MINUTES
CAS BOARD OF DIRECTORS MEETING
AUGUST 21, 2014
Newport, Rhode Island

PRESENT

Board Chair: Gary Josephson
President: Wayne Fisher
President Elect: Robert Miccolis
CAS Executive Director: Cynthia Ziegler

American Academy of Actuaries Liaison to the CAS Board: Mike Angelina (by phone for the Academy update)

Vice Presidents: Jeff Courchene, International; Chris Nyce, Administration; Virginia Prevosto, Admissions; Julie Stenberg, Professional Education; Alice Underwood, Research and Development.

Other Attendees: Mike Boa, Director of Communications and Marketing, CAS Staff; Jeanne Crowell, Chair, Education Structure Implementation Task Force; Dave Cummings, VP-Research and Development Designate; Joanne Spalla, Chair, Brand Marketing Implementation Task Force; Todd Rogers, Director of Finance and Operations.

Excused: Don Mango, Roosevelt Mosley, VP-Marketing and Communications.

Gary Josephson called the meeting to order at 8:00 a.m. EDT on August 21.

I. CONSENT ITEMS
A motion to approve the following consent items was made:

A. Board Meeting Minutes
   There was a recommendation to approve the minutes of the July 1, 2014 Board meeting.
B. Chairs of Board Committees
   There was a recommendation to approve the 2014-15 committee chairs as presented.
C. CAS Examination Waivers for Actuarial Society of South Africa
   There was a recommendation to approve the changes in examination waivers to include examinations administered by the Actuarial Society of South Africa.

The motion to approve the items listed above was approved unanimously.

II. ORGANIZATIONAL STRUCTURE TASK FORCE REPORT AND RECOMMENDATIONS
Wayne Fisher led the discussion of the Organizational Structure Task Force by providing background on the formation and goals of the Task Force. He described the final report of the Task Force as having two components: 1) the operational planning function of the CAS and 2) accountability and authority of the Vice Presidents. Two subgroups of the Task Force addressed these issues.

Cynthia Ziegler presented the recommendations of the subgroup focused on the operational planning function. The subgroup recommends forming a planning committee that would bridge the gap between
the Board’s high level strategic goals and the bottom-up planning at the VP level. With the formation of the planning committee and in light of the fact that strategic planning is now addressed by the Board, the Strategic Planning Committee would be disbanded and its volunteer resources redeployed. The Board discussed the proposed planning committee’s charge, composition, and timeline, and offered suggestions. There was general agreement among the Board that the proposed planning committee would be useful in assuring that the annual operating plans were supportive of the CAS strategic goals.

John Tierney discussed the work of the subgroup related to accountability and authority of the Vice Presidents. John explained that with the establishment of the planning committee, the VPs would be entrusted with greater responsibility to execute their goals, therefore, they would need greater flexibility with regards to the committee structure and volunteer leaders within their functional areas.

**There was a motion to delegate the authority to appoint and remove committee and task force chairs to the Vice Presidents, subject to informing the President-Elect.**

The motion was seconded and approved with 16 voting in favor and one opposed.

**There was a motion to form the operational planning committee as presented.**

The motion was seconded and approved unanimously.

**There was a motion to disband the Strategic Planning Committee with thanks, and to charge the sophomore class of the Board to form an annual Task Force to prepare strategic issues for Board discussion at the annual Board retreat.**

The motion was seconded and approved unanimously.

**There was a motion to disband the Organizational Structure Task Force with thanks.**

The motion was seconded and approved with 16 voting in favor and one abstention.

**III. MEETING WITH LARGE EMPLOYER OF ACTUARIES**

Wayne Fisher reported on the results of a meeting between the CAS and a large employer of actuaries. Topics discussed at the meeting included continuing education, international strategy, and collaboration among the actuarial organizations.

**IV. BRAND MARKETING IMPLEMENTATION TASK FORCE UPDATE**

Gary Josephson introduced Joanne Spalla, chair of the Brand Marketing Implementation Task Force. Joanne described the recommendation from the Task Force related to promoting the CAS brand to the regulator audience, which would involve working in collaboration with the American Academy of Actuaries. The Board agreed with the approach outlined by the Task Force and agreed to refer the recommendation to the new planning committee for inclusion in 2014-15 operational plans.

Joanne then updated the Board on the Task Force’s work to promote the CAS brand to university students, professors, candidates, and other insurance professionals.

**V. CAS GROWTH OPPORTUNITIES**

Bob Miccolis presented a proposal that would allow the CAS to broaden its offerings to professionals working in property/casualty insurance and asked the Board for feedback on the proposal. There was a question related to whether there would be a demand for the broadened offerings, and it was suggested that the question of demand should be explored further. There was general agreement among the Board
for exploring the proposal further. The next step will be to form a task force to undertake the exploration. The EC was charged with overseeing the task force.

VI. STATEMENT OF PRINCIPLES REGARDING PROPERTY AND CASUALTY INSURANCE Ratemaking
Shawna Ackerman led the discussion on the work of the Task Force for the Review and Update of the Statements of Principles.

There was a motion to approve the Task Force recommendation to release the revised Discussion Draft for the Statement of Principles Regarding Property and Casualty Insurance Ratemaking to members at the same time the ASB releases an exposure draft of a new ASOP on Property/Casualty Ratemaking.

The motion was seconded and approved with 16 voting in favor and one abstention.

VII. AMERICAN ACADEMY OF ACTUARIES UPDATE
Mike Angelina, American Academy of Actuaries Liaison to the CAS Board, gave a report on the Academy and Casualty Practice Council.

VIII. EDUCATION STRUCTURE IMPLEMENTATION TASK FORCE
Jeanne Crowell, Chair of the Education Structure Implementation Task Force, provided an update on the work of the Task Force. She reviewed the areas being addressed by the Task Force and described recent work related to the development of a CAS CERA exam and the statistical exam sequence. She concluded the report by outlining the next steps and key milestones for the work of the Task Force.

IX. BASIC EDUCATION EXAM WAIVER POLICY
Virginia Prevosto introduced the discussion on the CAS Basic Education Exam Waiver Policy by describing the proposed revised policy as a clearer and more cohesive presentation of the current policy.

There was a motion to approve the Basic Education Exam Waiver Policy along with the interpretive rules, as presented.

The motion was seconded and approved unanimously.

X. FY 2015 CAS BUDGET
Chris Nyce led the discussion on the FY 2015 CAS Budget. He highlighted changes to the proposed budget from the first draft of the budget that the Board reviewed in May. He noted that the EC is recommending fee increases of $25 to member dues and $25 to seminar registration fees, with no increase to exam registration fees. The proposed budget projects a modest overall net loss and results in a surplus ratio of 72%, which is within the targeted range.

The Board unanimously passed the motion to approve the FY 2015 budget as presented.

XI. EXECUTIVE SESSION
The Board went into Executive Session at 2:00 p.m. EDT and then reconvened open session at 2:15 p.m. EDT.

XII. RISK APPETITE STATEMENT METRICS
Ann Conway presented a status update regarding the development of metrics for the CAS risk appetite statement (RAS), which was adopted by the Board in April 2014. At that time, the Board had provided direction to the Risk Management Committee to continue the evolution of the RAS by identifying
quantitative metrics that can be used to assess adherence to the RAS and potentially be formally incorporated into the RAS in the future.

Ann described the metrics being considered to monitor the risk activities, along with the next steps leading to formal adoption of the selected metrics by the Board. There was general agreement with the next steps as identified.

**XIII. ERM PROFESSIONAL EDUCATION OPPORTUNITIES**
Julie Stenberg outlined the plans for CAS ERM professional education opportunities for 2015 and beyond. The Board expressed support for the plans as presented.

**XIV. STRATEGIC PLANNING DISCUSSION**
The Board discussed the plans to examine the CAS Strategic Plan going forward. It was suggested that a small subset of the Board be established to “tee up” strategic planning discussions at future Board meetings. The CAS leadership team will discuss how best to maintain strategic planning discussions on the Board meeting agendas going forward.

**XV. QUINQUENNIAL MEMBERSHIP SURVEY**
The Board discussed the report of the Quinquennial Membership Survey Task Force and the recommendations based on the survey results. The Board charged the EC with reviewing the recommendations and taking action as appropriate.

**XVI. INFORMATION ITEMS**
The following items were presented for the Board’s information:
A. Minutes of May 30-31 EC Meeting
B. Board Delegated Items Update
C. Debrief of May CUSP Meeting
D. Debrief of May AAA Board Meeting
E. Q3 2014 Financial Statements
F. ABCD Status Report
G. Results of Spring 2014 Exam Sitting
H. CAS Insurance Program
I. Third Cycle Reports – Vice Presidents
J. Third Cycle Reports – Staff
K. FY 2015 Budget (Second Pass)
L. The Actuarial Foundation – Board of Trustees Meetings Report
M. 2012 Tax Returns
N. IAA Newsletter
O. NAIC-CASTF Criteria
P. University Engagement Update
Q. IFoA Update

**XI. EXECUTIVE SESSION**
The Board went into Executive Session at 4:00 p.m. EDT and then adjourned the meeting.

Respectfully submitted,

J. Michael Boa
Chief Communications Officer

Approved: November 9, 2014