

**MINUTES**  
**CAS BOARD OF DIRECTORS TELECONFERENCE**  
**August 9, 2011**

**PRESENT**

Directors: Jeanne Crowell, Richard Delaney, Wayne Fisher, Beth Fitzgerald, Richard Goldfarb, Stan Khury, Ronald Kozlowski, Andy Kudera, Morton Lane, Kathryn Morgan, Arlie Proctor, Kenneth Quintilian, Alice Underwood.

Board Chair: Roger Hayne  
President: Ralph Blanchard  
President Elect: Patricia Teufel

American Academy of Actuaries Liaison to the CAS Board: Tim Wisecarver  
Canadian Institute of Actuaries Liaison to the CAS Board: Christopher Townsend

Vice President-ERM: Barry Franklin  
CAS Executive Director: Cynthia Ziegler

Other Attendees: Michael Boa, Director of Communications and Marketing, CAS Staff.

Excused Directors: Eugene Connell, Mavis Walters.

Roger Hayne called the teleconference to order at 11:00 a.m. EDT on August 9, 2011.

**CERA APPLICATION**

Roger Hayne introduced Vice President-ERM Barry Franklin and asked Barry to brief the Board on the issues related to the CAS application to the Global CERA Review Panel for CERA award signatory status.

Barry reported on the results of a recent teleconference held between CAS representatives and the CERA review team assigned to review the CAS application. The goal of the call was to provide CAS with an understanding of steps it needs to take to prepare its application for approval.

Based on the discussion, it was clear that the CAS application would need to be changed. The CERA review team assigned to us was not comfortable with our current basic exam structure relative to the CERA syllabus requirements, even if we added syllabus readings and a rigorous seminar as part of the core CERA educational process. The review panel has indicated a clear preference for fewer, more integrated syllabus materials and a single proctored exam as opposed to the CAS approach of a variety of materials spread across multiple exams.

Barry outlined options for the CAS next step. He suggested that one option would be to stay the course with the current approach; however, this is not likely to result in approval. Another option would be to modify the application by immediately replacing the RM-57 exam requirement in the current application with the UK ST-9 exam and offering a preparatory seminar geared toward teaching the ST-9 material and testing approach (i.e., mirror the Australian model). The advantage of this approach is that CAS could possibly get the review panel's approval in the short term and secure approval from the CERA board shortly thereafter. A significant downside is that CAS cedes control over a critical exam to a third party. Another downside is that those candidates who have already sat for RM-57 would not receive credit within the CAS for their effort, aside from earning continuing education hours. The long term advantage of this approach is that CAS could potentially become an award signatory quickly and continue to work toward a modified approach based on CAS exams.

The EC discussed the options during its July meeting and recommended that the Board authorize the second option outlined above, replacing the RM-57 exam requirement with the UK ST-9 exam and offering a mandatory preparatory seminar for candidates. The CAS ERM Committee supports this direction, as does the group of admissions committee leaders who have been working with Barry on the CERA application. The recommended approach is the least disruptive to the CAS syllabus and exam process, accomplishes the CAS Board directive to secure approval at the earliest possible juncture, and leaves the door open for future adaptations of an alternative CAS process. The hope is that the CAS view of integrating ERM throughout the basic education syllabus can be incorporated in this future alternative process.

There were questions related to the Experienced Practitioner Program (EPP) that would grant CERA to qualified individuals with significant experience in risk management, and a brief discussion ensued. It was explained that the CAS EPP would be referenced in a revised application but it will not be approved as part of award signatory status. The EPP portion of the application will be reviewed at a later date.

**There was a motion that the Board authorize the second option outlined above, replacing the RM-57 exam requirement with the UK ST-9 exam and offering a mandatory preparatory seminar for candidates.**

The motion was approved unanimously with 16 voting in favor.

There was a discussion related to the need for a communication plan to inform the membership. Ralph Blanchard explained that he is working with Mike Boa to develop an announcement as part of a broader communication plan. There is a preference for waiting until there is an indication that the Review Panel will look favorably upon the revised CAS application, in the event that further changes are needed.

Roger and Barry thanked the Board for its attention to this matter and participation in an interim teleconference between scheduled meetings.

The teleconference was declared adjourned at 11:45 a.m. EDT.

Respectfully submitted,

Michael Boa  
Director of Communications and Marketing

Approved: \_\_\_\_\_