

Report to the Board of the American Academy of Actuaries By the Strategic Planning Committee

Final Version with Appendix for Board Approval

September 12, 2007

Section I. Introduction

*There is a river flowing now very fast.
It is so great and swift, that there are those who will be afraid.
They will try to hold on to the shore.
They will feel they are being torn apart and will suffer greatly.
Know the river has its destination.*

*The elders say we must let go of the shore, push off into the middle of the river,
keep our eyes open, and our heads above the water.*

And I say, see who is in there with you and celebrate.

*At this time in history, we are to take nothing personally, least of all, ourselves.
For the moment that we do, our spiritual growth and journey comes to a halt.
The time of the lone wolf is over.
Gather yourselves!
Banish the word struggle from your attitude and your vocabulary.
All that we do now must be done in a sacred manner and in celebration.*

We are the ones we've been waiting for.

A Hopi Elder
Oraibi, Arizona

This document contains the recommendations of the Strategic Planning Committee to the Board of Directors.

Background: The Academy's Committee for Strategic Planning reports to the President, and has the following charge in the yearbook:

This committee is responsible for monitoring the implementation of and suggesting revisions to the strategic plan. This involves working with the Academy staff, various committees, and the Board of Directors in administering an annual planning cycle. This committee is also responsible for identifying new strategic issues for consideration by the Board of Directors and for participating appropriately in profession-wide long-term planning.

The Committee has, in recent years, been chaired by the President-Elect, with the President participating as a committee member. The current strategic plan development process has taken place over two years. The resulting roster thus includes committee members from both years:

Michael Abroe
Robert Beuerlein (2006-7)
Bill Bluhm, Chair (2006-7)
Steven Lehmann, Chair (2005-6)
Bob Miccolis
Mary Miller
John Parks
Peter Perkins (2005-6)
Allan Ryan (2006-7)
David Sandberg
Geoffrey Sandler (2005-6)
John Schubert (2006-7)
Donald Segal
Thomas Terry (2006-7)
Timothy Tongson
Staff Liaison: Kevin Cronin

The strategic planning process was begun in earnest with a teleconference on August 15, 2006, followed by a two day leadership meeting, held in Washington DC on September 26-7, 2006. The Strategic Planning Committee met again by conference call on October 19, in person on November 1-2, by conference call December 4, in person on December 20, and by phone on January 22. The Board considered the work as of its January 31, 2007 meeting, and provided guidance to the SPC. This document was made final at the Committee's May 8th meeting.

The Board discussed the document and informally approved portions of it at its May 22, 2007 meeting, and the Executive Committee discussed the complete plan (including the one section not addressed by the Board) at its August, 2007 meeting. The Strategic Planning Committee met again by conference call on September 12, 2007. This draft represents the report of the Strategic Planning Committee to the Board at its October Meeting.

Section II. The Academy's Strategic Plan

Mission

The Academy's mission is to serve the public on behalf of the United States actuarial profession.

To accomplish this, the Academy:

- > Provides independent and objective actuarial information, analysis, and education for the formation of sound public policy;*
- > Proactively identifies and addresses issues on behalf of the public in matters where actuarial science provides a unique understanding;*
- > Increases the public's understanding and recognition of the value of the actuarial profession;*
- > Facilitates and coordinates issues of common interest among the U.S.-based actuarial associations;*
- > Provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; and*
- > Coordinates the representation of the US profession globally.*

Vision

Actuaries are recognized as preeminent experts in risk and financial security. As the public voice for the United States actuarial profession, the Academy has been the focal point for the realization of this vision.

Visions for the Core Functional Areas

1. Professionalism:

The profession's publics acknowledge and respect the exceptionally high level of integrity and competence demonstrated by actuaries.

2. Public Policy Advising Policymakers:

National, international, and other public policy makers look to the Academy for leadership, objective expertise, and practical advice on risk and financial security issues.

3. Advocacy in the Public and the Profession's Interest:

The Academy identifies and advocates on appropriate issues in the public interest. The public and policymakers value the Academy's role. U.S. actuaries are recognized by legislation and regulation as experts in a growing number of areas.

4. Recognition and Communication:

All key audiences recognize the value of the actuarial profession, the Academy's activities, and the MAAA designation. Employers see actuaries as experts in risk, and seek actuaries as members of their management teams.

5. Coordination and Representation:

All actuaries in the United States recognize the value of the Academy and are members. The Academy leads an effective and cooperative coalition of U.S.-based actuarial organizations.

6. International Representation

The Academy effectively coordinates representation of the U.S. actuarial profession in the international arena.

7. Member Services

The Academy achieves high levels of member satisfaction.

8. Governance and Management

The Academy works effectively and efficiently, both internally and with other actuarial organizations, to manage resources. The Academy meets high performance standards.

Strategic Goals and Initiatives

Annotation Notes:

Notational convention:

Level 1 (n.): Core Functional Area
Level 2 (n.n): Strategic Goals
Level 3 (n.n.n): Initiatives

Priority indicators:

(1) = Highest priority, needs action this year
(2) = High priority, act if resources exist
(3) = Not immediate priority; to be revisited

1. Professionalism:

1.1. Collaboratively lead the professionalism activities of the U.S. actuarial profession.

- 1.1.1. ASB and ABCD: Work with CUSP to clarify accountability and independence (1)
- 1.1.2. Explore feasibility of expanded peer review guidance, including possible requirements (3)
- 1.1.3. Strengthen the connection of Council on Professionalism to CUSP (1)

1.2. Build and maintain standards of qualification, practice, and conduct for the profession.

- 1.2.1. ASB: Communication initiative (1)
- 1.2.2. ASB: CUSP initiative to work with ASB to articulate and communicate an appropriate philosophy and process to improve actuarial practice (1)
- 1.2.3. Have CUSP involved in orientation of new ASB members (1)
- 1.2.4. Support ASB operations (1)
- 1.2.5. Support CoQ operations (1)

1.3. Ensure compliance with the profession's standards through a fair and rigorous counseling and discipline process.

- 1.3.1. Disciplinary consistency initiative (changing the model) (2)
- 1.3.2. ABCD: Communication initiative (1)
- 1.3.3. Support ABCD operations (1)
- 1.3.4. JBEA/ABCD initiative. Exploration of potential reporting by JBEA to ABCD (2)

1.4. Inspire and enable our members to attain and keep a high level of professionalism in their work.

- 1.4.1. Develop an initiative on whistleblower protection, precept 13, and the public interest (CRUSAP issue) (3)

1.5. Advocate the profession's professionalism standards and discipline process to our publics and regulators, both within and outside of the U.S.

- 1.5.1. Develop and implement a communication plan (1)

1.6. Promote and coordinate a consistent and evolving Continuing Education standard in the U.S.

1.6.1. CUSP Initiative (1)

1.7. Facilitate coordination of profession-wide professionalism education.

1.7.1. Explicit roles for the Academy at SOA and CAS professionalism courses (2)

1.7.2. Coordinate professionalism CE availability for all organizations (1)

2. Public Policy; Advising Policymakers:

2.1. Strengthen our reputation as the major source of unbiased technical advice to Congress and the executive branch, on matters within our expertise.

2.1.1. Practice Council Focusing Initiative (1)

2.1.2. Fellow Program (1)

2.1.3. Objectivity and quality process review (1)

2.2. Be recognized by certain non-governmental, standard-setting, and policy-making bodies at the state, national, and international level as the major source of unbiased advice on matters within actuarial expertise.

2.2.1. NAIC working and strategic relationship management (1)

2.2.2. Identify key bodies with whom the Academy should establish meaningful relationships and establish priorities (1)

2.3. Promote awareness of and participation in public policy issues by our members.

2.3.1. Members as target audience (1)

2.3.2. "Qualified Spokesperson" Initiative (2)

2.3.3. Creating increased interest through regional clubs in public policy issues (3)

3. Advocacy in the Public and the Profession's Interest:

3.1. Be an effective voice advocating for the public on appropriate topics in the public interest.

3.1.1. Create the Public Interest Committee (1)

3.1.2. Develop a communication plan

3.2. Pursue laws and regulations that recognize the MAAA credential as the sole credential, in both state and federal laws and regulations, needed to practice in our areas of expertise.

3.2.1. Expand "qualification recognition" initiative (2)

3.2.2. Collaboration in setting educational standards for EA, ASA, and ACAS (and therefore MAAA) (1)

3.2.3. Organize a standing committee to communicate with legislators and regulators so that they recognize the value of the MAAA credential in legislation and regulation (1)

4. Recognition and Communication:

4.1. *Facilitate, develop, implement, and monitor a profession-wide comprehensive communication plan that is both efficient and consistent with this strategic plan.*

- 4.1.1. Comprehensive review of the Academy's (the profession's?) communications (CRUSAP recommendation) (1)
- 4.1.2. Taking our brand to policymakers and other key audiences initiative (1)
- 4.1.3. Taking our brand to employers initiative (1)
- 4.1.4. Develop and annually update a Board-approved "message to the profession," articulated in a speech for use by all board members (1)

4.2. *Build a collaborative, profession-wide process and structure that will take appropriate advantage of all media opportunities, including public communication crises.*

- 4.2.1. Prepared Statement Initiative. Prepare and update initial responses on major issues to be used in crises or breaking news stories (1)

4.3. *Continually assess, improve, and report on communications with key audiences, for the Academy and, in coordination with other actuarial organizations, the profession.*

- 4.3.1. Academy leader speeches initiative (2)
- 4.3.2. Actuarial Profession Website (CRUSAP recommendation) (3)
- 4.3.3. Website improvement initiative (1)

5. Coordination and Representation:

5.1. *Make Academy membership universal for U.S. practicing actuaries.*

- 5.1.1. Make membership automatic with membership in other organizations (1)

5.2. *Promote the value and relevance of actuarial expertise.*

- 5.2.1. Provide amicus briefs in support of the profession when relevant (2)
- 5.2.2. Represent the profession to other national and international organizations with respect to areas in our mission (1)

5.3. *Create additional value for membership.*

- 5.3.1. Regular market research initiative—members, employers, public (1)
- 5.3.2. Communication of value program (1)

5.4. *Explore and pursue appropriate opportunities for expanding the boundaries of membership in the profession.*

- 5.4.1. Explore equivalent education from other organizations' initiatives. (Such as ERMII) (2)

5.5. Promote an efficient and effective U.S. actuarial profession, and a heightened spirit of collaboration among all U.S.-based actuarial organizations to achieve that.

- 5.5.1. Create the CUSP as an Academy committee of special directors (1)
- 5.5.2. Host and facilitate CUSP process, including: (1) U.S. profession-wide issues, (2) elimination of unnecessary duplication of services, and (3) communication of CUSP with the profession (1)
- 5.5.3. Ensure appropriate responses to recommendations in the CRUSAP report. (1)
- 5.5.4. Pursuit of coordinated profession-wide meetings calendar (1)
- 5.5.5. Joint meetings, Webcasts, etc. (1)
- 5.5.6. Have Academy board members appointed as official representatives to member organizations' board meetings (1)
- 5.5.7. The Academy generally looks to the other U.S.-based organizations for logistical administration of CE programs (Not considering the AM and Leadership Mtg as CE) (1)

6. International Representation:

6.1. Facilitate development of U.S. and North American coalitions with respect to international matters. Pursue, coordinate, and communicate on those objectives.

- 6.1.1. Provide administrative support to NAAC (1)
- 6.1.2. Develop, pursue, and manage an appropriate international strategy (1)
- 6.1.3. Coordinate and support IAA representation for the Academy and the U.S. actuarial profession (1)
- 6.1.4. Take leading role in professionalism matters internationally (2)
- 6.1.5. Explore feasibility of developing a relationship with IAIS (1)
- 6.1.6. Explore feasibility of developing relationships with other international organizations (IASB, World Bank, ...) (2)
- 6.1.7. Pursue international mutual recognition initiative (3)
- 6.1.8. Initiative on communication with members about international activities (1)
- 6.1.9. Create strong linkages between Practice Councils and IAA

6.2. Achieve full (un-asterisked) membership in IAA (1)

7. Member Services:

7.1. Promote and facilitate member volunteer participation in the Academy's work.

- 7.1.1. Volunteer Resources Initiative (1)

7.2. Vigorously pursue 100% penetration of our markets.

- 7.2.1. Membership recruitment initiatives (2)
- 7.2.2. Member value equation initiative (2)
- 7.2.3. Have dedicated membership services staff (1)

7.3. Improve inter-organizational cooperation and sharing of infrastructure.

- 7.3.1. Member Database initiative (1)
- 7.3.2. Meetings policy initiative (1)

8. Governance and Management:

8.1. *Develop performance standards for the operations of the Academy, and use as part of a continuing quality improvement program.*

- 8.1.1. All areas have measurable “metrics of success” (1)
- 8.1.2. Attract and retain dedicated staff (1)
- 8.1.3. Build internal and external feedback loops to improve the Academy's practices (1)

8.2. *Review and improve the board's operations.*

- 8.2.1. Board and EC management initiative (1)
- 8.2.2. Creation of CUSP -- Done
- 8.2.3. Examine the governance structure of the Academy (1)

8.3. *Institutionalize the strategic and operational planning process.*

8.4. *Implement and Monitor the Strategic and Operational Plans.*

- 8.4.1. Tie Practice Council plans to strategic plan

8.5. *Increase Institutional Memory for CUSP Processes.*

- 8.5.1. CUSP Manual (1)
- 8.5.2. At NAAC: Incoming PE education

8.6. *Conflict of Interest statements signed by board members, chairs, and committee members.* (1)

- 8.6.1. Accountability: VP of Professionalism
- 8.6.2. Milestones: Board decision in May or October on all volunteers; implement Board and chairs in October

8.7. *Review and improve the board's (and its committees') communications.*

- 8.7.1. Election transparency, operations, and communication initiative (1)
- 8.7.2. Legal support of academy and its entities as needed (1)

Strategic Policy for the Board:

Board Motion

The Board adopts the strategic plan outlined in the September , 2007 report of the Strategic Planning Committee.

The Board adopts the strategic planning policy defined in that plan as a policy of the Academy.

The Academy's Strategic Planning Process Is:

- 1. Absent a directive otherwise from the Board, the SPC's charge is to annually propose incremental changes in the strategic plan for approval by the Board.*
- 2. A comprehensive review of the strategic plan will be considered every three years.*
- 3. The SPC shall also provide an annual One Year Operational Plan to the Board for approval, that implements progress on the strategic plan.*
- 4. The President-Elect shall chair the Strategic Planning Committee. Members shall be the new at-large board members and officers, and any additional members designated by the President-Elect.*
- 5. The Executive Committee will present an annual report to the board that: (1) measures successful implementation of the operational plan, and (2) measures progress on the strategic plan.*