

FUTURE FELLOWS

June 2021, Volume 27, No. 2

Exam 6-International: Coming to a Testing Center Near You Fall 2021!

By Celeste Bremen, ACAS

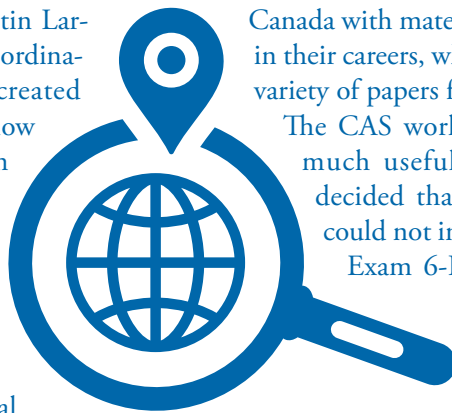
We recently spoke to Dustin Larson, CAS Education Coordinator, about the newly created Exam 6-International to learn how it's different from the other Exam 6 offerings and how the creation of this exam helps to increase the CAS's global reach. Read on for more!

Why a new exam?

The idea for Exam 6 International originated in Singapore about three or four years ago when a CAS member was speaking to colleagues and discussing Exam 6-United States and its limitations for actuaries practicing outside the U.S. Actuaries who work for a U.S.-based or international organization benefit from having some understanding of U.S. regulations, but many other actuaries are required to follow numerous other regulations that are not covered in any of the current Exam 6 offerings (these include Exam 6-US, Exam 6-Canada and Exam 6-Taipei). That discussion then turned into a CAS focus group and later a CAS working group that eventually developed a new exam, one that the CAS believes is more relevant for members outside North America.

What does Exam 6-International cover?

This new exam encompasses several different regulatory schemes used outside the U.S., including IFRS17, Solvency II, *Takaful* (Islamic) regulation, Chinese government regulations and others. The goal for the syllabus is to provide actuaries practicing outside of the U.S. and



Canada with material that will be useful in their careers, which is reflected in the variety of papers found on the syllabus.

The CAS working group found so much useful material that they decided that the exam's syllabus could not include all of it. So, the


Exam 6-International syllabus will be the first one to feature supplemental material. This material will not

be tested on the exam but is included in case candidates would like to learn more about regulations that may be relevant to them.

Who should take Exam 6-International?

Exam 6-International is intended for those actuaries working outside the U.S. or Canada who need to understand regulatory practices beyond those implemented in the U.S. or Canada. If you are an actuary who wants to write actuarial opinions in the U.S., Exam 6-US is a better fit as passing a U.S. regulation exam is a requirement for writing actuarial opinions. Like other CAS exams, Exam 6-International will be available through Pearson Professional Centers.

The CAS hopes that with this more globally focused exam, international candidates will be able to study material that is more relevant to their career paths and the countries in which they work.

To learn more about Exam 6-International, visit its webpage (<https://www.casact.org/exam/exam-6i-regulation-and-financial-reporting-international>). 

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CAS R FOR THE P&C
PRACTITIONER VIRTUAL
BOOTCAMP
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HOMEOWNERS MARKET: IS IT
SHUTTING DOWN?
June 24, 2021

CAS DE&I WEBINAR:
ASIAN ACTUARIES DISCUSS
CHALLENGES ON THEIR PATHS
TO SUCCESS
July 14, 2021

CAS WEBINAR:
UNDERSTANDING THE MOST
DISRUPTIVE RISK FOR THE
NEXT DECADE: CYBERRISK
July 22, 2021

CAS VIRTUAL BOOTCAMP:
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RESERVE SEMINAR
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The Grievance Process — What It Is and How To Use It

By Rehan Siddique, ACAS

There has been a lot of changes in the exam process over the last year. Given that these changes were meant to occur over a three-year period, it's understandable that candidates have a lot of questions. Two exam-related changes you may have noticed in this most recent sitting are the feedback and the grievance processes. The feedback process is analogous to the old appeals process for candidates who feel that there is a defect in an exam question, while the grievance process is meant to provide candidates a way to alert the CAS to any extenuating circumstances that may have affected their chances of passing.

What are grievance submissions?

The CAS currently defines a “candidate grievance” as a candidate concern that is unrelated to the content of the exam itself. This process is centered on the CAS’s commitment to fairness to candidates whose exam conditions were impacted beyond their control. The paper and pencil exams had analogous events as well, for instance, a fire alarm going off during an exam causing candidates to leave the examination room or loud construction noises causing a major distraction. The CAS would be alerted of such events and would carefully consider what kind of response would be most appropriate. In the computer-based testing (CBT) environment, especially during COVID, there are also variables that may affect a candidate, such as an internet or power outage, software issues, site staff misunderstanding the specific rules for CAS exams, or local jurisdictions closing testing centers at the last minute. The CAS understands how distressing these events can be in the heat of the exam and how even minor disruptions can affect your overall test-taking ability. These events are extremely rare, however, with less than half a percent of candidates having experienced a disruption of this kind during their CBT exam sittings.

How do I submit a grievance?

If an event like this has happened to you while taking your exam, the first thing to do is notify the site staff and request a “case number” before exiting the examination center. Case numbers are internal IDs that PearsonVUE assigns to various events that occur throughout the exam process. For example, if your computer were to kick you out of your exam before time ran out, PearsonVUE would produce a case number unique to that

event. PearsonVUE tracks many different metrics throughout the entire exam process from the second you sign in with the front desk to the second you sign out after the exam. All irregularities are tracked and receive an ID for further investigation as needed. The CAS recommends requesting a case number for any event you think worked against you in the exam; however, keep in mind the grievance process does not apply to anything related to exam content.

Next, you should fill out an exam process grievance submission form (<https://www.casact.org/form/exam-process-grievance-submission>) for the CAS to review. Although the case number is not a required field, it will vastly improve the chances of your grievance being qualified and help the CAS investigate what went wrong. In order to give the CAS time to


investigate and come up with a solution, candidates have five business days from the date of their exam to submit the grievance.

How does the CAS respond to grievance submissions?

Every grievance submission received is acknowledged within three business days and a full response is sent to candidates within 30 days of the submission date. The response from the CAS is tailored to the unique hardship

that the candidate experienced, so rest assured that there isn't a blanket approach to handling grievances. Whatever response the CAS decides upon, it will be motivated by the desire for fairness as much as possible.

Conclusion

No examination process is perfect, and the CAS doesn't pretend its process is perfect either. CAS is always working towards a fairer exam process, while evolving to meet the educational needs of the industry. Each CBT sitting provides the CAS a wealth of data to analyze in order to improve the exam process. Candidate input in the form of feedback and grievance submissions also imparts valuable candidate perspectives. Submitting the grievance reports with as much detail about your experience as possible and in a timely manner will help you in your exam grading and the CAS in planning future exams. For more details regarding the grievance process, refer to the CAS Candidate Feedback and Grievances announcement made on April 13, 2021. 



Thoughts on a Home Office Setup after a Pandemic Year

By Laura Hemmer, FCAS

If you are like me, when you packed up to leave work on March 13, 2020, you definitely thought you'd be back in the office in a few weeks — maybe a month or two, tops. Or in my specific case with a baby due in early April, I thought surely by the time I returned from maternity leave in *late June* that we'd all be in the regular office space again. Unfortunately, it's only now, over a year later, that we are beginning to see many companies in the insurance space truly start their return to office plans.

When I think back to my early home office setup last year, there were definitely some growing pains. First, my husband and I tried both working at the dining table. I quickly learned that our wood dining chairs are not meant for eight hours of sitting each day. My husband is also an extrovert and a morning person, and his often hours-long chatty work calls, while necessary for his job, were doing a number on this introvert's concentration. Next, we tried having me work out of our spare room and him at the dining table; this was better, but we still shared a wall, and I could still hear his calls, although now they were just muffled, and he was still stuck with an uncomfortable dining-chair. Finally, we hit upon the solution of getting him a second desk and setting him up to work from the basement. It's a little chillier down there and there's not as much sunlight, but it has worked well for us.

While there were growing pains, I recognize that I am extremely lucky. I was able to work from home with relative ease. I also have the space to try a couple reconfigurations before finding one that worked for us. Like many of you, I will be shifting to a hybrid work situation in the fall — for me it's two days remote and three days in the office. The hybrid schedule means that my home office setup will likely become permanent. That made me think about whether some of the temporary home office setups we have can be (or should be) sustained long term. With that in mind, I polled the members of the CLC to learn some of their lessons learned on building home offices from this great work-from-home experiment. Our hope is that some of the ideas will be helpful to you too.

- 1. Get a comfortable desk chair.** As I mentioned, I only lasted a few weeks in my dining room chair before going online and buying a real desk chair. Several CLC members said that they tried to work from the couch or bed before moving to an actual chair. To quote one, "I felt like I was leaving a permanent dent in the mattress." It doesn't have to be a fancy executive chair; it just needs to *support your back*. Your future self will thank you.
- 2. Make your at-home space as similar to your at office space as possible.** This tip mostly has to do with technology, particularly monitors. If you are used to two monitors in the office, try to have two monitors at home (or at least laptop screen and monitor). Many companies during the pandemic have reimbursed their employees for monitors; if yours has not, try asking if they would consider it now. Maybe in the beginning

of the pandemic you were fine with just your laptop, but if you will be working from home at least part of the time permanently, you will probably want the second monitor. The same might be true about a printer/scanner. It's ok to change your mind about what you need now that the situation might be permanent.

- 3. Consider ergonomics.** I used to roll my eyes when HR would start in on their talks about the importance of ergonomics, but after a couple of attempts of working from the couch left me with massive neck pain, I have learned my lesson. A supportive chair helps, but the other piece that most CLC members agreed on was the importance of correct monitor height. If you can get a monitor stand, great; if not, many people have had success from stacking books, boxes or paper to raise the height of the monitor. I'm sure you have some old study manuals lying around. Just make sure it's stable! I also swear by a \$25 laptop stand I got online that both raises my laptop to a good height and promotes airflow underneath, reducing the likelihood of overheating. One CLC member said, "It helped my neck and shoulder tension immensely by getting my monitor to a good height for my body."
- 4. Surrender to the headset.** Headsets are a must-have if you do a lot of video calls. I avoided getting a headset at first. I figured I was fine with the laptop speaker/microphone, so, why go through the hassle of the headset? Then I had a meeting with the CEO and all our VPs where none of them could hear me through the laptop microphone! I got a headset the next day. While it does often result in that telltale dent in my hair, a headset has allowed me to participate in calls when the coffee machine is running or the dog is going nuts at the Amazon delivery guy. CLC members report they are also very useful if you have roommates who take a lot of calls. If you've been resisting the headset, I recommend giving in.
- 5. Disconnect at the end of the day.** The main theme of CLC member responses was that working from home often made it harder to truly log off at the end of the day. Having work at your fingertips (and not having to commute) means it is easy to fall in the trap of working "just a bit longer." That's fine (and sometimes necessary) every once in a while, but at my own company we've had a lot of discussions recently on burnout and the enhanced risk of it while working at home during the pandemic. CLC members reported various rituals for ending the workday, such as powering down the laptop and putting it away, closing the door to the office and taking the dog for a walk. I shut the curtains in my spare room to signify end of day. If you haven't developed your own ritual yet, I highly recommend it. Your downtime is valuable; protect it.
- 6. Think about needed duplicates.** Many of us brought home monitors/keyboards/mice/docking stations etc. for the long-




term working from home. Now is the time to think about what you'll want to be carrying to the office every few days vs. having a duplicate at home. For instance, I have a keyboard and mouse that lives at home so that I don't have to bring that back and forth. The same is true of my headset and even my laptop power cord. If you can't duplicate the power cord, make packing up for the office part of your end-of-day ritual if the following day is in office.

7. **Remember: Life, kids and animals happen.** If this pandemic has taught us anything about working from home, it's that life happens and that's ok. Sporadic unplanned interruptions can lighten the mood and remind us that our coworkers are all humans dealing with the same stuff we are. Once one of my team members started a video call with her cat in place of her

at her desk; the cat had had a minor medical procedure and, instead of a recovery collar, wore a massive donut pillow around its face. It was adorable! My favorite CLC member story is about Holley Rouse's dogs spotting a fox outside. Not to be deterred by their hard-working owner and her co-workers, her Treeing Walker Coonhounds frenetically barked as they attacked the window. So, don't sweat it if something happens while you're on a call; in my experience it's rarely an issue.

I hope the CLC's thoughts are helpful to you as we begin a new phase of pandemic life. In particular, keep in mind that what has worked temporarily during the pandemic lockdowns does not need to be the permanent solution.

Now is the time to consider adjusting your work-from-home setup. 

Things All Actuarial Candidates Should Know

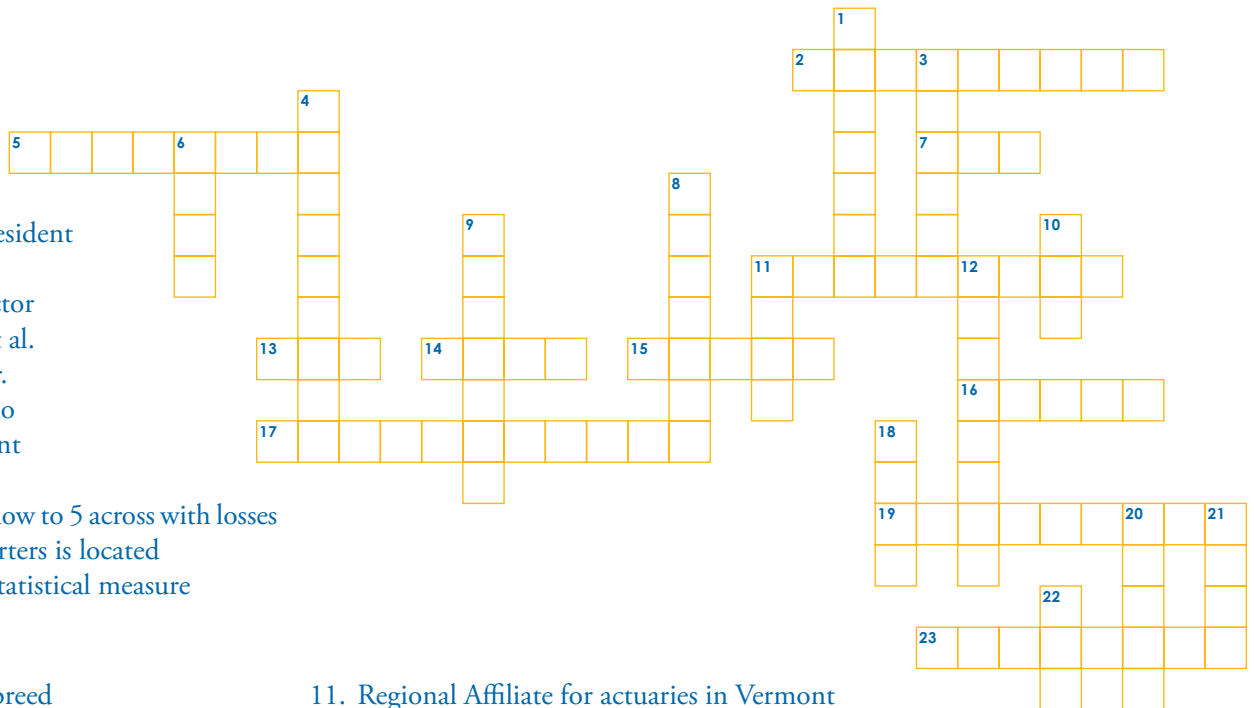
By Chip McCleary, ACAS

ACROSS

2. Current CAS past president
5. Final
7. Loss development factor
11. Candidate Liaison, et al.
13. Large loss event, abbr.
14. Not a cumulative ratio
15. Current CAS president
16. How to get a job
17. What happens from now to 5 across with losses
19. Where CAS headquarters is located
23. CAS publication or statistical measure

DOWN

1. Not upper level
3. Missouri Valley dog breed
4. One thing candidates do upon passing an exam
6. Rude statistic
8. Former editor in chief of 23 across
9. First CAS president
10. Used to check proficiency in economics
11. Regional Affiliate for actuaries in Vermont
12. Favorite shape of actuaries
18. Credential exam candidates aspire to earn
20. Future adjustment to premiums and losses
21. Official number of CAS exams
22. Score needed to pass an exam



See solution on page 7.

Exams IRL: Exam 9

By Dan Watt, FCAS

The purpose of the “Exams IRL (in real life)” series is to share how content from CAS exams are used in the workplace today. In essence, the series aims to supply a little motivation by answering the questions “Why am I learning this stuff?” and “When am I ever going to use any of it?” If you have not already done so, please take a moment to read our prior articles (see Exams IRL Archive below).

For this issue, we’re focusing on Exam 9—Financial Risk and Rate of Return. In your journey through this material, you will gain an understanding of finance, investment and financial risk management topics. A deeper understanding of how risk is managed by utilizing the markets is vital for an actuary. We are, after all, predicting the future, which naturally includes subjectivity, assumptions and, therefore, risk.

As an actuary, you will interact regularly with business partners investing the capital and reserves for the company. Exam 9 will provide knowledge on portfolio management and equilibrium in capital markets, including the capital asset pricing model (CAPM). Having this background knowledge aids you when interacting with portfolio managers and other investment partners. It will help you see the big picture on how the risk of selling insurance policies is managed using diversification and how investment income has the ability to offset costs, allowing more competitive premiums for some lines of business. Seeing how the market directly affects your work as an actuary is incredibly important.

Exam 9 will also delve deeper into concepts related to enterprise risk management (ERM). “Enterprise” refers to the company as whole (i.e., managing risk for the total company). This part of the material digs deeper into the impacts of derivatives, introducing other instruments, such as collateralized debt obligations (CDOs) and mortgage-backed securities. You’ll also learn about how various investments are used to offset the impacts of catastrophes, such as CAT bonds.

My favorite part of the ERM material is digging into the causes of the subprime mortgage crisis. Now, watching the film *The Big Short* is fun and helpful, but Exam 9 allows you to get into the guts of what happened. It’s super interesting stuff! You will be intrigued and appalled simultaneously.

The ERM section of the material also teaches various measures used when analyzing risk. For example, value at risk (VaR), expected policyholder deficit (EPD), conditional tail expectation (CTE) and risk-adjusted return on capital (RAROC). These metrics are used along with selected thresholds to help inform decisions on how risky a particular line of business

or product and the like is, thus informing risk management. This is particularly pertinent to actuaries when working with an economic capital model, which is vital for planning and investment strategy.

Lines of business differ in their riskiness. As such, it would be unfair for all lines to “pitch in equally,” so to speak, the dollars necessary as a risk buffer for the enterprise. In simple terms, the riskier lines should cover more of the risk capital than less risky lines. Exam 9 teaches the different ways this capital allocation is quantified. How should we compare the riskiness of the different lines? What is fair? These risk capital requirements flow into ratemaking decisions and premium costs. Therefore, this process has a direct impact on the profitability of a line and is handled very carefully. It is vital that actuaries understand capital allocation.

Finally, Exam 9 discusses how an appropriate profit loading is selected for insurance pricing. Again, we are predicting the future and, as such, the risk associated with the unknown needs to be taken into consideration. Much of this risk can be reduced by diversification, but fully reducing risk is impossible. Learning about rates of return, risk loads and contingency provisions will help you select proper profit loads when doing indications, which is also a vital skill for an actuary.

As with all of the actuarial exams, Exam 9 is tough, but the concepts provided are the core to P&C actuarial work. While studying for the exam, my recommendation is to do so with the mindset that every topic you dig into will be useful during the span of your career. The methods learned will be used. The assumptions memorized will become second nature. Exam 9 will make you a more effective partner at the table. Soak up the material! It is an incredibly helpful exam!

Exams IRL Archive

MAS I: <https://www.casact.org/newsletter/article/exams-real-life-mas-i>

MAS II: <https://www.casact.org/newsletter/article/exams-real-life-mas-ii>

Exam 5: <https://www.casact.org/newsletter/article/exams-real-life-exam-5>

Exam 6: <https://www.casact.org/newsletter/article/exams-real-life-exam-6>

Exam 7: <https://www.casact.org/newsletter/article/exams-irl-exam-7>

Exam 8: <https://www.casact.org/newsletter/article/exams-irl-exam-8-advanced-ratemaking> 

Introducing: The New and Improved CAS Website

By Laura Hemmer, FCAS with Meghan Goldfarb, FCAS, and Wesley Ross, CAS Director of IT

You were in the midst of final exam preparations, and you decided you needed another look at the exam syllabus. Perhaps a question came up at work and you wanted to consult one of the exam papers. Or maybe you wanted to register for a webinar or the Spring Meeting. Whatever it was, something prompted you to go to the CAS website, and once it loaded you thought, “Wait a second ... does this look completely different?”

The answer is yes! As announced and rolled out on March 9, the CAS has launched a brand-new website. While the change appeared to happen overnight to most of us, this was the culmination of over a year of work by CAS staff and volunteers and was very much a team effort. CAS IT Director Wesley Ross and CAS Chief Communications Officer Mike Boa spearheaded the project and brought on a vendor for the web development and user experience design. Of course, relaunching the website brought the opportunity to review all the existing content, an effort primarily undertaken by CAS staff. And then a team of over 40 CAS members and candidates provided feedback, input and ideas to make the new website a reality.

The upgraded website has been a CAS goal for some time. While the website was refreshed in 2013, that was more of a minor front-end facelift necessitated by the introduction of the new CAS logo. In fact, a lot of the underlying website architecture was from the early 2000s! The old technology surely proved its worth over the past 20 years, but it was beginning to significantly limit the CAS’s ability to meet the needs of all its stakeholders. Therefore, the main goal of the website redesign is an entire ground-up replacement that incorporated newer technology that allows for more flexibility and room for growth in the future. Secondary goals to the website redesign include providing a new look and feel, ensuring a mobile-friendly design, removing distracting unused content and improving the user experience. While the development team met many of these goals, they want the redesign to be a launching point


to the future, so you will notice continued improvements happening after this launch.

Meghan Goldfarb, FCAS, who was closely involved with the redesign team, is most proud of the new website giving candidates a competitive and intuitive website experience. “Several years ago, I did some research as part of a task force and found that other professional organizations’ websites far outpaced us in making the most important information easily available in an intuitive and appealing way,” said Goldfarb. “When I go to the Exams and Admissions page now, it clearly spells out the value of the designation and makes it easy to understand where

to go to locate the information you need the most!”

The website redesign team encourages candidates to explore the new website and see the new features for themselves. In addition to the revamped Exams and Admissions

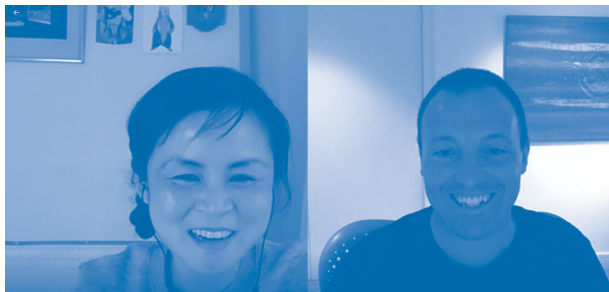
section, the *Future Fellows* area has also been expanded. Prior articles from 2017 onward are indexed for easy reference, including many with helpful study tips, exam information and CAS membership background. The new website also has a consolidated research database that candidates can use to easily find relevant articles for work and exam studying. The website search function has also been improved, making it much easier to find what you need.

As mentioned, there are definitely future plans for the website. This release is the CAS’s springboard to the future, so keep an eye out for future enhancement announcements. The website team is also looking for your feedback! Please use the contact form on the website to include any comments you may have. If there is content that is no longer relevant or items you want to see more of, the CAS wants to know. The more modern architecture of the website also affords us more flexibility in adding new features and additional improvements, so feel free to share any creative ideas you have. We hope the new website provides a much better user experience for candidates as they begin studying for their next exam. 



President's Message — An Enterprising Actuary: A Conversation with Adam Driussi of Quantium

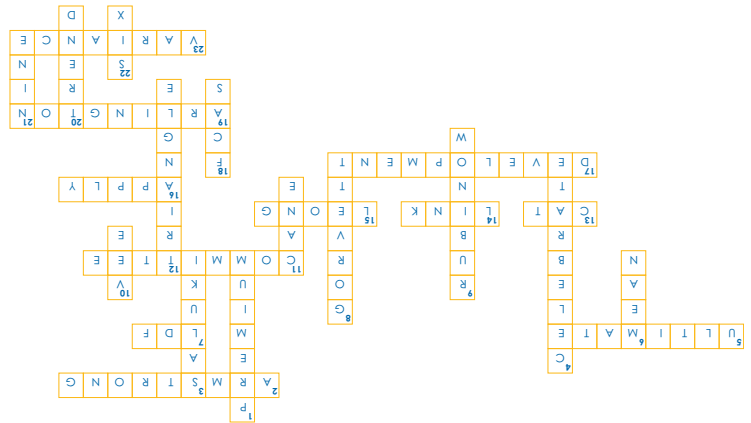
Jessica Leong, FCAS, interviews Quantium co-founder Adam Driussi to learn how he harnessed actuarial expertise to enter new business markets for actuaries. To see the interview, visit the CAS YouTube channel. [f](#)



DIG It!

Join the Diversity Impact Group (DIG) to receive a monthly newsletter that encapsulates upcoming events and volunteer opportunities both within the CAS as well as our partner organizations. Log in to Community.casact.org (using your CASact.org username/password), go to Communities > All Communities, find Diversity Impact Group, and hit JOIN.

Crossword Solution



Candidate Liaison Committee Mission

The Candidate Liaison Committee communicates with CAS candidates, collectively and individually, who are taking CAS examinations. The committee informs candidates as to appropriate courses of action available to them. Through periodic communication, this committee informs candidates of results of examination administrations, actions taken on complaints received regarding examination questions and reasons for syllabus and examination changes being implemented. Communication encompasses existing policies and procedures as well as changes being considered. The committee should advise the CAS and its committees of the interests of the candidates regarding matters that come before the CAS and its committees. Candidates may contact the Candidate Liaison Committee at the CAS office address. The Casualty Actuarial Society is not responsible for statements or opinions expressed in the articles, discussions or letters printed in *Future Fellows*.

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STUDY AIDS AND SEMINARS

Information on study aids and seminars is provided only as a convenience to **CAS** candidates. The **CAS** takes no responsibility for the accuracy or quality of the study aids and seminar announcements attached to this notice.

Please note that the Examination Committee expects candidates to read the material cited in the *Syllabus* and to use other material as a complement to the primary sources rather than a substitution for them. 

Actex Learning/Mad River Books
Exams 1, 2, 3F, MAS-I, MAS-II, 5, 6, 7, 8, 9 & VEE

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