

Clive L. Keatinge

ACAS: 1987

FCAS: 1988

Education

B.A., Mathematics and Statistics (double major), University of California-Berkeley,
Phi Beta Kappa, Highest Distinction in General Scholarship, Departmental
citation to outstanding undergraduate in statistics, 1982
M.A., Sports Administration, Ohio State University, 1985
M.S., Mathematics, New York University, 1994

Current Employment

Associate Actuary, Insurance Services Office, Inc.

CAS Activities

Examination Committee

Part 5, 1989

Part 3B, 1990-1991

Parts 1 and 2, 1992-1999

Part 4B, Chair, 1996-1999

Exam 1, 2000-present

Exam 4, Chair, 2000-2004

VEE-Applied Statistical Methods Transitional Exam, Chair, 2005-present

Syllabus Committee, 1997-present

Preliminary Actuarial Examinations Syllabus and Education Committee, 2000-2004

Working Group on Courses 3 and 4, 1997-1998

Board Task Force on Exams 3 and 4, 2000

Exams 3 and 4 Contingency Plan Task Force, 2001

Exam 3 Life Contingencies Working Group, 2001

Design Task Force on Exams 3 and 4, 2002

Future Education Task Force, 2002-2003

Task Force on Study Materials, 2003-2004

CAS Representative to SOA ERM Credentials Task Force, 2005

Publications Management Board, 2005-present

Seventeen presentations at CAS meetings and seminars

CAS Publications

“The Effect of Trend on Excess of Loss Coverages,” *PCAS* 1989

“Balancing Transaction Costs and Risk Load in Risk Sharing Arrangements,” *PCAS* 1995
(Dorweiler Prize winner)

“Modeling Losses with the Mixed Exponential Distribution,” *PCAS* 1999

Discussion of “Minimum Distance Estimation of Loss Distributions,” by Stuart A.
Klugman and A. Rahulji Parsa,” *PCAS* 2004

Other Professional Designations

Member, American Academy of Actuaries, 1988

Chartered Property Casualty Underwriter, 1990

Distinguished Graduate Award, given to graduate with highest cumulative grade
average on all ten examinations (out of 1834 graduates)

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Employment History

Fireman's Fund Insurance Companies, 1982

Worked with the accident year reporting system in the reserving unit

Prudential Reinsurance Company, 1985-1991

Worked on all aspects of reinsurance pricing and reserving, assisted in the marketing and underwriting of facultative reinsurance for six months

Insurance Services Office, Inc., 1991-present

Developed and supervised the implementation of two increased limits models, worked on catastrophe models and dynamic financial analysis models, participated in the development of products for reinsurers

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Question #1: Why do you want to serve on the CAS Board of Directors?

Response: Last year, the American Academy of Actuaries established a presidential task force, the Critical Review of the U.S. Actuarial Profession, or CRUSAP, to undertake a critical self-analysis of the U.S. actuarial profession. Chaired by former CAS President Fred Kilbourne, the charge to the CRUSAP is to identify risks and opportunities faced by the profession, analyze those risks, and develop recommendations for their management. The overriding criterion in the evaluation of risks and opportunities is to be the needs of the various publics for actuarial services and whether those needs are being met through the profession and its members.

The CRUSAP will be issuing its report later this year, and I believe a key role of the CAS Board over the next few years will be to work with the other North American actuarial organizations to act on the recommendations coming out of the CRUSAP. As a Board member, I would be committed to making the CAS a constructive partner in that effort.

From a CAS perspective, the most controversial aspects of the report are surely to be those dealing with the organizational structure of the actuarial profession. In the past, the CAS has consistently obstructed change in this area, which has resulted in the continued fractured state of the profession in North America. The issuance of the CRUSAP report would be an excellent time for us to change our stance and begin working cooperatively toward a professional structure that makes sense.

I attended the Enterprise Risk Management Symposium earlier this year, and I recall two of the panelists commenting on how valuable it was to have actuaries from different practice areas interacting together within their organizations and working toward a common goal. The ERM Symposium offered attendees a glimpse into the benefits of this interaction, and the symposium has been a very successful joint venture among two actuarial organizations, the CAS and SOA, and a non-actuarial organization, the Professional Risk Managers' International Association (PRMIA).

If the casualty actuarial profession is to thrive in the future, we need more of this cooperation—in basic education, continuing education, research, and on the international front. For this to occur on a large scale, we need a professional organizational structure that will allow for the needed coordination and communication. The structure of the American Academy of Actuaries, with its branches for different practice areas, may provide a model for this.

To continue to move the casualty actuarial profession forward in the twenty-first century, we are going to need to take bold steps that entail significant change. I am committed to making that change a reality.

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Question #2: 2006 Candidate Issue(s) Identification and Discussion:

Response: Two years ago, the Task Force on the ACAS Vote and the Task Force on Classes of Membership both reported to the CAS Board of Directors. At that time, the Board voted to deal with ACAS voting rights and classes of membership at the same time. This was sound reasoning, and if the Board had followed through on this, we might now be faced with voting on proposals to move to a single class of membership (and thus to stop granting new Associate designations) and to give existing Associates who have had their designations for five years or longer the right to vote. If this were the case, I would be an enthusiastic supporter of both proposals. However, because the Board abandoned its original plan and decided to address the ACAS voting rights issue before the classes of membership issue, I oppose the current proposal to give Associates of five or more years the right to vote.

As a society, we must first decide whether there is enough of a distinction between Associate and Fellow to warrant keeping the Associate designation prospectively. If we decide that there is, then I see no reason to start eliminating distinctions between the two designations. If we decide that there isn't, then we should affirmatively make the decision to stop granting new Associate designations. I believe giving existing Associates of five or more years the right to vote would be an appropriate part of this plan. However, I also believe the Fellows should be the ones to make the decision on whether to move to a single class of membership.

In addition, addressing the ACAS voting rights issue before the classes of membership issue potentially creates a troubling issue in then moving to a single class of membership. The Task Force on Classes of Membership recommended that the CAS move to a single class of membership, Fellow, and "the transition rule most preferred by Task Force members, and therefore closest to a consensus recommendation, is one wherein we continue to offer the Associate designation for a limited period of time, not to go beyond 2008, and at the end of 2013, when all Associate members of the CAS will have held that designation a minimum of 5 years, automatically grant FCAS status to all remaining Associates."

This would probably require constitutional and bylaw changes, and so Associates could potentially be asked to vote on whether to eventually make themselves Fellows. As noted in the May 2006 Actuarial Review, there were at that time 962 Associates who had had their designations for five or more years and 2787 Fellows. Thus, allowing these Associates to vote would have a material effect on the voting population.

Associates have clearly made significant contributions to the CAS and the actuarial profession, and I support the proposals to allow them to serve on the Board of Directors and the Executive Council. Any Associate on the Board would have to be elected by the Fellows, and any Associate on the Executive Council would have to be elected by the Board. This is entirely consistent with the proposal to allow nonactuaries to serve on the Board, which I also support.

I have been observing the CAS Board for five years, and I believe the Board almost always does an excellent job of analyzing issues and making appropriate policy decisions. However, in this case, I believe the Board has erred by pursuing the ACAS voting rights issue before the classes of membership issue. I also believe that a few Board members sensed this, when at the May 2006 Board meeting, some sentiment was expressed for reconsidering the decision to move ahead with the ACAS voting rights issue this year.

I urge the Fellows to reject the current proposal to give Associates of five or more years the right to vote. Then, if the Board comes back later with a well-thought-out proposal to move to a single class of membership that incorporates ACAS voting rights, I would be pleased to offer my enthusiastic support.

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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?”

I am unequivocally in favor of moving to a single class of membership. The issue of what to do with current Associates requires striking a balance between the conflicting goals of moving to a single class of membership as quickly as possible and not prematurely eliminating the distinction that current Fellows have earned by passing the Fellowship exams.

The Task Force on Classes of Membership suggested eliminating the distinction between Fellow and Associate five years after the last Associate designation is granted. Five years is probably too short a time frame, but on the other hand, waiting until the last Associate has died is probably unnecessarily long. Something around fifteen years strikes me as about the right length of time to wait before eliminating the distinction.

Regardless of the transition rule that is proposed by the Board, I believe that only Fellows should vote on any necessary constitutional and bylaw changes. Unfortunately, this will be impossible if the proposal to give Associates of five or more years the right to vote passes. This is why I believe the Board has made a fundamental error by addressing the Associate voting rights issue before the classes of membership issue.

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 most effective next step that the CAS could take is to make a real commitment to work with other organizations on this front. The ERM Symposium is a success story, but we need more cooperation in basic education, continuing education and research. Inter-organizational squabbling is still a significant impediment to progress in this area.

3. "I would like your opinion on Section 2.1 of the proposed AAA Standard on Qualifications. I have attached a link to the standard:

http://www.actuary.org/pdf/prof/qualification_2ed_jan06.pdf

Please see pages 11 and 12. 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?"**

This is an AAA issue. I would defer to the Casualty Practice Council of the AAA.