

C R U S A P

CRITICAL REVIEW OF THE U.S. ACTUARIAL PROFESSION

The Profession at the Crossroads

October 10-11, 2005

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Washington, DC

American Academy of Actuaries

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CRITICAL REVIEW OF THE U.S. ACTUARIAL PROFESSION

2005 Annual Meeting
40 Years of Service to the Profession and the Public
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CRITICAL REVIEW OF THE U.S. ACTUARIAL PROFESSION (CRUSAP)

PROGRESS REPORT

I. Background

II. Scope

III. Approach

IV. Plan

V. Concluding Remarks

PRESIDENTIAL TASK FORCE

- **Authorized In Academy Bylaws**
- **Endorsed By Board In May '05**
- **Academy Board Includes The President/President-Elect's Of Other U.S. Actuarial Organizations**

TASK FORCE MEMBERS

- **Fred Kilbourne, Chairperson**
- **Bob Collett**
- **Guy King**
- **Jim Rech**
- **Terri Vaughan**

ADVISORY PANEL MEMBERS

- **For Every 2 Actuaries, 1 Non-actuary**
- **Includes All Practice Lines**
- **Former Regulators**
- **Former ASB Members**
- **Former ABCD Members**

CHARGE

- **Focus on Identifying the Actuarial Needs of the Public and Whether They Are Being Met**

WHY?

- **Morris Report**
- **Globalization**
- **Shifts In The Nature Of Retirement Plans**
- **Accounting Scandals**
- **Health Insurance Questions**
- **New Fields**

CRUSAP'S Substantial Independence

II. SCOPE

THE ACTUARIAL NEEDS OF THE PUBLIC

- **What Are Those Needs?**
- **Can Actuaries Meet Them?**
- **Would Someone Else Be Better?**

ACTUARIAL EDUCATION

- **Who Should Provide Basic Education?**
- **Who Should Provide Continuing Education?**
- **How Should Each Be Changed?**

PROFESSIONAL CONDUCT

- **Qualification Standards And Credentials**
- **Actuarial Standards Of Practice**
- **Other Precepts Of The Code**

ACTUARIAL GUIDELINES

- **Counseling**
- **Discipline**
- **Cooperation**

USER EDUCATION

- **Communications**
- **Marketing**
- **User Input**

UNCERTAINTY

- **Statistical**
- **Environmental**
- **Communicating Uncertainty**

REGULATION

- **Self-Regulation**
- **External Regulation**
- **Input From Non-Actuaries**

ACTUARIAL ORGANIZATIONS

- **Advantages Of Multiple Organizations**
- **Disadvantages Of Multiple Organizations**
- **Finding The Right Number**

III. APPROACH

- **Utilize ERM To The Extent Possible Together With Management Consultant Techniques**

- **Identify Major Risks To The Profession (For Example, Loss Of Credibility Among Key User Groups Or Regulators)**
- **Identify Major Opportunities (For Example, Speaking Out On Social Insurance And Other Govt. Programs)**

IV. PLAN

DELIVERABLES

- **I.D.**
 - **Task Force (5/31)**
 - **Advisory Panel In Two Stages (6/30 And 8/31)**
- **First Progress Report (10/10)**
- **Second Progress Report (12/15)**
- **Draft Report (4/06)**
- **Final Report (9/06)**

METHODS/INPUT

- **2-stage Development Of Survey**
- **Focus Groups At Annual Meeting**
- **Survey Inside And Outside Profession**
- **Follow-up Interviews**
- **Literature Search**
- **Efforts By All Actuarial Orgs.**

ROLES

- CRUSAP TF
- CRUSAP AP
- CRUSAP Staff
- Analysis Of Responses
- Review
- Writing
- More Review

GET INVOLVED

- **CRUSAP TF and AP Members Seek Input From:**
 - **All Throughout The Profession And**
 - **Those Outside The Profession Who Are Interested In The Profession And The Services Provided By The Profession**

V. CONCLUDING REMARKS