

**NOVEMBER 2, 1990 LETTER REGARDING PARTITIONED  
EXAMINATION SYSTEM**

*Gustave Krause*



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# Tillinghast

a Towers Perrin company

November 2, 1990

Mr. Michael L. Toothman  
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101 South Hanley  
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Dear Mike:

The Education Policy Committee met in New York on October 23, to discuss the issue of exam partitioning and decide upon our recommendations to you at this time.

In light of the work done by the Partitioned Examination Task Force and our ensuing discussion, we ended up with four areas for reaching a decision. These were:

- (1) Part 4;
- (2) Part 5;
- (3) Parts 6 and 7;
- (4) The Fellowship exams.

It should be noted here that in our discussion of the above areas, the Education Policy Committee evidenced concern that decisions regarding partitioning must be kept in the context of the overall examination structure and process. In particular, the changes currently underway with respect to Parts 3 and 5 of our Syllabus, coupled with the findings of the Partitioned Examination Task Force regarding the lengthening of travel time over the last decade make the decisions regarding partitioning much more difficult today than might have been the case two years ago. We also recognize that the partitioning issue has heightened the attention to the examination process by students and membership as they have listened to and participated in discussions of this issue over the last eighteen months.

With these items in mind, the Education Policy Committee reached the following position on each of the four items mentioned above:

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**(1) PART 4**

The consensus of the Committee is that we should partition Part 4 effective May 1992. The material on this exam is separable, reasonable statistics have been maintained on subpart performance (at least the two subparts as currently configured), and we have agreed to offer the credibility and loss distributions portion of this exam as a freestanding partition in response to requests from the Canadian Institute of Actuaries.

**(2) PART 5**

The Committee was evenly divided (3 Yes, 3 No) as to whether Part 5 should be partitioned in the near future. Some felt that partitioning Part 4 would be a good first step, and others observed that we may not have meaningful statistics on the performance by subpart for this exam for at least a few years. Still others felt that partitioning Part 5 in addition to Part 4 would provide a larger base of data on which to evaluate partitioning in its early years. Also, the material on Part 5 is reasonably separable.

Related to this discussion of Part 5 is the fact that we are currently going through a transition in which some students may lose credit for part of Part 5. Partitioning Part 5 as early as 1992 or 1993 could facilitate avoiding a loss of partial credit for some candidates. This, of course, would require that the transition period and the partitioning occur sequentially.

In any event, we clearly have a divided set of opinions on the issue of partitioning Part 5, and will leave it to the Board to reach a decision on this matter.

**(3) PARTS 6 AND 7**

The consensus was not to plan to partition these exams for the foreseeable future. The overwhelming support for this consensus rests with the fact that ratemaking and reserving are truly the core areas of practice, and substantial testing should be maintained for these subjects.

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**(4) FELLOWSHIP EXAMS**

The consensus here was also to defer consideration of partitioning for the foreseeable future. While some, if not most Committee members felt that the subject matter on at least some of these exams was separable, the Committee did not feel that it would be appropriate to actively pursue partitioning these exams at this time.

The Committee also suggests continued study of the potential for partitioning exams beyond the Part 4 level (or Part 5 if the Board decides at this time to plan for partitioning both Parts 4 and 5). However, we feel this should be part of, or adjacent to, a broader, more thorough review of the examination structure and process.

It is clear from discussions within our Committee and with others involved in the educational process that there are a lot of ideas swimming around the heads of many individuals. However, there is no process currently in place which can collect these ideas, analyze them, and synthesize them into one product. The substantial effort that has gone into studying the issue of partitioning over the last two years has surfaced many of these thoughts, and it is clear that while we have a very good educational and examination process, it is not perfect.

We would also recommend that the Board authorize the creation of a database along the lines suggested by the Partitioned Examination Task Force, and that work on the database begin as soon as practical. In the meantime, data on exam performance should be saved, including any past performance statistics that have not yet been discarded. A call on the CAS Office, and past Part Chairman, Vice Chairman, and Chairman of the Exam Committee should be made to determine how much historical information is still available.

In terms of the ongoing consideration of further partitioning, and the possibility of a broader study of the examination structure and process, you or your successor should establish the objectives for such activities. You previously asked each of your Admissions committees to review certain parts of the report from the Task Force on Testing Methods. I believe those responses will provide a meaningful basis for at least some of the objectives of further study, whether it be for partitioning alone or in a broader context

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████████████████████ Once again, I would like to express my sincere gratitude to members of the Partitioned Examination Task Force, as well as the members of the Education Policy Committee for their substantial efforts in considering the partitioning issue. We all look forward to the Board of Director's timely and professional disposition of this matter.

Sincerely,



Gustave A. Krause, FCAS, MAAA  
Chairman, Education Policy Committee

GAK:p

cc: Education Policy Committee