

REPORT OF THE VICE PRESIDENT—ADMINISTRATION

The purpose of this report is to provide the membership with a brief summary of CAS activities since the last annual meeting.

For the CAS, 1989 was a year marked by growth and celebration. First, the actuarial profession in North America celebrated its Centennial in June with a joint meeting of the various actuarial organizations in Washington, D.C. The CAS was well-represented at that meeting; in fact, our percentage attendance was the highest of any of the organizations. Then in November, the CAS celebrated its Diamond Jubilee with a gala Annual Meeting at the Waldorf Astoria in New York City. Nearly one thousand members and guests attended, far exceeding the attendance at any previous CAS meeting. Also in November, the CAS hosted the 21st ASTIN Colloquium (in New York), welcoming actuaries from around the world. This international gathering convened during the Jubilee and continued after the gala ended.

With the addition of 110 new members in 1989, the CAS raised its total membership to 1,541 as of November 1, 1989. Seventy-six new Associates were admitted in the spring; thirty-four were admitted this autumn. And, the number of members who became Fellows during 1989 totaled sixty-six. In accordance with recent amendments to the CAS Constitution, Associateship status is granted upon approval by the CAS Board, and Fellowship status upon completion of the examinations, rather than at the next CAS meeting. However, since the CAS did not hold a spring meeting this year, all of these new Fellows and Associates were recognized during the Diamond Jubilee.

The prospects for future growth appear strong, as well. The number of candidates for CAS exams (Parts 4–10) approached 2,900 during 1989, a 24% increase over the prior year. Interest in the profession is on the rise; clearly, the CAS has benefited from some planned and unplanned publicity. The *Jobs Rated Almanac* 1988 pronouncement that actuaries have the best jobs in the United States continues to generate numerous inquiries from potential actuaries, and a new recruiting book prepared jointly by the CAS and the Society of Actuaries during 1989 is playing an important role in disseminating information about the profession. During 1989, the CAS has enlisted help from the Insurance Information Institute (on a trial basis) in producing publicity about CAS meetings, and a more general “audit” of the public relations needs of

the CAS is being conducted for the CAS by the staff of the American Academy of Actuaries.

This growth has presented a number of challenges to our paid staff and to our volunteer committee members and chairpersons. The CAS continues to rely heavily on committees to perform a wide array of critical functions, ranging from examination design, preparation and grading, to research and development of new concepts and new literature. These committees also prepare CAS publications, and plan and run our meetings and seminars. Our members owe a debt of gratitude to these volunteers; without them we could not perform many of the tasks that are central to the CAS. One such volunteer who deserves special mention is Matt Rodermund, who is retiring after sixteen years as Editor of the *Actuarial Review*. Many of us remember that the *Actuarial Review* provided our first window through which to view the CAS during our days as actuarial students. Our best wishes go to Matt, as well as to Stan Khury and Ted Zubulake, who will assume the positions of Editor-in-Chief and Managing Editor, respectively, of the *AR*.

Decisions to change the organizational structure were considered in 1989. As background, the organizational structure of the CAS committees was changed significantly in 1984; and in 1988, the Organizational Review Task Force concluded that the new structure was working well, but that some fine-tuning was needed. One of the recommendations called for the addition of a fifth vice president, which would allow for more effective interaction with the committee structure. The constitutional amendment to effect this change was approved by the membership during 1989, and the change is now being implemented. The alignment of committees reporting to each of the vice presidents also is being modified, and the titles of the vice presidents revised. The details of these structural changes will be reflected in the 1990 *Yearbook*.

One of the challenges faced by each committee chairperson is recruiting adequate volunteer committee members. Following the recommendations of a Task Force on Committee Staffing, a new Participation Survey has been designed and mailed to all CAS members. This survey provides an opportunity for members to indicate their willingness to serve on specific committees, and we urge all members to return the form to the CAS Office. To date, over 400 members have responded. The Task Force also recommended that Associates be invited but not be expected to participate on Committees. The Board approved this change, and Associates also have received the participation survey.

With the growth of our organization, it has also become clear that certain traditional volunteer functions place unrealistic demands on volunteer committee members. Accordingly, we have started a process of examining whether certain functions could and should be performed by paid staff, or by outside contractors, rather than by volunteers. Some functions already have been moved to the CAS Office. Realistically, however, we do not expect this to be a rapid process, as the CAS continues to operate with a small administrative office—five staff members—already burdened by the effects of growth on existing duties.

In addition, several changes were implemented in the CAS Office during 1989. Following Edee Morabito's retirement in November 1988, Theresa Cullinan was named Office Administrator. While the transition from Edee to Terry was completed during 1989, Edee's long years of dedicated service to the CAS left a legacy in the Office that will be long-remembered. Linda Burnett joined the CAS as Financial Administrator, succeeding Terry in that position; and Stacy Lawlor was hired as Examination Administrator. Her position was created to allow the Office to process the increasing volume of examination candidates as well as take on some additional duties. Kathy Spicer continues to serve the CAS as Meeting Planner, and Gloria Sessa as Administrator. Additional computer hardware and software was acquired during 1989 as well, to assist the Office staff in performing their duties.

The role of the CAS as a learned society has been highlighted this year by the publication of the "Statement of Principles Regarding Property and Casualty Valuations," which joins the statements on ratemaking and reserving principles published last year. And, after years in the planning, the CAS will publish the textbook, entitled *Foundations of Casualty Actuarial Science*, at the end of 1989. This book will be a valuable addition to every actuarial library and will be used extensively in the education and examination process.

Several important changes in the examination process were addressed during 1989. Following a landmark White Paper on the educational content of the *Syllabus*, a new examination part entitled "Introduction to Property/Casualty Insurance" was formulated; Finance topics are being added to Part Five, and the CAS is removing Operations Research from the *Syllabus*. The CAS is also reviewing whether to divide the examinations into smaller segments. Input from members and students has been solicited during presentations at regional affiliate meetings and through mailings.

With the ASTIN Colloquium being held in the United States this year, it is appropriate that a new committee, the Committee on International Relations, was formed and activated during 1989. The continuing diversification of CAS members' interests and involvements also manifested itself in the formation of a new Special Interest Section, Casualty Actuaries in Reinsurance. The nine Regional Affiliates and the one other Special Interest Section continue to thrive.

The CAS continued its co-sponsorship (with the American Academy of Actuaries) of the Casualty Loss Reserve Seminar. In addition, the CAS sponsored two other seminars during 1989, one focusing on Rate-making and one on Valuation issues.

The Board of Directors, with prime responsibility for setting policy, met four times in 1989. New members elected to the Board for next year include Ronald Bornhuetter, Janet Fagan, Wayne Fisher, and Stephen Philbrick. The membership elected Charles Bryan to the position of President-Elect, and Michael Fusco will be President for the 1989–1990 year.

The Executive Council, with primary responsibility for day-to-day activities, met several times during the year. Continuing a precedent, the Committee Chairpersons meeting was held in conjunction with the April meeting of the Executive Council. The Board of Directors elected the following Vice Presidents for the coming year:

Vice President - Administration	Robert Conger
Vice President - Admissions	Michael Toothman
Vice President - Continuing Education	Irene Bass
Vice President - Programs and Communications	Richard Fein
Vice President - Research and Development	Albert Beer

The CAS remains financially healthy. A budget of approximately \$800,000 was approved by the Board of Directors. Dues for next year will be \$175, an increase of \$15; and the Invitational Program fee also was raised \$15, to \$215. Examination fees for Parts Four through Ten will remain unchanged at \$110.

Finally, the Audit Committee examined the CAS books for fiscal year 1989 and found the accounts to be properly stated. The year ended with an increase in surplus of \$48,758.60. Members' equity now stands at \$465,316.71, subdivided as follows:

Michelbacher Fund	\$ 73,418.34
Dorweiler Fund	8,048.47
CAS Trust	2,615.21
Scholarship Fund	7,588.55
CLRS Fund	5,000.00
CAS Surplus	<u>368,646.14</u>
TOTAL MEMBERS' EQUITY	\$465,316.71

Respectfully submitted,

Robert F. Conger
Vice President - Administration