

Mary D. Miller

A.C.A.S. – 5/1994

F.C.A.S. – 11/1998

Education B.S. in Ed – The Ohio State University: Major – Mathematics, Minor - French
M.A – University of Toledo: Mathematics

Current Employment Actuary, Ohio Department of Insurance, Division of Financial Regulation Services

CAS Activities and Publications (please include years on committees, for positions, etc.)

Member: Syllabus Committee – 1998-99

Exam Committee – 1998 to present

Exam Committee Pass Mark Panel - 2002 to present

Joint Task Force for Enhancing the Reputation of the Actuary – 2005 to present.

Speaker: Spring Meeting 2003 and 2004, Annual Meeting 2001 and 2005, CLRS 2001 –2005, Midwest Actuarial Forum 2004 and 2005, and CAMAR 2001 and 2003.

Other Actuarial Organizations (please list activities, positions and years)

AAA Committee on Property/Liability Financial Reporting 2000-2004

AAA Financial Soundness and Risk Management Committee 2002-2004, Co-chair 2004

AAA Vice-President, Casualty 2005-2006

AAA Casualty Practice Council 2004-2006, Vice-chair 2004, Chair 2005-2006

AAA Financial Reporting Council 2005-2006

AAA Financial Reporting Committee 2004

AAA Solvency and Risk Management Committee 2004

AAA Executive Committee 2005-2006

AAA Board of Directors 2005-2006

NAIC Casualty Actuarial Task Force 1998 – Present, Vice Chair 2003-Present.

Other Professional Designations None

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Additional Biographical Information

Employment History (complete, abridged or recapped)

Regulator since 1996

Commercial lines underwriting and pricing, personal and commercial lines reserving in both staff and management positions.

High school and university mathematics instructor.

Membership and Activities in Other Organizations (professional and industry)

Participant on various NAIC committees and speaker at NAIC's Financial Summit in 2006

Organized several NAIC symposiums

Civic Activities (volunteer, elected, appointed)

Local high school Academic Boosters (past president)

Eucharistic minister in my home parish

Parish strategic planning committee

Ohio Reads tutor

Other Publications

Award and Recognitions

Other Relevant Information

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

Response: It would be an honor and a privilege to be able to serve the profession as a member of the Board of Directors. I have attended several Board meetings over the past two years, both as an interested observer and to discuss specific issues before the Board. I believe I will be able to contribute the time and energy required to help the Board make decisions that will continue to move the profession forward. I have a working knowledge on a wide range of issues and I am willing to learn more about those issues with which I am less familiar.

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

Response:

There are three areas I feel are critical to the profession today. First and foremost is the role of the actuary in Enterprise Risk Management. I believe we have the ability to bring not only technical expertise, but also the analytical and managerial competence to be leaders in this endeavor. Too often I see the actuary's role being limited to data analysis that someone else uses to evaluate strategic directions. While we certainly have the competence to provide that analysis, I also feel we should be the leaders in the strategic decision making. I believe the Board should be proactive in helping and supporting the profession move to forefront of ERM. I believe the current Board has recognized the need for and is committed to this effort. I believe the Board is in fact engaged in assessing their own risk profile, a commendable and necessary exercise. The NAIC is moving to a risk-focused approach to regulation. It is an outstanding time to be a casualty actuary and we need to take advantage of this opportunity to show the many ways we can lead this effort.

The international actuarial and accounting initiatives need more attention than we have been able to provide to date. There is an amazing volume of work being produced by the IAA (and the IAIS and IASB) that will impact our work in the future and we have not identified enough people to participate in this effort. Make no mistake, the US contingent is exerting a yeoman's effort at keeping up with and contributing to the international work but they need more help. This will take great cooperation between the CAS and the AAA. The volume of work is so high that we cannot have duplication of effort in some areas and absence of effort in others due to a failure to communicate. The great cooperation we experienced in last year's AAA/CAS risk transfer project needs to be duplicated in the international arena.

The third area is that of providing a meaningful volunteer experience. Everyone I talk to is busier than ever and they become frustrated when their volunteer efforts are not productive or enjoyable. The Working Party concept is great and we need to find more ways to enable volunteers to get the most out of their experience. Some may prefer more short-term projects that don't entail extended time commitments, while others may wish for longer less intensive opportunities. There is plenty of work to go around so we need to be more creative in drawing out the best resources in a way that meets their time constraints as well.

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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 in favor of membership classifications that are meaningful and that make sense. It seems as though a single class of membership will be implemented. Should that happen, I believe current Associate designations should be allowed to run-off. I do not see any benefit to changing current Associates into Fellows unless the exams they have taken actually cover the full range of Fellowship topics. The process that eventually prevails should be as fair as possible to the most number of people. I am open to discussing what the details of that process should be.

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.)?"

I think John Kollar's article in the "Actuarial Review" that was reprinted in the most recent "Risk Management" publication presents an excellent starting point. We need to think of our roles in a more holistic risk framework and not just as "number crunchers." That tone must start at the top and flow through all that we do. As the education and research arm of the profession, the CAS must continue to look for educational opportunities for experienced actuaries as well as students. I don't think the CAS should necessarily prepare actuaries for specific non-traditional arenas but should continue to recognize an expanded role in our current arenas. Exams are changing from reciting lists to more open-ended questions requiring the integration of multiple concepts. Actuaries in management positions are encouraging the inclusion of actuaries as members of multi-disciplinary product teams along with underwriters, claim adjusters, and marketing reps. I know I benefited from an actuarial training program that involved the possibility of rotations in both actuarial and operational roles such as accounting, underwriting, claims and IT and I believe we should encourage that type of training as part of an actuary's early formation. That type of training will enhance our abilities in traditional roles in traditional arenas as well.

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?**

I will preface my remarks by saying I do not believe the standard defines a prescribed Statement of Actuarial Opinion any longer. I also believe there is still some confusion that will need to be cleared up, so another exposure draft may be possible. The Qualifications Committee will determine that after they have reviewed the responses to this one. I think the entire standard defines what a "qualified actuary" is and I think a meaningful and specific definition of "under the supervision" would be very difficult. There are, however, questions that need to be answered about those terms.

I believe this is advantageous to the CAS because there will now be standards in place where previously there were none. Today those who do not meet anything close to these standards could do much of what the Standard now defines as an SAO.

I do not see any disadvantages in Section 2.1 at this time. The place where I see a possible disadvantage is in encouraging but not requiring any organized activities for continuing education.

The need for specific exams would depend on the type of opinion and the training and background of the individual. The requirements for the statutory Statement of Opinion (as defined in NAIC Instructions and described in Section 3 of the proposed standard) still require CAS membership or approval of the AAA Casualty Practice Council. That is not changing and all the members of the Casualty Practice Council are also CAS members. The Academy website describes the documentation required to be considered for approval. Even then, the Council evaluates the quality of that documentation before granting approval.

I support strengthening the Standard and do not at this time believe specific Board action is required. Personally, I will submit comments again if there is another exposure draft and if there are still areas I feel need further clarification.