

Future Fellows



March 2003

For the Candidates of the Casualty Actuarial Society

Volume 9, No. 1

Important Dates to Remember

Spring 2003 Registration and Change of Center Deadline

Exams 5, 7, and 8: **March 27, 2003**

Exams 1-4: **April 1, 2003**

Deadline for Refund Requests

June 30, 2003

CAS Seminars and Meetings

Seminar on Ratemaking

March 27-28, 2003

San Antonio Marriott Rivercenter
San Antonio, Texas

Thomas P. Bowles Jr. Symposium

April 10-11, 2003

Georgia State University
Atlanta, Georgia

CAS Spring Meeting

May 18-21, 2003

Marco Island Marriott Resort, Golf Club & Spa
Marco Island, Florida

Continued on page 4

Official Notices

2003 Syllabus Update	3
Exam 5 Supplements	3

Inside This Issue

Changing the Syllabus	5
Regional Affiliate News	6
Q&A	8

New Vice President-Admissions Begins Term

By **Brian K. Turner, FCAS,**
Candidate Liaison Committee

Thomas G. Myers was first interviewed in the September 2000 issue of *Future Fellows* when he was the chairperson of the CAS Examination Committee. We revisit with him to discuss his new role as vice president-admissions.

The vp-admissions has final say on the pass score of each CAS-administered exam and oversees



Tom Myers

Continued on page 2

DFA Change to Exam 8

The DFA section of the Exam 8 syllabus of readings will be removed effective with the Spring 2003 Exam. The CAS Executive Council approved this action at its October meeting and presented it to the CAS Board of Directors at its November meeting.

The following three readings will be deleted from the Exam 8 syllabus:

- "Building a Public Access PC-Based DFA Model" by D'Arcy, Gorvett, Herbers, Hettinger, Lehmann, and Miller.
- "Using the Public Access DFA Model: A Case Study" by D'Arcy, Gorvett, Hettinger, and Walling.
- "An Integrated Dynamic Financial Analysis and Decision Support System for a Property Catastrophe Reinsurer" by Lowe and Stanard.

After reviewing the experience from the last several years, the admissions committees concluded that advanced DFA concepts could not be effectively tested in a "pencil and paper" examination. As a result, the Executive Council decided to remove the Exam 8 DFA section as an interim step and asked the CAS Future Education Task Force to make a recommendation about the appropriate learning objective(s) for DFA within the broad area of "risk modeling" including how those objectives should be presented and tested.

The CAS Committee on Continuing Education will review the DFA workshop proposal that the Education Policy Committee developed and consider whether to pilot this concept in the near future as a continuing education offering. This experience would be helpful if the Future Education Task Force recommends a workshop in the basic education structure.

The Examination, Syllabus, and Education Policy Committees agreed that an overview of DFA on Exam 6 is appropriate and no change will be made to Exam 6.√



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VP-Admissions

From page 1

the following four committees: CAS Education Policy Committee, CAS Syllabus Committee, CAS Examination Committee, and the CAS Candidate Liaison Committee.

This interview with Myers includes questions the author solicited from various candidates in hopes of addressing the key issues facing candidates today.

FF: At the 2002 Annual Meeting in Boston, a record number of new Associates and new Fellows were inducted. What do you attribute this to?

Myers: We recognized 259 new Associates and Fellows this November compared to 208 last November and 204 in November 1997, the only other times we recognized more than 200 in one meeting. However, individually, the new Associate class of 114 was not a record (we had 167 new Associates in May 1999) and the new Fellow class of 145 was only slightly higher than the previous high of 135 in November 2000. The main reason for the large increase in total recognition is the restructuring of the exams. The change to require the nation-specific regulatory exam in order to achieve Associateship caused a temporary decrease in the number of new Associates in 2001. This change also results in most new Associates being recognized at the Annual Meeting whereas under the prior exam system most new Associates were recognized at the Spring Meeting. Going forward, I'd expect the number of new Associates and Fellows recognized at the Annual Meeting to continue to be in excess of 250 while the number recognized at the Spring Meeting will likely be less than 100.

FF: The Spring 2002 sitting saw an explosion in the number of candidates sitting for Exam 1. Presumably the dot.com bust and the recent Wall Street layoffs have contributed to the increase. Despite the influx in new candidates, the percent of "ineffective" candidates was lower in the Spring 2002 sitting than in the previous four sittings. Is this an indication that the CAS is succeeding in attracting top students to the actuarial field despite recent concerns to the contrary?

Myers: From May 1989 to May 1993, registrations for Exam 1 averaged about 4,300 per sitting (with a peak of 6,455 registrations in February 1991). Registrations then gradually declined to an average of about 2,400 from February 1996 to February 1999. Since then registrations have rebounded with the 2001 sittings comparable to the early 1990's average and the 2002 sittings (at 5,706 and 5,584) exceeding all prior sittings except the peak in February 1991. It's clear that the lull caused by competition from other career options in the late 1990's has abated and current interest could well exceed the levels seen in the early 1990's. But I wouldn't be surprised if this pattern continues to be

Continued on page 4

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.

Updates to the 2003 Syllabus

Exam 2

The citation for the seventh edition of *Principles of Corporate Finance* by Brealey and Myers is Chapters 1, 4-22, and 29. (Candidates may use either the sixth or seventh edition.)

Exam 4

Under section B, Estimation and Fitting of Models, the reading is: "Estimation, Evaluation, and Selection of Actuarial Models" by S.A. Klugman (November 2002). This study note is available in the "Exams" section of the CAS Web Site under Web Notes.

Exam 7-U.S.

Official 2002 NAIC Annual Statement Blanks, Property and

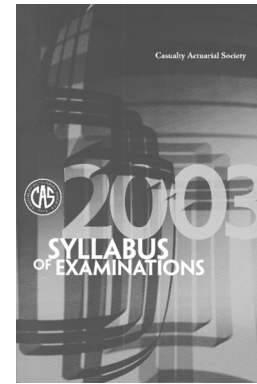
Casualty, (both individual and consolidated basis), pp. 2-13, Notes to the Financial Statement, 22-24; Schedules D (pp. 26-32 and E-08 through E-14), DM (p. E-23), F (pp. 38-45), H (pp. 46-48), P (pp. 49-107). Candidates will be expected to have knowledge of other sections of the annual statement that are discussed in other Syllabus readings.

Exam 8

"Value at Risk: Uses and Abuses" by Miller, Culp, and Neves is included in the Exam 8 Study Kit.

At the direction of the CAS Executive Council, the following three DFA readings will be deleted from the Exam 8 syllabus:

- "Building a Public Access PC-Based DFA Model" by D'Arcy,



Gorvett, Herbers, Hettinger, Lehmann, and Miller.

- "Using the Public Access DFA Model: A Case Study" by D'Arcy, Gorvett, Hettinger, and Walling.
- "An Integrated Dynamic Financial Analysis and Decision Support System for a Property Catastrophe Reinsurer" by Lowe and Stanard.✓

Exam 5 Supplemental Materials

The Examination Committee has announced that the ISO Personal Automobile Policy (Edition 6-98) will be provided to candidates with the Spring 2003 Exam. Candidates are expected to know how to use the policy as a reference. Questions will assume that candidates have a thorough understanding of the policy prior to taking the exam, as they will not have time to familiarize themselves with the policy during the exam.

This 12-page policy will be an exact reprint from the 2003 Study Kit. A candidate who is familiar with the structure of the policy should readily be able to find the pertinent sections.✓

CAS Announces 2003 Scholarship Program

The CAS is once again accepting applications for its scholarship program for college students pursuing a career in actuarial science. The CAS Trust Scholarship Program will award up to three \$1,500 scholarships to deserving students for the 2003-2004 academic year. The scholarship's intent is to further students' interest in the property/casualty actuarial profession and to encourage pursuit of the CAS designations.

To be eligible, an applicant must be a U.S. or Canadian citizen or permanent resident and admitted as

a full-time student to a U.S. or Canadian educational institution. Applicants must also have demonstrated high scholastic achievement and strong interest in mathematics or a mathematics-related field. To apply, visit the "Academic Community" section of the CAS Web Site at www.casact.org/academ/scholarship.htm.

Recommendations, transcripts, actuarial exam results, work experience, and written essays will all be considered in selecting the award recipients. Completed applications for the upcoming year

are due by May 1, 2003. Additional details on application requirements are available through the CAS Web Site.

Established in 1979, the Casualty Actuarial Society Trust affords CAS members and others an income tax deduction for funds contributed and used for scientific, literary, or educational purposes. Trust donations from 1997 to 2002 from D.W. Simpson and Company have totaled \$70,000 and helped the Trust balance reach a level that would support an annual scholarship program.✓

VP-Admissions

From page 2

cyclical depending on the attractiveness of other career options for mathematically oriented candidates. The ineffective ratio for Spring 2002 appears to have been an aberration as the result for Fall 2002 returned to its traditional level.

FF: Travel time reduction has been a goal of the CAS recently. A frequent candidate complaint is the once per year offering of Exams 5 through 9. Many candidates have seasonal spikes in workload that preclude them from getting study time for every fall sitting or for every spring sitting. Are you exploring ways to offer exams more frequently?

Myers: I certainly understand that conflicts between work and study can be difficult for some candidates to manage. On the other hand, we would have to nearly double the size of our 240-member Examination Committee in order to offer Exams 5 through 9 twice a year and that's really not practical. But the Future Education Task Force is looking at a number of issues related to different options for how we might deliver exams and it's possible that they would come up with an idea that would enable us to address this issue.

FF: Exam lengths vary from sitting to sitting. For long exams, a common candidate complaint is the "luck factor" associated with the selection of which questions to answer. A very well prepared candidate can lose time working on a long and/or faulty question and later leave questions blank and possibly fail the exam. A less prepared candidate may skip that long question and have time to finish the rest of the exam and pass. What

are your thoughts on exams that are too long to be finished by the average candidate?

Myers: I agree that a long exam has the potential to measure the wrong things. Of course the offsetting concern is that if the exam is too short, it won't adequately cover the syllabus. But on balance, I think we have historically given too much emphasis to syllabus coverage at the expense of exam length. Over the last several administrations, we've been making a stronger attempt to construct shorter exams (e.g., the 80-point Exam 6 offered in November 2001 and November 2002). Candidate feedback suggests that we're moving in the right direction but may not have gone far enough yet. However, candidates must understand that shorter exams will probably lead to a different type of "luck factor" by increasing the likelihood that we won't be able to ask questions on every paper with every administration.

FF: The CAS is in the process of developing learning objectives for each of the CAS-administered exams. This could go a long way in allowing students to use their study time more efficiently. Will those learning objectives be detailed enough to be used by the exam committees to prevent exam questions that are taken out of context or to prevent questions from less relevant sections of a particular reading?

Myers: Like the other parts of our improvement initiative, the learning objectives project is new and will probably evolve over time. I do think that learning objectives will give question writers better guidance on what types of questions to ask (or more importantly, what types of questions not to ask). But we'll have to see whether this and the question writer training project do enough to

focus our question writers on the right issues or whether we need to find other ways to provide question writers with more guidance.

FF: What are your major goals for your term as vice president-admissions?

Myers: There are really two major goals for the next couple years: to complete implementing the improvement initiatives identified through the Chauncey Group audit and complete the work of the Future Education Task Force. Then we'll implement whatever changes result from that effort.

FF: What is your biggest challenge in achieving those goals?

Myers: I think the biggest challenge is the volume of effort that's going to be needed from our volunteers to get all these projects done. We're really fortunate to have so many members of the CAS who are willing to volunteer their time (with support from their employers), and the CAS Office staff provides us with tremendous support as well! But there is a lot of work to be done over the next couple years, so we'll need to make sure we have enough volunteers to tackle this and be able to keep them energized to do a quality job while keeping these projects on schedule.✓

Important Dates

From page 1

Online Course: Intro to Financial Risk Management for Insurers

May 23-June 9, 2003

CAS Web Site

Seminar on Reinsurance

June 2-3, 2003

Loews Philadelphia Hotel
Philadelphia, Pennsylvania✓

Changing the Syllabus

By Nancy A. Braithwaite, FCAS

Like the Examination Committee, the Syllabus Committee members are assigned to individual exams. Each committee member is a part specialist with primary responsibility for their part. Each member is also responsible for the overall *Syllabus of Examinations* and votes on all proposed changes.

Annual Review of the Syllabus

In December, the part specialists review the input available to them (including candidate responses from the exam surveys), and formulate a preliminary review plan which they present to the entire committee for further input and comment. The Syllabus Committee senior part specialist works with the Examination Committee part chair to discuss any potential changes and to get feedback from those who create and grade the exams.

Over the next three months, part specialists review the papers being considered for addition, deletion, or revision, and further develop their recommendations. They will circulate papers being considered for change to their subpart or to the entire committee for comment. They will interact with authors, educators, and others to ensure that the best possible alternatives are considered. During this time, many sub group teleconferences are conducted, and much correspondence takes place.

In early spring, the whole committee meets once again. More detailed review plans with revisions are presented and status reports are given. If all of the research has been completed on some proposed changes, the whole committee may

vote on these changes at this meeting. For a change to be made, the entire Syllabus Committee must vote on the change.

For those recommendations that are not final, or those that are not approved by the full committee, research and review of papers continues until midsummer. Once again, during this time teleconferences and correspondence abound.

In midsummer, the full committee meets again and “final” votes are taken. Any recommendations that are not final at this time will be carried over until the next cycle. There are, of course, exceptions to this, in cases where a change is deemed too important to wait.

The recommendations approved by the full committee are then sent to the vice president-admissions who presents them to the executive council for approval. Once the changes have been reviewed and approved by the executive council, they are communicated to the membership and to all candidates. This notification is usually posted on the CAS Web Site in late July and included in the September issue of *Future Fellows*. The new *Syllabus* is then printed and distributed just after the fall exams.

This also answers the question: with a normal cycle, how much notice of changes is given? For Spring Exams, the notice is about nine months; for Fall Exams the notice is about 15 months before the exam date. Notification is always sent as soon as the changes are approved in order to give the candidates as much time as possible to prepare for the changes. Under the current arrangement, this means

that candidates for the Fall Exams will have more notification than candidates for the Spring Exams.

Major Change to an Exam Syllabus

When significant changes of topics are proposed, they require more input and review, often with the involvement of the Education Policy Committee, board of directors, and a board-appointed task force. Along with the longer process, there is often a longer notification period. A good example of this is the 2000 syllabus. The general structure was approved by the board and communicated to the membership in June 1997. Then the detailed Syllabus Committee process began, with specific readings being approved and communicated in February 1999.

There are sometimes exceptions even to this process. In December 2002, it was announced that the DFA section of Exam 8 would be removed effective with the Spring 2003 Exams. This decision by the executive council was the culmination of significant discussion among the Education Policy, Examination, and Syllabus Committees for more than a year. Once the decision was made it was communicated and implemented as soon as possible.

There is always a struggle to balance early notification with timeliness of changes. Hopefully, with a better understanding of the process, candidates will be equipped to better anticipate and use the information available to them.

Editor's Note: Ms. Braithwaite was the chairperson of the CAS Syllabus Committee for 1999-2001. ✓

News From the CAS Regional Affiliates

CABA—Casualty Actuaries of the Bay Area

CABA plans to have a meeting in March or April. Visit the “Regional Affiliates” section of the CAS Web Site for details.

CAE—Casualty Actuaries in Europe

The new CAE officer for the upcoming year is Karin Wohlgenuth, who succeeds Victoria Grossack as secretary-treasurer. Visit the “Regional Affiliates” section of the CAS Web Site for details on the CAE Spring Meeting.

CAGNY—Casualty Actuaries of Greater New York

“Save the date” for the Spring 2003 CAGNY Meeting, June 11 at the Downtown Association in Manhattan.

CAMAR—Casualty Actuaries of the Mid- Atlantic Region

The Fall 2002 CAMAR Meeting was held on December 4, in Philadelphia. Officer elections were also held. For the upcoming year, CAMAR officers will be Chris Tait, president; and Roy Shrum, vice president.

The Fall Meeting topics included the use of credit scoring in insurance, optional federal chartering, CAMAR’s mentoring program with Webster Elementary School in Philadelphia, and the Actuarial Foundation’s Advancing Student Achievement Program.

On January 29, 2003, CAMAR, in conjunction with the Insurance Society of Philadelphia, held its third “Lunch & Learn” session in Philadelphia. The topic was emerging regulatory, competitive, and actuarial issues in the international personal lines market.

The Spring 2003 CAMAR meeting is tentatively scheduled for Friday, June 27, in Baltimore.

Please see the “Regional Affiliates” section of the CAS Web Site for details on CAMAR Spring Exam seminars and the Spring 2003 Meeting. For more information, contact John Forney at jforney@pnat.com.

CANE—Casualty Actuaries of New England

The CANE Spring Meeting will be held on March 19 in Uncasville, Connecticut. Featured topics will include driver attitudes as a measure of risk, loss distributions, credit scoring, hiring and retaining entry-level students, and current issues. The agenda and registration form will be mailed to members and posted in the “Regional Affiliates” section of the CAS Web site.

CANW—Casualty Actuaries of the Northwest

The next CANW meeting will be in March 2003. For additional information, contact William Wilder at wiwild@safeco.com.

CASE—Casualty Actuaries of the Southeast

The Spring 2003 CASE Meeting will be held on April 1 in Nashville. Details will be mailed to all actuaries in the southeast and posted in the “Regional Affiliates” section of the CAS Web Site.

MAF—Midwestern Actuarial Forum

The MAF will hold its spring meeting at Zurich North America in Schaumburg, Illinois on March 12. Scheduled topics include a property/casualty market overview from the Insurance Information Institute, terrorism modeling, securitization, federal charters for property/casualty insurance companies, and a

discussion of AAA activity.

The minutes from the fall meeting, including electronic copies of all handouts, are available in the “Regional Affiliates” section of the CAS Web Site. You can also check the site for the Spring Meeting agenda and the latest on the MAF exam preparation seminars.

SCCAC—Southern California Casualty Actuarial Club

The Fall SCCAC Meeting was held on September 17. The general session featured a presentation by Todd Hess on Lloyd’s. Officer elections were also held. For the upcoming year, SCCAC officers will be Mike Rozema, president; Jeff White, vice president; and Craig Taylor, secretary-treasurer. For additional information on SCCAC, contact Craig Taylor at craig.taylor@milliman.com.

SWAF—Southwest Actuarial Forum

The SWAF 2002 Fall Meeting was held on December 3, in San Antonio. Sessions included presentations on Texas homeowners issues, CAS long-range planning issues, and IRS audits and loss reserving. The meeting ended with an amusing video covering the “Do’s and Don’ts of Dealing With the Media.” Officer elections were also held. For the upcoming year, SWAF officers will be Wendy Germani, president; Geoff Werner, vice-president; Lisa Sukow, secretary-treasurer; Eric Vaith, college relations officer; and Chris Norman, education officer.

The SWAF 2003 Spring Meeting is tentatively scheduled for June 2003 in Austin. Details will be e-mailed to southwest regional actuaries when they become available. For more information, contact Lisa Sukow at (210) 913-7202 or Lisa.Sukow@usaa.com. ✓

CLC Presence at CASE Fall Meeting

By Alejandra S. Nolibos, FCAS, Candidate Liaison Committee

The Candidate Liaison Committee (CLC) participated in the CASE (Casualty Actuaries of the South-east) Fall meeting in Atlanta. The candidates present at the event shared their concerns and suggestions about the exam process and the ACAS and FCAS designations. Here is a summary of what we heard.

Change, Travel Time, and Designation Value

Although candidates have, at times, expressed concern about a possible “dilution” of the value of the designation with increasing pass ratios, the candidates present at the CASE meeting were not worried about that possibility. One candidate went on to say that “actuaries have been brainwashed on the idea of exclusivity.”

Some suggested that pass marks for higher exams should be set according to learning objectives. However, candidates cautioned that this method of setting pass marks would not be fool proof, as the definitions of such objectives would need to be fairly narrow to be effective. It was suggested that the relevancy of each topic to practicing actuaries should be taken into account when determining learning objectives.

The value of pursuing the FCAS designation after becoming an ACAS was unclear to the students present at the CASE meeting. Some were considering alternative designations such as CFA after obtaining their Associateship.

One candidate worried that further changes in the examination structure may cause topics to shift among exams, and students to be tested on certain parts of the syllabus twice, as was the case after the 2000 changes.

One candidate perceived the

Society as making efforts to recruit new candidates, but spending relatively little energy retaining them.

Exams, the Exam Process, and Actuarial Education

The candidates’ main concern about the exam process was that it is “mysterious,” sometimes hampering the goal of educating future actuaries.

In particular, one candidate expressed concern about the current exam structure’s inability to educate actuaries who can communicate with business people and non-actuaries.

In addition to the comments about pass marks, the candidates perceived pass ratios as subjective, and were suspicious about the Society’s motives.

Candidates said they feel they have to learn every minute detail of every reading. They do not know whether points will be deducted in grading for missing irrelevant details, such as using a three-year simple average in a development method, when the author used a weighted average in his example. One candidate mentioned that she spent so much time memorizing outdated papers to prepare for exams that she did not have time left to keep up on current issues.

More generally, candidates were concerned that, as examiners “run out” of straightforward questions on a specific reading, they start to test more obscure topics. It was suggested that a “question bank” be created, containing questions that test the important concepts in each reading. These standard questions would be used as guides to create new exams, without regard to whether each question appeared in a prior edition. Candidates also objected to problems asking about minute portions of large calculations,

or questions that do not relate to the main issues presented in a reading.

One candidate mentioned that, if he were given a reasonable amount of time to complete each exam, his handwriting would be better, and graders would have an easier time reviewing his answers.

The decision not to publish old preliminary exams was thought to reduce the tools that candidates can use to learn the material, and is perceived by them as benefiting those taking college courses, especially regarding Exams 3 and 4. There was concern among the candidates present about the depth of knowledge of life contingencies required in those exams. (The CAS has since decided to offer a CAS-specific version of Exam 3.)

Other Suggestions and Concerns

The candidates also provided several suggestions on administrative aspects of the education process. They agreed that it would be best if the higher exams were offered in every sitting, and expressed some confusion as to when certain syllabus changes would become effective. In general, they supported moving towards Web-based services, such as e-mails letting them know when exam results are posted, electronic surveys with reminder e-mails, and electronic versions of *Future Fellows*.

They also suggested that exam essay sheets be preprinted with candidate and question numbers. As discussed on the front page of the December 2001 edition of *Future Fellows*, the CLC discussed this suggestion with the CAS administration, but it was concluded that it is not practical to implement at this time.

Continued on page 8

Q&A Candidate Liaison Committee Responds

CAS candidates may submit inquiries to the Candidate Liaison Committee members who then present the questions to the appropriate person or committee. Below are some abbreviated inquiries and the responses that were sent directly to candidates.

Q: Many things are wrong with the exams, but I feel that the CAS is making some positive changes. One of these changes is the development of learning objectives. Exam committees should develop a “bank” of test questions, where all questions from a particular paper that satisfy the learning objectives are listed. From an exam-taker’s perspective, it seems that exam writers think that some questions are too basic or have been used too many times, so they write trickier questions covering the more obscure material. There are many concepts that all students should know, and there is no reason to ask unique questions from every paper with each exam.

A: You have expressed an interesting idea that is timely and

worthy of discussion. The CAS has a task force on education. The task force is discussing which topics should be covered in basic education, the education method to convey the topics, and how mastering of these topics will be evaluated. We will forward your idea to the CAS Future Education Task Force for their consideration.

Q: The CAS should offer the upper-level exams twice a year. Offering exams once a year adds length to the FCAS travel time. For example, a candidate who fails Exam 5 spends the next few months studying for Exam 6. When the candidate starts studying to retake Exam 5, she has forgotten much of what she learned a year ago. Also, if a candidate fails Exam 7 on her first attempt, the ACAS and thus FCAS are delayed at least another year. In not sitting for a fall exam the candidate loses the study habits that will be necessary for success. The response I expect from the CAS is that it will be too demanding on volunteers to offer these exams more than once a year.

A: While your concern is understandable, your request is virtually impossible at this time, given the methods used by the CAS to develop examination questions and grade CAS examinations. Currently, this work is done completely by volunteers from the CAS Fellows ranks. The personal time commitment of the CAS Examination Committee is very high already. Even if the CAS could staff a second committee to administer the second sitting each year, this could lead to other problems such as consistency of the quality and coverage of the examination between sittings. Your concept is not out of the question for the future, however, and will be forwarded to the Future Education Task Force.

Q: In spring 2002, I sat for the new Exam 8. I knew this material better than any exam I have ever taken, not only from study, but from practice. I was prepared to ace this exam, until I got to question #9, the “Q” question. Regretfully, I knew

Continued on page 9

CASE Meeting

From page 7

What’s Next?

There are several CAS committees and task forces already at work on some of the issues raised by the candidates at CASE. The CLC will continue to collect feedback from candidates (see the box to the right to learn more) and forward it to the appropriate CAS committees for their consideration.

What’s Your Priority?

The Candidate Liaison Committee wants to hear from you! We have prepared a list of the most often heard candidate concerns, and would like to know how important each is for you. The “What’s Your Priority?” feedback form will be available under “Future Fellows” in the “Exams” section of the CAS Web Site (www.casact.org).√

Check Your Exam Status

Verify your exam status in the “Exams” section of the CAS Web Site (www.casact.org). It is important that credit for joint CAS/SOA Exams 1-4 is properly recorded.√

Q&A

From page 8

exactly how to solve it. I say regretfully since this question was clearly faulty and worth too many points to just blow off and assume it was faulty. I assumed, as with most “trick questions,” that once I began solving the question, the trick would become apparent, but it never materialized. To my detriment I had wasted too much time on this question. Time ran out...a 5 again!

The CAS cleverly posted the answers very late so that there would be little or no chance for anyone to appeal, because any potential appeals would be forgotten, and most of us were already two months into studying for Exam 9, and we don't get a copy of our answers which we can compare to the model answer.

The CAS then, without warning, dropped nearly half the material from Exam 8 and added all new material in its place, essentially taking away our competitive advantage over new candidates taking the exam for the first time.

The CAS may hide behind the banner of “education improvements,” but this change without warning was simply not fair. Even two papers with identical subject matter but with different authors will

have very different potential questions depending on what exhibit, illustrations, and examples are given by the authors.

I would like to ask the CAS to do a few things:

- In the future, allow candidates at least one exam sitting time notice that an exam will have more than 25 percent change in readings.
- Stop asking questions that test minute details of a reading while sometimes ignoring the major issues and subject matter contained therein.
- Let the candidates know if and when this attitude change has happened so they can focus on learning instead of detail gathering.

A: To address your concern regarding the timing of changes to the *CAS Syllabus of Examinations*, please refer to “Changing the Syllabus” on page 5. Your suggestion may work in some instances but it also may result in delays in changes to the syllabus, leaving stale material on the examination when better material is available. Stability and responsiveness must be balanced within the syllabus and that is one of the goals of the Syllabus Committee.

The CAS Syllabus Committee has been developing learning objectives for each exam with the

assistance of an expert in this area of learning. That process will be finished within the next six months for all the CAS-administered exams. One of the benefits of such learning objectives are better examination questions that are focused on the key points of the material and less on rote memorization. The CAS Examination Committee has members on each examination part who are subject-matter experts that review the examinations as they are being drafted. These subject-matter experts try to weed out questions that are focused on the trivial or where experts on the subject matter may differ as to the correct answer. The process is not foolproof, but the committee strives to put the best examination together for each sitting and to mark the examinations as fairly as possible.

The CAS Examination Committee extends the appeal deadline whenever the answer key is posted late. That was the case, for example, for Spring 2002 Exam 8. When the sample essay answers were posted, it was also announced in the same place on the CAS Web Site that the appeals deadline would be extended. This allowed candidates one month from the time of the posting, which is the standard timeframe used for each exam administration.√

Course on Professionalism Location Chosen

Candidates Encouraged to Register Early

The CAS Course on Professionalism will be offered in June 2003 in Chicago and Philadelphia. The dates will be posted in the “Exams” section of the CAS Web Site (www.casact.org) when they are available.

Candidates must successfully complete this course before they can become members of the Casualty Actuarial Society. Candidates are urged to register for this course when they have passed five or more CAS examinations. Each course is limited to 60 participants. Early registration is recommended.√

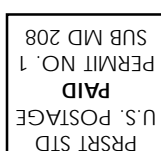
Results of Fall 2002 CAS Examinations

Summary of Fall 2002 Examinations

Exam	Number of Candidates	Number of Passing Candidates	Number Below 50% of Pass Mark (Ineffective)	Effective Pass Ratio
1	4,740	1,713	616	41.5%
2	2,758	1,360	131	51.8%
3	1,765	705	139	43.4%
4	1,283	739	57	60.3%
6	543	217	91	48.0%
9	299	138	25	50.4%

Summary of Fall 2002 Examination Survey

Exam	Percent Responding	Syllabus Coverage <i>Inadequate (1) to Adequate (5)</i>	Exam Clarity <i>Not Clear (1) to Very Clear (5)</i>	Exam Length <i>Too Short (1) to Too Long (5)</i>	Exam Difficulty <i>Easy (1) to Difficult (5)</i>	Exam Quality <i>Poor (1) to Excellent (5)</i>
1	27	3.6	3.4	3.6	4.0	3.5
2	27	3.7	3.5	3.2	3.5	3.5
3	28	3.6	3.3	3.5	3.8	3.2
4	27	3.8	3.6	3.2	3.2	3.6
6	36	3.8	3.6	3.6	3.6	3.5
9	41	3.0	2.9	4.1	3.7	2.8



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