



Current CAS Issues and Directions

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*Southern California Casualty Actuarial Club
(SCCAC)*

Burbank, CA

December 1, 2011



CAS Board

- Chief responsibilities:
 - Strategic Direction
 - Policy
 - Oversight of management operations (Executive Council)

- Current structure
 - 12 elected Directors (3-year terms) – 4 per year
 - President Elect, President, Immediate Past President
 - Up to 3 appointed Directors (often non-actuary) – up to three 1-year terms



Session Agenda

- CAS Response to SOA Consolidation Proposal
- Governance
 - ACAS Issues
 - Joint Discipline
- International
- CERA Update
- Education
 - CE Policy
 - Actuarial Skill Set
- Communication



CAS Response to Consolidation Proposal



CAS Board Statement

The CAS is the only non-nation specific actuarial organization exclusively focused on property-casualty risks, and our members find this of value. Our members have made it clear, and the CAS Board agrees, that they do not see benefits in consolidation with other actuarial organizations. The CAS has been, and continues to be, strongly in favor of cooperative efforts with other organizations, including efforts to address the concerns raised in the SOA President's speech.



CAS Member Feedback

Please indicate your level of agreement with SOA President Brad Smith's proposal to consolidate the CAS, SOA, and Academy.

Total Responses: 1,059

Strongly Agree	8%
Agree	9%
No Opinion	2%
Disagree	19%
Strongly Disagree	45%
Need More Info	17%



CAS Member Feedback

Members of the CAS would benefit from the consolidation of the CAS, SOA, and Academy.

Total Responses: 1,058

Strongly Agree	6%
Agree	10%
No Opinion	2%
Disagree	23%
Strongly Disagree	43%
Need More Info	17%



Governance



ACAS Issues

Amendments to Constitution and Bylaws related to ACAS Issues on 2011 Ballot:

- Allow ACAS to vote after 5 years of CAS membership - **Not Approved**
- Allow voting ACAS members to serve on the Board - **Not Approved**



ACAS Issues

In November 2011, the Board considered additional ACAS issues, given the election results:

- Nominating Committee – ACAS will continue to serve
- Dues differential – none will be instituted at this time
- IAA definition of FQA – Decision deferred



CAS Elections

Other Amendments to Constitution and Bylaws on 2011 Ballot:

- Joint discipline proposal
Approved
- Remove outdated language
Approved



Joint Discipline

- By-laws amendments approved by all U.S. bodies
- Joint Discipline Agreement among the bodies is being finalized
 - Details being resolved (e.g., office space, staffing, structure of entity)



Joint Discipline Agreement

- Streamlined process:
 - Includes all US-based actuarial organizations: CAS, SOA, Academy, CCA, ASPPA (ACOPA)
 - Reduced number of hearings is more efficient for both the organizations and the subject actuary
 - Coordinated outcome reduces the reputation risk due to conflicting decisions being made by multiple organizations
 - Retains CAS member control over CAS member discipline



Joint Discipline Agreement

- Investigatory body (ABCD in U.S.) issues recommendation
- Joint Discipline Panel created to hear recommendation has a majority of members from each organization to which subject actuary belongs
- Example: if subject actuary is FCAS & MAAA, and 7 are on the panel, then
 - at least 4 of the 7 are Academy members, and
 - at least 4 of the 7 are CAS members
 - all members are either Academy or CAS members or both



Joint Discipline Agreement

- Panel needs supermajority (all but one) for a discipline decision
- Panel needs majority to counsel or dismiss
- Agreement will provide appeal procedure, and specify appropriate grounds



Joint Discipline Agreement

- Severity of discipline imposed by panel:
 - *2 years suspension or lower*: decision binding on all member organizations
 - *More severe than 2 years suspension*: each organization (e.g., CAS) separately affirms penalty or reduces to a suspension of not less than 2 years
 - For CAS, to be decided by CAS Discipline Committee



International



International Guiding Principles

- The CAS Board adopted the following guiding principles for International at its March 2011 meeting:
 - The CAS will utilize an International Cooperation Model to support the mission to advance the body of knowledge of actuarial science applied to property, casualty, and similar business and financial risks
 - In a measured way, the CAS will promote membership in the CAS internationally. In home locations of actuarial organizations providing casualty actuarial education (e.g. UK, Australia), mutual recognition and/or CAS Affiliate Membership will be promoted



International Guiding Principles

- For the ultimate benefit of CAS members, the CAS should promote casualty actuarial expertise worldwide
- CAS members and students should receive a level of service commensurate with dues paid, irrespective of where they physically reside



CERA Update



CAS CERA Status

- Signatories each apply for approval to award CERA
- CAS was granted approval to award the CERA designation in October, 2011
- CAS will have two paths to the CERA designation:
 - Examination (approved)
 - ACAS + Exams 7 and 9 + ERM Seminar + UK ST-9 exam
 - Team working to present the seminar by March 2012
 - See CAS Roundtable post for more details
 - Experienced Practitioner Pathway (pending approval)



Education



CAS Continuing Education Policy

- CE is required starting 2011 for all members worldwide who provide actuarial services:
 - Approved National Standards (is the typical approach)
 - American Academy (US)
 - CIA (Canada)
 - Institute and Faculty (UK)
 - Institute (Australia)
 - Others may apply for pre-approval
 - Alternative Standards (described in policy) may sometimes be elected



Continuing Education

- All FCAS and ACAS members are required to:
 - Certify compliance annually on-line (starting 12/31/11);
 - Maintain log of continuing education activities;
 - If selected for audit, supply log to CAS on a timely basis
- CE status will be publicly available on the web
- Plans are to audit the logs of
 - 1% of members, plus
 - 100% of CAS leadership (Board & Executive Council)



Actuarial Skill Set

Board resolution at November 2010 meeting:

- All CAS members should be competent in the application of casualty actuarial techniques.
- CAS Fellows should not only be able to apply such techniques, but be able to synthesize such methodology and exercise complex judgment to bring those tools to bear in developing practical solutions to business problems not necessarily encountered before. Inherent in this ability is that Fellows be able to clearly communicate this understanding and complex judgment including inherent assumptions made and limitations in the approach taken to another party.



Actuarial Skill Set: A Question of Balance

- Technical Competence
 - Ability to apply casualty actuarial techniques
 - Synthesis skills
 - Critical thinking/informed judgment
- Ability to communicate effectively
 - Relevance: A business perspective
 - Articulate judgments, assumptions, limitations
 - Audience may vary – Sr. Management vs. Peers



Actuarial Skill Set: A Question of Balance

- Testing higher order thinking on the exams (Bloom's Taxonomy) – seeking rapid implementation
- EC / Board discussing adequacy of statistics testing on exams and VEE
- Basic education will remain exam-centered in the U.S.
- Basic Education vs. Continuing Education approaches
- Feedback welcome (e.g. blog topics discussed at Board)



Communication



Improving Communication with CAS Members

Based on Task Force recommendations and Board discussions, the CAS will:

- Formalize the outreach to Regional Affiliates – there should be a presentation on CAS Issues at every affiliate annually
- Publish the Actuarial Review more frequently (6x per year)
- Increase the use of video as a communication vehicle
- Experiment with ways to obtain timely membership-wide feedback (e.g., online polls)
- Blog: CAS Roundtable as a new communication vehicle
- Investigate other initiatives



New CAS Blog: The CAS Roundtable



THE CASUALTY ACTUARIAL SOCIETY
ROUNDTABLE
Conversations about CAS activities, voices from the actuarial profession, and more



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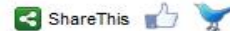
Archives

Contributors



CAS Modifies Its Proposed CERA Requirements

Posted on August 18, 2011 by Ralph Blanchard



There have been recent developments regarding the CAS application for CERA award signatory status that warrant an announcement to CAS members at this time.

As background, in 2009 [the CAS joined 13 other actuarial organizations across the globe in signing a treaty](#) to establish a new enterprise risk management (ERM) designation. The credential CERA, or Chartered Enterprise Risk Analyst, will identify actuaries who meet stringent education requirements in ERM and are governed by a strong code of professional conduct. Per the treaty, the CERA Review Panel was formed to ensure that each treaty organization's proposed CERA program meets the treaty standards. As each organization applies to become an Award Signatory (i.e., obtains permission to award the CERA designation) it must first be reviewed by this panel, which then makes its recommendation to the CERA Treaty Board.

The CAS submitted its application to become an Award Signatory to the CERA Review Panel last year and has been engaged in an on-going dialogue with the Panel regarding the proposed CAS program, which was first described in the [August 2010 issue of The Actuarial Review](#). As part of that dialogue, the CAS has made revisions to its application, which have been approved by the CAS Board and resubmitted to CERA Review Panel. We are now awaiting feedback on our revised proposed requirements.

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About CAS

The Casualty Actuarial Society is a professional organization whose purpose is the advancement of the body of knowledge of actuarial science applied to property, casualty, and similar risk exposures.

[Learn More »](#)



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Registration Now Open for the 2011 Annual Meeting!
<http://t.co/9wibBX7>



Current Roundtable Topics

- Board Statement on Proposed Consolidation
- Proposed Consolidation of U.S.-Based Organizations
- New U.S. Regulation Expected – Own Risk and Solvency Assessment (ORSA)
- Statistics in the Actuarial Skill Set
- CAS Modifies Proposed CERA Requirements
- Transparency and the Discipline Process
- Effective Communication



Connect with the CAS!

- 911 'Likes'

The Facebook logo, consisting of the word 'facebook' in a lowercase, white, sans-serif font on a dark blue rectangular background.

- 1,505 in Group

The LinkedIn logo, featuring the word 'LinkedIn' in a bold, white, sans-serif font on a dark blue rectangular background.

- 853 Followers

The Twitter logo, featuring the word 'twitter' in a lowercase, white, sans-serif font on a dark blue rectangular background.



Feedback?
Questions?
Suggestions?

Thanks!