

TASK FORCE ON THE ACAS VOTE

Report to the Board of Directors

May 16, 2004

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The Task Force on the ACAS Vote (Task Force) was charged by the Casualty Actuarial Society (CAS) Board of Director (Board) "... to investigate the advantages/disadvantages and to develop a recommendation regarding whether the current CAS Associate should be allowed to vote, and whether other differences between CAS Fellows and Associates should exist, including differences in dues and the right to hold officer positions." In undertaking this assignment the Task Force reviewed the membership differences between the Fellowship and Associateship classes and has prepared recommendations in the following areas for Board consideration:

- Voting rights;
- Board of Directors participation;
- Right to hold officer positions;
- Membership on committees currently prohibiting Associate participation;
- Chairing committees and task forces;
- Fee differentials; and
- Proposed changes to the CAS Constitution and Bylaws

On most items, particularly including the question of the Associateship vote, the task force members are in unanimous agreement. The following report includes minority arguments where disagreement exists.

This report relies on the "Combined Introduction to the Reports of the Task Force on the ACAS Vote and the Task Force on Classes of Membership: Background on Associateship."

Executive Summary

The Task Force has held multiple conference calls to discuss the many areas that we have been asked to address. In this process we have identified a number of issues that have guided us in making the recommendations in this report. These include:

- a. Current and historical sizes of the Associate population, with consideration of the increasing number of Associates who have stopped taking exams and will not achieve Fellowship (career Associates);
- b. Identical practice rights granted to all members of the CAS by the American Academy of Actuaries (AAA). This position is supported by the NAIC and virtually all state insurance departments;
- c. History of significant contributions by Associates to the CAS and the actuarial profession;
- d. Lack of real representation within the CAS for Associates, while paying full dues; and
- e. Need to assure that participation on committees, task forces, and CAS governance does not jeopardize the highest professional standards in the eyes of the external public.

Task Force Recommendations

1. Voting Rights – The right to vote should be given to members either upon attainment of Fellowship or five years after they are recognized as Associates, whichever occurs first. The right to vote should be unrestricted. Two classes of Associates will result – (non-voting) members and voting members. For the most part, voting Associates will be the career Associate members of the CAS.
2. Board of Directors Participation – All voting members should be allowed to stand for the Board with no change in the current size or structure of the Board.
3. Right to hold Officer Positions within the CAS – Voting Associates may hold all officer positions with the exception of the following:
 - a. President/President-Elect
 - b. Vice President – Admissions
4. Membership on Committees Currently Prohibiting Associate Participation – The Task Force reviewed the committees that restrict Associate membership. Where a change is recommended, it is assumed that members selected to serve on these committees are qualified and does not generally suggest a requirement or quota. Based on our review and responsibilities of these committees the Task Force recommends the following modifications:

- a. Audit Committee: Should be opened to Associates who are voting members.
 - b. Discipline Committee: No change from current practice (restricted to Fellows).
 - c. Nominating Committee: Add two seats to the Nominating Committee, one for an Associate with 10 years or more as a voting member and one for an Associate with less than 10 years as a voting member. No change to currently designated members. (This recommendation is patterned after the current makeup of the committee, which appears to deliberately seek broad representation.)
 - d. Education Policy Committee: No change from current practice (restricted to Fellows).
 - e. Syllabus Committee: No change from current practice (restricted to Fellows).
 - f. Examination Committee: No changes. Any Associate can serve on the Associateship part committees, but not as Chair. They cannot sit on the Fellowship part committees (except on an exceptional basis, as a consultant, as is currently the practice) and cannot sit on the broader Examination Committee. (We note that we debated the Fellowship parts questions separately from the remainder of the committee.)
5. Chairing CAS Committees and Task Forces - The Task Force recommends that any Associate who is eligible to serve on a committee should also be eligible to chair that committee, with the exception of the Examination Committee and the Associateship part committees. Subject knowledge and leadership qualities would be the primary qualifications for committee or task force chairs.
 6. Fee Differentials - The Task Force discussed the possibility of fee differentials between the voting and non-voting members, but rejected this on two grounds: (a) assuming that Task Force recommendations are accepted, the state of “non-voting ACAS” would be a time-limited condition, and (b) even non-voting members receive substantial services from the Society. However, if the Associateship vote is rejected, we recommend that the Board consider the possibility of fee differentials separately in order to respond to the “no taxation without representation” issue.

We are cognizant of the implications of our recommendations for the deliberations of the Task Force on the Classes of Membership.

At the request of the Board of Directors, we have prepared and attached redlined versions of the Constitution and By-Laws reflecting our recommendations.

The following sections develop the thought processes and support the recommendations in the Executive Summary.

Voting Rights

The CAS Constitution establishes the voting rights of members. The right to vote includes the following:

- Election of the Board of Directors
- Election of the President-Elect
- Changes in the CAS Constitution and Bylaws; and
- Authorization for the CAS to issue a public statement.

The right to vote does not include operating items that are the responsibilities of the Board of Directors or Executive Council such as:

- Selection/election of the Vice Presidents;
- Changes to the Syllabus or any direct element of the exam process;
- Increases or decreases in member dues;
- Approval or promulgation of the Statements of Principles; or
- Any general operation of the CAS that is the responsibility of the Vice Presidents or Executive Council as established by the CAS Bylaws.

The right to vote, therefore, allows the member to participate in the governance of the CAS but not in the day-to-day operations.

Fellows have full voting rights upon successful completion of the examinations prescribed by the Board of Directors. This occurs at the spring or fall meeting following the completion of the exam requirements where the new Fellow is first recognized as completing the requirements of Fellowship. There is no age or experience requirement in order to vote. Fellows by mutual recognition also have the right to vote in the CAS, including those residing in other countries.

From the inception of the CAS, Associates have never had the right to vote and are granted voting rights only at the time they achieve Fellowship. Career Associates who function as actuaries throughout their entire careers are unable to participate in the CAS election process or to vote on changes to constitution and bylaws that may have dramatic impacts on their livelihoods. The approval of mutual recognition has complicated the voting issue in that Fellows by mutual recognition can vote and have more rights than career Associates.

Any change in voting rights will require an amendment to the CAS Constitution that will require an affirmative vote of 10% of the Fellows of the Society or two-thirds of the Fellows voting, whichever is greater.

Task Force Conclusion on Voting Rights

Voting rights have not changed since the inception of the CAS. They reflect a period where there was a wider separation between Fellowship and Associateship classes. Pruitt and discussion with senior members of the CAS suggest that, historically, Associates were viewed as less experienced than Fellows. As indicated earlier, many Fellows view

Associateship as a stepping-stone toward full recognition and not an end in and of itself. The Task Force believes that this view is flawed and does not recognize the many changes in the last 20 years that have significantly narrowed the differences between the Associateship and Fellowship classes as delineated above. Of particular concern to the Task Force are:

- Associates, by their credentialing, are subject to the same professional requirements and legal exposure as Fellows;
- A significant minority (25 – 30%) of Associates from earlier Associateship classes have stopped taking exams and are unlikely to complete Fellowship requirements;
- Associates are disenfranchised from participating in the governance processes that may have a direct impact on their ability to practice and livelihoods; and
- There is a need to provide recognition of the career Associate as a fully credentialed professional.

In its deliberations the Task Force also considered the options of no change and no change with a reduction of fees for Associates¹, but discarded those alternatives. The Task Force believes that it is appropriate for the Board to consider a constitutional change that would grant voting rights to Associates. The Task Force was unanimous in this recommendation.

Given this determination the Task Force evaluated a number of alternatives in implementing the recommendation. These included:

- Weighted vote at Associateship;
- Full vote at Associateship;
- Full vote with a 5 year time requirement for all;
- Full vote with a 5 year time requirement waived at Fellowship; and
- Full vote earned through volunteer service.

Of the above alternatives the Task Force recommends that the Board consider the fourth option (full vote with a 5 year time requirement waived at Fellowship) for implementation.

Implementation Options

The following section discusses the various alternatives and provides pros and cons of each alternative.

Weighted Vote at Associateship – This option grants a vote to the Associate at Associateship, but not a full vote.

- Pro
 - Achieves goal of granting voting rights to Associates.
 - Grants Associates voting privileges consistent with partial attainment of FCAS status.

¹ The Task Force briefly addresses the issue of fee reduction in a later section in this report.

- Differentiates between Associate and Fellow.
- Permits career Associates a voice in the CAS governing process.
- Con
 - Leaves Associates in a second-class citizen position.
 - How much weight is granted? How many Associates does it take to equal a Fellow?
 - Given little difference in practice between Fellows and Associates, particularly career Associates, this results in an inequity among members.
 - Associates would find this likely more offensive than other options, because it would highlight differences in classes.

Full Vote at Associateship – This option grants a full vote to the Associate at time of attaining Associateship.

- Pro
 - Grants voting rights to all Associates at time of membership in the CAS and eliminates inequities between career Associates and non-voting Associates.
 - Eliminates the voting difference with Fellows through mutual recognition.
 - Avoids administrative activities associated with other options.
- Con
 - Voting membership should require some period of experience that may not be the case for members achieving associate shortly after first employment or directly out of an actuarial program.
 - Without other differentiations, Fellows may react negatively and view this as a weakening of the Fellowship.
 - May have unintended consequences by increasing the population of voters overnight by 50%.

Full Vote with a Time Requirement for All – This option would grant voting rights to an Associate at the time of Associateship, but the individual could not exercise them for a five year period. This would apply to all Associates, including those attaining Fellowship within the five-year period. Any current Fellow would be grandfathered in if his or her Fellowship fell within the five-year period. In this way, all Associates have voting rights immediately and but must wait for a period of time to exercise them (perhaps consistent with the transition time between Associateship and Fellowship). Career Associates already past the five-year cutoff would likely have immediate voting rights.

- Pro
 - Grants voting rights to Associates and eliminates inequities with Fellows and career Associates.

- Potentially more acceptable to Fellows since it is likely to be assumed that most Associates would likely be Fellows by the time they could vote.
- Reduces the issues between Associates and Fellows approved through mutual recognition.
- Con
 - Individuals who achieve Fellowship without a prior Associateship period (last exam satisfies both requirements) would need to be addressed.
 - Individuals who speed through exams would not be allowed to vote until some time after they have achieved Fellowship.

Full Vote with a Time Requirement Waived at Fellowship – This option would grant voting rights to an Associate at the time of Associateship, but the individual could not exercise them for a five year period or until Fellowship, whichever is earlier. In this way, all Associates have voting rights immediately and but must wait to exercise them for a period of time consistent with or somewhat longer than the time between Associateship and Fellowship. Career Associates already past the five-year waiting period would likely have immediate voting rights.

- Pro
 - Grants voting rights to Associates and eliminates inequities between Fellows and career Associates.
 - Potentially more acceptable to Fellows since it is likely to be assumed that most Associates would likely be Fellows by the time they could vote.
 - Builds in a time period that would increase the experience period of the Associate.
 - Reduces the issues between Associates and Fellows approved through mutual recognition.
- Con
 - A five-year waiting period may be considered too long when the average travel time to from Associateship to Fellowship is currently shorter.
 - Fellows may react negatively and view this as a weakening of the Fellowship.
 - It may have unintended consequences as a result of increasing the population of voters by 50%.

Full Vote Earned Through Volunteer Service – This would require the Associate to participate in some form of volunteer service for the CAS in order to earn the right to vote.

- Pro
 - Achieves goal of granting voting rights to Associates.
 - Differentiates between Associate and Fellow, requiring Associates to “earn” the right to vote.

- Permits career Associates a voice in the CAS processes after earning right.
- Con
 - Administrative nightmare.
 - Uncertain if we have 1500 volunteer positions to fill (or ever will).
 - Would result in a management challenge for committee chairs.
 - Not practical.
 - Highlights class differential between Associates (who have to work for their vote) and Fellows (who do not).

Recommendation: The Task Force unanimously recommends the Full Vote with a Time Requirement Waived at Fellowship Option, i.e., the right to vote should be given to members either upon attainment of Fellowship or five years after they are recognized as Associates, whichever occurs first. Two classes of Associates will result – (non-voting) members and voting members. For the most part, voting Associates will be the career Associates members of the CAS.

Board of Directors Participation

Article V Section 1 of the CAS Constitution states: “The Board of Directors shall consist of the President, the President-Elect, the immediate past President, and 12 other elected Fellows.”

The Task Force discussed Career ACAS participation on the Board of Directors with current and past board members and reviewed the nominating process. We first debated whether the Board should be restricted to Fellows (i.e., status quo) or should be opened to voting Associates.

- **Arguments against permitting Associates to stand for election to the Board:**
 - Could be viewed as diminishing the professionalism of the Board of Directors, since they have not attained the highest level of membership.
 - Could diminish the desire to attain fellowship.
 - Might blur the distinction between Associates and Fellows and beg the question why are there two levels of membership.
 - Might cause some Fellows to reject voting rights because of a fear that Associates might take control of the CAS.
 - Might imply that officers and board members are making decisions on areas that they have not studied and in which they have not achieved competency.
 - Might cause Fellows to ignore certain Board members perceived to have a lower standard of education or become disenchanted or disenfranchised from the entire process.
 - Might cause Fellows to conclude that, since Associates lack the dedication required to achieve Fellowship, they also lack the dedication to truly serve as a Director.

- Might lead Fellows to believe that unrestricted board/officer membership could ultimately lead to a majority of Associates in the leadership, giving the Associates the power to weaken the exam process or do away with the dual membership levels at some point in the future.
- **Arguments for permitting Associates to stand for election to the Board:**
 - Would reflect the professionalism, experience and reputation of the career Associates, many of whom have made significant contributions to the CAS and to the actuarial profession through participation in committees, service to the American Academy of Actuaries, and/or research/paper writing.
 - Would provide a large number of talented individuals that could serve, increasing the pool of volunteers.
 - Would remove the inequity of Society members paying equal dues but having no representation.
 - Would remove the feeling of disenfranchisement for career Associates.
 - Is consistent with the American Academy of Actuaries.
 - Puts career Associates on same status as foreign Fellows who achieved their Fellowship through reciprocity without taking any CAS exams.
 - Might improve the willingness of Associates to volunteer for committees or write papers if they saw this as means to participation in the leadership of the CAS.

Implementation Options

It was the unanimous opinion of the Task Force that all Board members, whether Associates or Fellows, should be elected from the full voting membership of the CAS. Four options were considered:

- Non-voting Associate representation on the Board
- Voting Associates allowed to sit on the Board, with no changes to the Board structure
- Voting Associates allowed to sit on the Board, requiring that three of the existing twelve elected Board seats be reserved for Associates. (Three was selected, as 3/12th would be approximately the proportion of voting Associates in the entire voting population.)
- Voting Associates allowed to sit on the Board, with the Board expanded to fifteen elected seats, with three of the fifteen reserved for Associates.

Non-voting ACAS Representation on Board - The Task Force unanimously rejected the concept of non-voting Associate representation on the Board of Directors with essentially no discussion.

Voting Associates allowed to sit on the Board; no changes to Board structure - This option fails to guarantee representation for the Associates. On the other hand, the point was raised that, in theory, the Associates could gain control of the Board if they were

sufficiently organized (the “conspiracy theory”). After much discussion, it was felt that such a movement would succeed only with the support of a large number of the Fellows.

Voting Associates allowed to sit on the Board, with three new seats reserved for Associates – This approach guarantees Associate participation in Society governance while protecting the rights / control of the Fellows by giving them a clear majority on the Board. However, it decreases the number of seats available to Fellows.

The task force vigorously discussed the pros and cons of quotas / inside limits, and concluded that “protection” of Associates via reserved seats was unacceptable. Many task force members commented that this would be the start of a “slippery slope” towards quotas for other minorities among the membership.

Voting Associates allowed to sit on the Board, with three additional seats reserved for Associates – Like the prior option, this guarantees Associate participation while protecting the rights of Fellows. Unlike the prior option, it does not decrease the number of seats available to Fellows. However, current and prior members of Board felt that expanding the Board would make the body unwieldy.

Recommendation: After extensive debate, the Task Force recommends that all voting members should be allowed to stand for the Board with no change in the current size or structure of the Board. This recommendation was guided in part by the strong consensus evidenced by the straw poll of the Board and the Executive Committee members at the Board’s March 8, 2004, meeting.

Right to Hold Officer Positions

In conjunction with the issue of whether to grant the vote to Associates, the Task Force was also directed to address “whether other differences between CAS Fellows and Associates should exist, including...the right to hold officer positions.” Article IV, Section 1 of the CAS Constitution states that “The officers of the Society, all of whom shall be Fellows, shall consist of a President, a President-Elect, Vice Presidents, a Secretary, and a Treasurer. A Vice President shall also serve as Secretary and Treasurer.”

The Task Force created a list of possible pros and cons for allowing Associates to hold officer positions that served as a catalyst for more in-depth discussion, as follows:

- Pro
 - Increases the pool of talented individuals who could serve.
 - Is more equitable – equal dues should entitle Associates to the same rights and obligations, including the right to vote and hold office.
 - Reduces the feelings of disenfranchisement among Associates.
 - Giving Associates the right to hold office is consistent with the American Academy of Actuaries and most other actuarial societies outside of North America.
 - It is unclear that the last two exams are truly necessary to be part of the leadership of the profession.

- Inclusion in the CAS leadership may increase Associate volunteer activity in respect of committee membership or authoring papers.
- Con
 - Allowing Associates to be officers may be viewed, both internally and externally, as diminishing the professional standing of the officers due to members not attaining the highest level of membership.
 - May remove an incentive for people to obtain Fellowship.
 - Blurs distinction of Fellows and Associates and begs the question of why there are two levels of membership.
 - A lack of experience and competency on the part of Associates, at least the very new or younger ones, may be considered to exist by other members of the Society and externally.
 - Might imply that officers are making decisions on areas that they have not studied;
 - Fellows may perceive that if Associates lack the dedication to achieve Fellowship, they may also lack the dedication to truly serve in an officer position.

The actual discussion of allowing Associates to hold officer positions focused on four primary issues:

- External perception;
- Competency of Associates to function in the officer roles;
- Appearance of conflict of interest; and
- Salability to the Fellows of the Society.

The Task Force discussed the possibility that allowing Associates to hold officer positions might cause the Society to be perceived as less professional by external observers, such as employers, rating agencies, other actuarial societies, etc. In our opinion, this would be sufficient reason to disallow such an expansion of the Associateship role. However, current Associates who have been committee or task force chairs interacting with external parties indicated that this issue never arose and, in fact, their status was either not noted or discussed. This provided sufficient comfort to the Task Force to go forward with a recommendation for expansion, except as noted below.

With respect to competency to hold officer positions, the general consensus of the Task Force was that the nomination process would bring forward only persons (Associates or Fellows) having the ability to effectively perform the required duties. Therefore, from a competency standpoint, the Task Force believes that there is no bar to Associates serving as officers.

However, the Task Force recognizes that some of the duties of specific officer roles may lead to at least the perception of a conflict of interest for an Associate. The duties of the Vice President – Admissions include oversight over the examination process, including the Education Policy, Syllabus, and Examination Committees. The Task Force recognizes that any Associates considered for this position will almost certainly be career Associates and, by definition, not be sitting for exams. Nonetheless, this presents a perceived conflict of

interest for an Associate to be privy to discussions on the content of the syllabus or specific exams that he/she has not passed. The remaining Vice President positions present no such conflict of interest in the eyes of the Task Force.

Arguments on conflict of interest could also be made regarding the appropriateness of Associates serving as President or President-Elect (referred to as President hereinafter). Additionally, the Task Force also believes that having an Associate as President could diminish the external perception of the professionalism of the Society.

Finally, as regards “salability”, the Task force recognizes that recommendations expanding Associate participation in Society governance may act against affirmation of voting rights. However, we could find no other substantive reason to exclude Associates from most of the officer positions and believe that our recommendation represents a viable compromise between competing arguments.

Recommendation: It is the unanimous recommendation of the Task Force that voting Associates be allowed to hold officer positions with the exception of President, President-Elect and the Vice President – Admissions.

Membership on Committees Currently Prohibiting Associate Participation

Associates are not currently allowed to sit on the following committees: Audit, Discipline, Nominating, Education Policy, Syllabus and Fellowship examination committees. The exclusion of Associates from the Discipline Committee is specified in the CAS Bylaws; the other exclusions are codified in the Committee Chairpersons’ Manual. Infrequent exceptions are made to allow Associates with special expertise to act as consultants to the committees. In addition, the Examination Committee requires that an Associate sitting on any part committee not have taken an exam in the past three years and not be currently taking an exam. Although not codified in the Bylaws, Associates are also not allowed to sit on the larger (oversight) part of the Examination Committee.

General Discussion

In addition to discussing issues peculiar to specific committees, we considered general issues regarding Associate participation on committees.

- Pro
 - It increases the size of the volunteer pool significantly (827 Associates with over 5 years tenure);
 - It allows the committees to make use of the expertise of the career Associates;
 - It is fair to allow Associates participation since they pay the same dues as Fellows; and
 - It reduces mutual recognition inconsistencies and is consistent with the Centennial Goal.

- Con
 - Committee members should be perceived both internally and externally to have the highest qualifications;
 - On some committees, it might give the participating Associates an unfair advantage or influence in examination policy, syllabus materials or exam structures;
 - It may be a distraction to the voting Associates still pursuing examinations; and
 - It might decrease the incentive to complete the Fellowship exams while “rewarding” those without the commitment to finish all of the exams.

The following provides the recommendation for each committee currently prohibiting Associates participation and major reasons for such recommendation.

Audit Committee

Recommendation: Should be open to Associates who are voting members.

The Audit Committee is responsible for overseeing the internal control structure of the CAS and the annual independent audit of the books of the CAS by an auditing firm. The Committee currently consists of four members, two of whom are also members of the Board of Directors, plus the Vice President-Administration serving as an ex-officio member. The Task Force felt that there is no compelling reason for restricting this committee to Fellows only. It is also recognized that some voting Associates might be very qualified for this committee as a result of their career experiences.

Discipline Committee

Recommendation: No change from current practice (restricted to Fellows)

The Discipline Committee is responsible for considering recommendations for disciplinary action against members presented by the appropriate investigatory body, e.g. the Actuarial Board for Counseling and Discipline (ABCD) or the Canadian Institute of Actuaries (CIA). The Committee is also responsible for taking disciplinary actions in such matters as it deems appropriate in accordance with procedures described in the CAS Bylaws and the Rules of Procedure for Disciplinary Actions approved by the Board of Directors. The Task Force chair discussed the functions of the committee and the desired characteristics for committee members with both the current and immediately past chairs of the committee. While both of the descriptions were similar, their conclusions were diametrically opposed, with one favoring service by qualified Associates and the other strongly against it.

The Discipline Committee was one of the most difficult issues discussed by the Task Force. Ultimately, the Task Force felt that, while it might be valuable to have Associate participation it would have the potential of appearing unreasonable, since Associates might be deciding cases relating to exams they had not taken. We felt that this “optics” issue could arise both internally and externally and that it was sufficiently serious to maintain the current policy of staffing the committee with only Fellows.

Nominating Committee

Recommendation: Add two seats to the Nominating Committee, one for an Associate with 10 years or more as a voting member and one for an Associate with less than 10 years as a voting member.

The Nominating Committee is responsible for developing the ballot of candidates for offices of the Society and the Board of Directors. The Nominating Committee is currently made up of seven members: the two immediate past presidents (with the penultimate Past President serving as chair), one past Board member, two members who have been Fellows for at least ten years and two members who have been Fellows for less than ten years. This recommendation is patterned after the current makeup of the committee, which appears to deliberately seek broad representation. There was one dissenting vote on this recommendation, on two grounds. (1) unease with any quota system, and (2) likelihood that an Associate with less than ten years would not have an adequate breadth of experience to contribute to the committee.

Education Policy Committee

Recommendation: No change from current practice (restricted to Fellows).

The Education Policy Committee is responsible for recommending education policy and goals to the Board. This function includes formulation of policy, education planning, and liaison with other organizations. The Task Force recommended no changes to the current practice based on the reasoning that even voting Associates may be viewed as not fully qualified to format a well-rounded education policy if they have not taken and passed all the examinations.

Syllabus Committee

Recommendation: No change from current practice (restricted to Fellows).

The Syllabus Committee is responsible for determining the scope and content of the syllabus of readings for the examinations. The Committee also directs the preparation of educational material. The recommendation is based on the theoretical concern that participating Associates might gain unfair advantages or influence over the syllabus readings for the examinations they have not yet passed.

Fellowship Examination Committees

Recommendation: No change from current practice (restricted to Fellows).

The Fellowship examination committees are responsible for the organization, management, and administration of the Fellowship examinations and for determining the standards to be

achieved by successful candidates. The recommendation is primarily based on the general feeling that it is inappropriate for someone to sit on an examination committee for an exam that they have not yet passed and might take in the future.

Chairing CAS Committees and Task Forces

The Task Force was also directed to address the appropriateness of Associates serving as committee and task force chairs for those bodies on which they can serve as members. Associates currently serve and have historically served as successful chairs of some CAS committees. The following recommendation and a listing of some pros and cons associated with allowing Associates to chair the various CAS committees are reflective of the discussions that took place during our teleconference discussions.

Recommendation: The task force unanimously agreed that any Associate who is eligible to serve on a committee should also be eligible to chair that committee, with the exception of the Examination Committee and the Associateship part committees. Subject knowledge and leadership qualities would be the primary qualifications associated with selecting the most qualified chairperson for a committee.

- Pro
 - Provides a larger pool of talented individuals who could serve as chair.
 - The material learned from the final two exams leading to Fellowship does not, itself, improve upon the subject knowledge or quality of leadership that an individual can offer as chairperson of a CAS committee.
 - Provides another avenue for Associates with senior positions or successful practices to connect to and contribute to the profession.
 - The visibility and recognition associated with ACAS chairs may lead to more Associate volunteerism for committee membership or authoring papers.

- Con
 - May be a distraction to Associates who are still pursuing Fellowship.
 - Fellows may perceive that if Associates lack the dedication to achieve Fellowship, they may lack the dedication to truly serve as a chair.
 - A perceived lack of experience and competency on the part of an Associate chairperson may deter Fellows from serving on a committee.

Fee Differentials

As part of its discussion of voting rights, the Task Force considered whether the fee differentials between the Associateship and Fellowship classes would be an appropriate remedy to the difference in voting and other rights. At the present time all classes pay the same dues (\$350). For many, dues are paid for by the actuary's employer.

In discussing this issue the Task Force assumed that the Board has accepted the recommendation that Associates who have met the time requirements (5 years) become voting members. The Task Force also made a number of observations including:

- The majority of non-voting Associates would be transitioning to Fellowship within a five year period;
- The services provided by the CAS are substantial and benefit all classes of membership;
- The services provided to non-voting Associates are not significantly different from those provided to Fellows;
- The benefit of any reduction in dues may not directly benefit the Associate, given the dues are paid by the employer; and
- Any reduction of dues would require an increase in some other revenue-generating component (Fellowship dues, exam or meeting fees) in order to maintain a revenue neutral position. If a reduction of dues were appropriate, it would most likely be for non-voting members.

Recommendation: The Task force concluded that, because the state of the “non-voting Associate” is a time-limited condition, no fee differential is recommended. The Task Force recommends that this issue should be revisited and considered separately if the Associateship vote is rejected. One member of the Task Force disagreed with the second part of the recommendation, preferring that Associates’ dues remain unchanged even if the vote is rejected.

Proposed Changes to the Constitution and Bylaws

Following this section, we have attached version of the CAS Constitution and Bylaws highlighting areas with distinctions between Fellows and Associates and redlining changes that we believe would be necessary to implement our recommendations.

We note that some Fellow / Associate distinctions exist in other operating documents of the Society. CAS staff indicates that these can be easily modified in the course of the next scheduled updates.