

Patrick B. Woods

A.C.A.S. - May 1980

F.C.A.S. - May 1981

Education

Bachelor of Science in Mathematics, St. John's University, 1974

Master of Arts in Mathematics, St. John's University, 1976

Current Employment (please include position)

Insurance Services Office

Assistant Vice President and Actuary

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

Program Planning Committee, Member 1988-1991, 1999-2003, Chairperson 2003-present

Professional Education Policy Committee, Member 2004-present

Editorial Committee, Member 1982-1985, Editor 1988-1991, Chairperson 1990-1993

Examination Committee, Member 1982-1985, Consultant 2001-2003

Committee on Risk Classification Principles, Member 1994-1997

Committee on Principles, Member 1995-2000

Co-author, "Incorporating a Hurricane Model into Property Ratemaking", Forum 1996

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

Actuarial Standards Board, Chairperson, Ratemaking Subcommittee of the Casualty Committee of the Actuarial Standards Board, 1998-present

Actuarial Standards Board, Member, Casualty Committee of the Actuarial Standards Board, 1998-present

American Academy of Actuaries, Member, Credit Scoring Task Force, 2002-2003

American Academy of Actuaries, Member Risk Classification Work Group, 2000-2001

American Academy of Actuaries, Member, Committee on Property and Liability Issues, 1990-1992

Other Professional Designations

Member of American Academy of Actuaries, 1981

Fellow of Canadian Institute of Actuaries, 1991

Patrick B. Woods

Additional Biographical Information

Employment History (complete, abridged or recapped)

Insurance Services Office, 1976 to present

Assistant Vice President and Actuary, 1987 to present

Manager and Actuary, 1981 to 1987

Various actuarial positions, 1976 to 1981

Membership and Activities in Other Organizations (professional and industry)

Civic Activities (volunteer, elected, appointed)

Member of Board of Directors, Brookhaven Resort Condominiums

Member, The Philharmonic-Symphony Society of New York

Patron American Ballet Theatre

Other Publications

Award and Recognitions

Ratemaking Call Paper Prize, 1996 for paper "Incorporating a Hurricane Model into Property Ratemaking"

Other Relevant Information

Patrick B. Woods

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

Response:

Throughout my career as an actuary, I have benefited from the efforts and successes of the many actuaries who have preceded me. Decisions made by CAS leaders in years past establishing the credibility of the actuary have provided a foundation for the environment in which I and others have been able to work. The result is that I have found a field of work that I find enjoyable, challenging and valued. I would like the opportunity to make a contribution that would permit actuaries in the future similar opportunities for doing work that they enjoy, find challenging and is valued.

I believe that the actuarial profession today is facing new opportunities arising from society's changing understanding of and expectations on the management of risk. As a part of that change in perspective, society has also raised the standards a professional need meet in managing that risk. The CAS has been and can continue to be well positioned to provide the individuals involved in managing risk with the needed knowledge and tools, provided that we continue to provide appropriate professional education. My work on the Program Planning Committee has exposed me to the diversity of areas and issues that casualty actuaries face today. But the work of the Program Planning Committee not only exposed me to the issues but required that I understand them well enough to help develop a program that would provide meaningful professional education opportunities. Having faced the issue of professional education, both the what and the how, while serving on the Program Planning Committee, I would like to use that knowledge and help the CAS address the key issue of professional education--both in terms of basic education and continuing education.

My work experience has exposed me to various publics, both domestically and internationally, working on both ratemaking and data management assignments, in both consulting and product specific settings, all of which I believe has given me the necessary experience and perspective to contribute to the CAS as a member of the Board.

Patrick B. Woods

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

Response:

The CAS faces several significant issues as it approaches its centennial. We are working in a different world with significantly different issues and expectations and we need to respond accordingly. These key issues are:

1. Professional education, both in terms of basic and continuing education, is a key issue that will always face the CAS. The importance of this issue is heightened because of the changing expectations and the changing technologies in the world today. In order to meet the demands for quality work actuaries need to have the requisite knowledge and skills. The CAS Board plays a key role in setting the level of and requirements for education. Doing this well will only serve to enhance the perceived value that actuaries bring to the management and financing of risk; doing it poorly will only serve to dilute the esteem of actuaries in the eyes of our publics.
2. Globalization of markets for goods and services continues and impacts the CAS in direct and indirect ways. The CAS needs to be taking actions and formulating strategies that are consistent with this globalization of markets. I believe that CAS members are uniquely qualified to address risk management and risk financing issues as they relate to property and casualty risk contingencies in any market. We need to share our knowledge by participating in more international forums. But, we also need to recognize when practitioners in another market have made significant advances, we should incorporate those advances into our knowledge base. Neither of which will happen without a focus on and an awareness of the activities of the global actuarial community. The CAS needs to communicate the importance of an awareness of international practices to our membership and to provide more exposure to the work being conducted by actuaries outside of North America. The 2007 ASTIN Colloquium being held in conjunction with the CAS Spring Meeting is a great opportunity for learning and should serve as a springboard for the CAS to increase membership exposure to actuarial practices being developed outside of the immediate purview of the CAS.
3. Enterprise Risk Management (ERM) is another key issue that the CAS faces. The growing importance of ERM is consistent with society's changed understanding of the sources of risk and expectations of how risk should be managed by organizations. The casualty actuary has the requisite skills to successfully be a leader in this growing area of concern. However, we need to take notice of this fact ourselves before the rest of society will recognize this. Toward that end, I believe that the CAS needs to continue to focus on the development of educational opportunities and material to prepare CAS members to contribute to the development of ERM practices and implementation.

Patrick B. Woods

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?”

The question of one class of membership is a question that the CAS needs to face because of three facts:

1. Associates today have practice rights for signing statutory loss reserve opinions in the United States
2. Mutual Recognition gives practice rights by admission to the CAS as an FCAS to qualified actuaries who have attained full membership in their home organizations, and have completed other education requirements as specified in the Constitution/Bylaws and the Board of Directors.
3. As currently defined, an Associate would be denied practice rights opportunities under Mutual Recognition agreements entered into by the CAS for areas of practice in which they are qualified in the United States. The fact that the member is recognized as qualified in the United States has no impact in the decision as the relevant trigger is whether or not they are deemed to be full members of the CAS.

Based on these facts, continuing the Associate designation as it is today seems to create a bias against qualified members when it comes to Mutual Recognition and practice opportunities outside the United States.

I support the idea of one class of membership with the current ACAS members maintaining all current privileges and practice rights. One possible solution would be to revise the Constitution and Bylaws to discontinue the admission of new Associates, and to designate that all Associates admitted prior to a specified date are full members of the CAS.

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 historic purpose of the CAS of advancing the body of knowledge of actuarial science applied to property, casualty and similar risk exposure provides an appropriate basis for the most effective next step that the CAS can take to position actuaries for roles in ERM, banking, etc. As an organization, the CAS should seek to provide educational opportunities by presenting and discussing papers, sponsoring seminars, workshops and funding research, both alone (where appropriate), and as a joint sponsor with other organizations educating professionals in the areas of ERM, banking, etc.

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?”**

1. Section 2.1 is advantageous to the CAS as it specifies precise qualification requirements for the signing of most statements of actuarial opinion, and notes that there are additional requirements for signing statements of opinion in area covered by a specialization track (the CAS is considered a specialization track).

The only test today is that the individual qualifies if they feel that they are qualified. To the extent that these requirements make it clearer as to who is qualified, particularly with regard to the signing of statements of actuarial opinion for areas of casualty practice, that benefits the CAS.

2. I see no disadvantages to the CAS.
3. I do not see the need to require that actuaries who are fully qualified members of another IAA-member organization take additional exams. In part, to qualify they have had to complete a specialty track in the area of casualty work and worked for one year under the supervision of a qualified actuary; or have three years of relevant experience under supervision of a qualified actuary. As individuals who are actuaries, fully qualified in their own rights, permitting them to practice in another area based on work experience is no different than what we have accorded to CAS members today--it is virtually sure that there are members of the CAS working in areas in which they were not tested and doing excellent work based on self study/continuing education and work experience.
4. As the Qualifications Standards are not an item subject to the review and approval of the CAS Board, to the extent that the opportunity presents itself and the matter is referred to the CAS Board, I would seek membership input on the questions brought to the Board. I would advocate getting membership input either through the Members Advisory Panel or some other forum to ensure that the CAS Board was as broadly informed as possible to facilitate meaningful deliberation.