

**CASUALTY ACTUARIAL SOCIETY
1987 MEMBERSHIP SURVEY**

**REPORT OF THE TASK FORCE
EXECUTIVE SUMMARY OF HIGHLIGHTS**

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EXECUTIVE SUMMARY OF HIGHLIGHTS

As the membership of the Casualty Actuarial Society expands and diversifies, it is critical that the CAS leadership stay in touch with the needs of its members. The 1987 Membership Survey was intended to assist the leadership in this communication effort, and to provide input on future directions for the CAS. This survey solicited the opinions, attitudes, and priorities of all CAS members and of approximately one hundred students actively taking CAS examinations. The Report of the Membership Survey Task Force summarizes the survey results; complete tabulations of responses are available as an Appendix to the Report.

One of the most exciting results of the survey is the level of interest it generated. For example, more than 62% of those surveyed responded, many with lengthy written comments in addition to complete responses to the multiple-choice questions that formed the body of the survey. More importantly, the level of interest in the survey, and the nature of the survey responses, provides a clear indication that CAS members are vitally interested in the Society, in how it is run, in the roles it plays, and in the ways it educates its members.

Information sought in the survey fell into seven general categories:

- o Demographics and miscellaneous
- o Actuarial issues
- o CAS activities and organization
- o Education: Fellowship and beyond (continuing education)
- o CAS examinations
- o Publications and papers
- o Meeting sites/attendance/content

Demographics and miscellaneous

The average casualty actuary is five feet ten inches tall, weighs 174 pounds, and wears size nine-and-a-half shoes. Chances are that he or she works at an insurance company and has management and technical responsibilities for pricing and estimating liabilities. The actuary typically has attained his or her most recent CAS designation, FCAS or ACAS, within the past ten years. Most actuaries studied mathematics, and many have advanced degrees. Of the survey respondents, 12% are female, with the proportion increasing in more recent years.

If casualty actuaries could not be actuaries, most would be something else. Leading alternative career fields include education, law, computers and data management, athletics, medicine, and engineering. If all finance-related careers were grouped under one heading, "finance" would be the leading alternative career preference.

Actuarial issues

The majority of respondents (72%) believe there should be formal standards of practice. Close to half (42%) of the respondents believe there is not sufficient formal monitoring and discipline of actuaries' work. The same percentage of respondents believe the actuarial profession should pursue legislative approval, licensing and accreditation of a designation of certified actuary.

Almost half of the respondents (48%) indicate they would not support unification of the five North American actuarial bodies. Twenty-nine percent would support unification, and the remaining 23% are undecided or did not respond.

Most respondents (84%) believe that valuation issues are important to the CAS and its members. Although most respondents understand some of the concepts, most of them want to learn more about various areas of actuarial valuation.

Most casualty actuaries favor showing discounted reserves and bond market values in the annual statement, but many would show undiscounted reserves and amortized bond values as well.

Asked to list the most important issues facing the CAS during the next five years, respondents list professional standards and professionalism most often. Other issues cited frequently include education of actuaries; the public image of actuaries; and the organization, role, and functioning of the CAS. Respon-

dents also list issues facing the insurance industry more generally, including loss reserves, regulatory issues, ratemaking, and valuation.

CAS activities and organization

Most respondents (77%) are satisfied with election procedures; more recent members tend to be less satisfied. The most common suggestions for changing the election procedures are to give Associates voting rights; to hold elections for Vice Presidents; and to allow candidate nomination by members at large.

Representation by the Board of Directors is rated good or excellent by half of the respondents, with 30% having no opinion on this subject.

Dues are paid by employers for the great majority (90%) of respondents, and most casualty actuaries believe they are getting their money's worth for their dues. Employers pay exam fees in many or most cases as well, and again respondents generally believe the fees are about right. Students and individuals who pay their own fees are more likely to judge the fees too high.

While many CAS members are serving on committees currently (23% of respondents), an even larger pool (48%) would join a committee if asked. These results are presumed to overstate the characteristics of the entire population somewhat, since active members are more likely to have completed the survey.

Respondents believe the CAS should maintain or increase emphasis on each of the categories listed in the survey. Public relations and continuing education were selected for increased emphasis most often; lobbying least often.

Respondents prioritize listed activities in the following order: develop practical research; improve the syllabus; clarify actuarial principles; expand continuing education; clarify standards; improve examinations; broaden research; attract qualified individuals; improve CAS meetings; unify the profession; and, last, broaden membership services.

Education: Fellowship and beyond

Most respondents (62%) believe the CAS should provide opportunities for continuing education, and an additional 26% favor guidelines. However, only 7% of the respondents believe the CAS should establish mandatory requirements for continuing education.

Most members have attended a CAS meeting, regional affiliate meeting, or special interest meeting within the past three years.

CAS examinations

Many respondents suggest changes to at least some part of the examination process. While the overall educational content of the syllabus is characterized as good or excellent by 70% of respondents, many respondents note the need for updating. Sixty-four percent judge the volume of material about right, and 31% judge the volume too great.

More than half of the respondents recommend increasing the syllabus emphasis on financial operations, reinsurance, and loss distributions. In addition, topics related to Finance are most often listed as important for addition to the syllabus. Seventy-four percent of respondents feel they are sufficiently informed of syllabus changes; 24% do not.

Part 7 of the CAS exams is most frequently selected by respondents as the part having the best syllabus, while Part 8 is most frequently chosen as having the worst syllabus. Parts 1 and 2 of the examinations, which are professionally administered, are judged to be of somewhat higher quality ("moderate" to "high") than Parts 3 through 10 ("moderate" quality).

An overwhelming majority of respondents (82%) believe that the CAS exams place too much emphasis on memorizing details, and a majority also believe that the exams place too little emphasis on conceptual understanding and problem-solving abilities. While 41% of the respondents favor breaking the CAS examinations into smaller units, 36% do not.

Sixty percent of respondents oppose granting exam credit on the basis of college course work. Thirty-one percent favor granting credit for Part 1 or Parts 1-3, and only 4% favor granting credit for Parts 4 through 10.

Publications and papers

Most respondents (68%) are satisfied with the frequency (quarterly) of the Actuarial Review, and most (64%) prefer the hard-bound Proceedings format. Although the vast majority of respondents use the Proceedings as a reference periodically, only 35% use it more than twice a year. Unavailability of an index and irrelevance of the papers are the most common reasons for not using the Proceedings.

Most respondents believe that CAS papers are generally relevant, free of major error, and understandable, and that they warrant publication. A minority of respondents believe the papers generally strike the right balance between theoretical and practical.

The vast majority (94%) of respondents think the CAS should encourage the writing of papers for the Proceedings. Most often, solicitation of papers on specific topics is recommended as a way to accomplish this. More than half (57%) of the respondents do not know whether the review process for Proceedings papers is too stringent.

Meeting sites/attendance/content

Most of the respondents attend one meeting every one or two years. More recent members attend meetings more frequently.

The most important factor in a decision to attend a CAS meeting is the program and topics. Employers' policies on attendance is next, and site third. Entertainment is the least important of

the factors listed. Reasons for attending a meeting include education (cited by 88% of respondents), business contacts (75%), social contacts (61%), and rest and relaxation (50%).

Survey responses do not reveal strong sentiment for altering the proportion of panels and workshops at CAS meetings: thirty-nine percent recommend no change, and 28% are undecided. Twenty-five percent would prefer more workshops, and 8% would prefer more panels. A significant majority of respondents (81%) favor the continued use of paid outside speakers.

Extending the November meetings to two and one-half days is favored by 48%, opposed by 22%.

California is viewed as the most interesting meeting site, followed by the Southwest and southern Florida; the Midwest is least interesting to respondents. Cities, resorts near cities, and isolated resorts attract approximately equal levels of interest among respondents.

Entertainment factors at a meeting site generally are of little interest to respondents. None of the extracurricular activities or facilities listed is of considerable importance to more than one-fourth of the respondents.

TWO PANELS PRESENTED AT THE MAY 1987 CAS MEETING

At our May, 1987 meeting, we had two panels. The first was a panel on the McCarran-Ferguson Act which provided insights from several individuals on the future of the McCarran-Ferguson Act and the impact on insurance if it should be modified or repealed. The second panel was on the way insurance companies are rated. This provided insight into the way in which certain rating organizations assign a particular grade to an insurance company.

The Actuarial Forum will publish transcripts of panels presented at CAS meetings and at regional affiliate meetings. This publication will provide those who attended the panel a way to review what was said and those who were not able to attend a flavor for the discussion.

