membership in the IAA by way of the other “societies”, while in many cases is less rigorous than the CAS or SOA requirements, requires focus on the same general topics needed in most actuarial applications. Again, in the case of ASOPs on Reserves, Section 3.1.1.2, seems to require CAS exams on reserving, accounting and expense analysis, ratemaking, forms, coverages, underwriting and marketing.

I have often heard in response to other CAS /AAA issues, “they are us.” Many CAS members are actively involved in the activities of the American Academy. In some cases, such as the committees under the leadership of the AAA Casualty Practice Council, they are specifically focused on US property/casualty issues. In other cases, such as these Qualification Standards, AAA committees are focused on the wider actuarial profession. The CAS President and President-Elect plus at least two other members of the CAS serve on the AAA Board of Directors. This highlights the fact that this Standard was developed with the input and involvement of CAS members including two of the seven members of the drafting committee.

This recent concern helps to point out the need for all CAS members to take a very interested look at and comment upon not only the draft Qualification Standards issued by the Academy. I would also recommend the same level of interest, if not more, for the property/casualty related Actuarial Standards of Practice issued by the Actuarial Standards Board. While located in the same offices as the AAA, the ASB operates independently from the AAA. The current governance provides internal development of various standards by and for our members. We are privileged that we are not currently subject to external over-sight such as recently implemented in the UK. We need to be diligent in the development and application of such standards to continue to exercise this privilege of self-governance.