

**AUGUST 10, 1989 LETTER REGARDING PARTITIONED  
EXAMINATION SYSTEM**

*Michael Toothman*





## CASUALTY ACTUARIAL SOCIETY

*Michael L. Toothman*  
Vice President-Membership

101 South Hanley  
St. Louis, MO 63105-3411  
(314) 862-7611

August 10, 1989

TO MEMBERS AND STUDENTS OF THE CASUALTY ACTUARIAL SOCIETY:

The subject of a Partitioned Examination System, and in particular the Board action taken at its September 1988 meeting and the communication to all members dated March 14, 1989, has created a significant amount of feedback and a relatively significant amount of confusion as well. We would like to encourage even more feedback. It is the intention of this letter to reduce or eliminate at least some of the confusion.

There seems to be some confusion that the Board has already adopted a Partitioned Examination System and that we are proceeding with implementation. If that were so, then the requested feedback would be relatively unimportant. NOTHING COULD BE FURTHER FROM THE TRUTH.

The CAS Education Policy Committee was asked to address the issue of whether the CAS should adopt a flexible education system similar at least in some respects to that which has been implemented by the Society of Actuaries. The Education Policy Committee's report was presented to our Board of Directors at its September 1988 meeting. That report, in the form of a "white paper", attempted to present a very objective discussion of the advantages and disadvantages of such a system. At the end of that discussion, the Education Policy Committee presented its recommendation as follows:

As a result of our deliberations, the Education Policy Committee recommends that the CAS adopt a Partitioned Examination System, with no electives, for all of its examinations. This recommendation is principally founded on the basis of educational merit, including enhancements in the ability of the CAS to achieve educational objectives and in the quality of education, without affecting materially the type of FCAS graduate produced.

Immediately following its recommendation, the Education Policy Committee concluded its report with a section entitled "Additional Considerations for Implementation". In that section, the committee listed six additional considerations, as follows:

1. There should be minimal effect due to any new system on candidates succeeding under the current system.

2. Travel time should be affected as little as possible.
3. Effective implementation requires that the Syllabus and Examination Committees be well informed as to the deliberations leading up to the adoption of the new system. Representatives from these committees should be directly involved throughout the implementation process.
4. Employers must be well informed.
5. Performance standards must be established, monitored, and evaluated very carefully to assure fair and equitable treatment of all candidates.
6. Consideration must be given to the mode of implementation, i.e., a staged implementation versus all examinations at once.

It is therefore further recommended that implementation plans be codified, with the intended effect in all such areas clearly described and subject to an approval process that includes the Board.

The Board of Directors embraced the recommendations of the Education Policy Committee's report by unanimously passing the following motion:

That the CAS Board endorses the concept of smaller examination units for Parts 4 through 10. It directs the Vice President-Membership to develop a detailed implementation plan and schedule which addresses, at a minimum, all of the additional considerations for implementation itemized in the Education Policy Committee's report plus seeking input from students about this concept.

Please notice that the Board has endorsed the concept of smaller examination units. It has asked the Vice President-Membership to develop a detailed implementation plan which must be presented to the Board for its approval. That implementation plan must satisfactorily address all of the considerations included in the Education Policy Committee's report (and listed above) as well as any other concerns that might be identified as the implementation plan is developed. If those cannot be address to the Board's satisfaction, the Board may very well decide not to proceed with implementation.

Getting input from those currently taking examinations was considered so important to the Board of Directors that it was specifically included in the motion passed by the Board.

Of all the concerns enunciated thus far, travel time (item 2 above) seems to have gotten the most attention. By travel time, we mean the amount of time it takes a candidate to complete all of the examinations. Many people seem to

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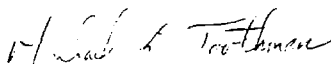
believe that travel time will be significantly lengthened if a Partitioned Examination System is implemented. Without debating the issue in this letter, suffice it to say that I sense little or no desire on anyone's part to revise our examination system in any way that will lengthen travel time to any material degree for candidates who are succeeding under the current system. We are monitoring the experience of the Society of Actuaries on this issue. At this point, the data available from the small number of exam administrations since the Society of Actuaries revised its system is not conclusive. It appears that average travel time is increasing somewhat, but it may very well be true that that is due to more students staying in the system than were doing so before. Also, our Partitioned Examination Task Force is considering several ideas that could result in shortening travel time, and it is quite anxious to receive any other ideas on this or other related issues from any of you.

To summarize then, implementation of a Partitioned Examination System is not a fait accompli. The input of our members and our students is very much desired and will definitely receive strong consideration as we proceed with this process. The concept of a Partitioned Examination System has been endorsed by the Board because we believe that we can produce even better actuaries under that system. However, we do not anticipate implementation of this system if we cannot satisfactorily address the issues identified by the Education Policy Committee, particularly the issue of travel time.

The Education Policy Committee's White Paper has been mailed to all members of the Casualty Actuarial Society and is currently being mailed to all students currently in our examination system. Feedback from those individuals is very definitely of interest to us. A Partitioned Examination Task Force, reporting to the Education Policy Committee, has been established and is being chaired by Jerry Degerness. That Task Force includes members with past experience on the Syllabus Committee and members with past experience on the Examination Committee. In addition, it includes members who received their Fellowship in the CAS nearly twenty years ago and members who have received their Fellowship much more recently, including one individual who received his Fellowship in Montreal last fall. That group has a very challenging task in front of them. Any input to that process may be sent to Jerry Degerness, to Gus Krause as Chairman of the Education Policy Committee, or to myself.

Also, attached for your information is a copy of the survey currently being mailed to students. If you would like to provide us with your responses to the questions in this survey, please feel free to do so. Your response will definitely be appreciated.

Sincerely yours,



Michael L. Toothman, FCAS, MAAA

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