

Task Force on CAS Election Process

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Executive Summary

The Task Force on CAS Election Process (the Task Force) was formed in December 1999 to review the CAS election procedures and to make recommendations to the Board of Directors in time for possible changes to the elections in 2000.

The Task Force received member input and reviewed the election processes used by other actuarial and professional organizations. It also established a set of General Principles to assist in its decision making and recommendations. The General Principles, as well as summaries of member input and other organizational procedures, are included in the report.

While many issues were identified for study and discussion, the Task Force focused on three primary issues. In order to meet the deadline for delivering this report, other issues are simply identified in the report for further study with only some preliminary thoughts from the Task Force included. These are included in a separate section that follows the three individual issues.

The three primary issues studied are:

- Information provided to members about candidates,
- President-Elect and Vice President election procedures, and
- Nominating Committee procedures.

Detailed discussions of these issues, as well as recommendations for each, are included in the body of the report. The following is a summary of the recommendations resulting from the Task Force's review.

1. Additional information should be provided to the membership about candidates for Board positions. The amount of additional information should provide meaningful information to members without unduly burdening the candidates.
2. The Nominating Committee should develop the format and content of the information requested from Board candidates with approval by the Board. Guidance should be given as to the extent of candidate comments and to expectations of members as regards open discussion forums.
3. The President-Elect should be selected by the Nominating Committee and approved by the Board. In most cases, we would expect the Committee to present one candidate for Board approval. In the event of a petitioning candidate(s) in addition to the Nominating Committee's selection, the Board would vote to select a President-Elect. (Note that this recommendation requires a change to the CAS Constitution and thus may not be adopted for the 2000 elections.)
4. There should be no change to the current procedures for selecting Vice Presidents.
5. Consideration should be given to changing the Nominating Committee membership beyond the immediate past Presidents.
6. The petition process should take place before the Nominating Committee begins its deliberations.
7. Overall, the CAS should strive to make the nomination and election processes as open as possible. The Task Force has observed that some CAS members are not aware of the workings of the CAS election process which may contribute to the perception of a closed system. This is discussed in Appendix A. More communication and education about these processes should take place on a regular basis in various forums.

Formation of the Task Force

The Task Force was created to address potential changes to the CAS election process. There were several reasons for the Task Force to be created at this time:

- Member interest in changes such as competitive elections and asking for more information can be seen in the November *Actuarial Review*.
- Voter participation in CAS elections, while still high relative to many other organizations, has declined steadily over the past several years. The last election had a 45.7 percent participation rate among eligible voters. This is down from 47 percent in both 1997 and 1998 and an average of 54.3 percent for 1992 through 1996.
- Past member survey data shows a preference toward more discussion of issues in elections.

With these trends in mind, the CAS convened the Task Force on CAS Election Process to take a broad view of any needed changes in how CAS elections are carried out. The mission of the Task Force is as follows:

The Task Force on CAS Election Process is charged with reviewing CAS election procedures with particular emphasis on the election of the Directors, reviewing prior CAS studies/reports and methods used by other actuarial organizations, considering member proposals and developing recommendations to the Board of Directors for procedures for the CAS elections in 2000.

The Task Force is composed of the following members:

- John Purple, chairman
- Regina Berens
- Chuck Bryan
- Bill Carpenter
- Ira Kaplan
- Tim Tinsley – staff liaison

The Task Force, created in early December, 1999, worked with a February 2, 2000 deadline for providing a report and recommendations for Executive Council consideration prior to its presentation of the report at the February CAS Board meeting. This deadline applied only to consideration of whether Board member candidates should issue position statements.

Overview of Task Force Efforts

Upon first meeting, the Task Force recognized the need for gathering as much information as possible. In addition to the member input first solicited in the November, 1999 Actuarial Review, additional member input was solicited through both an e-mail alert to all members and a posting on the CAS web site. Responses were received from 78 individuals. Most of the responses addressed the issue of whether more information should be provided about candidates. Over 70 percent responded affirmatively, with most of these citing their unfamiliarity with candidates. A summary of the responses is included as Appendix A.

The Task Force also recognized the need to survey the election processes of other organizations, particularly actuarial and other professional organizations. The results showed a surprising variety of procedures among organizations. The Task Force found examples of both more open and more closed processes than currently used by the CAS. A summary of the results of the survey, which included fourteen organizations, is included as Appendix B.

While no prior CAS studies of this topic were found, past member surveys have included questions relevant to the study. The most recent data from the 1998 survey showed that over 70 percent of responding members favored having candidates prepare position statements. Of particular interest was the fact that older members were less likely to support such public disclosures. The survey results are included as Appendix C.

As the information gathering phase of the Task Force's work was finishing, it was clear that a basis for any recommended changes needed to be established. The General Principles Governing CAS Election Procedures comprises a set of 10 principles that guided the recommendations prepared by the Task Force. The Principles are included in the body of the report. The recommendations that resulted from the Task Force's deliberations refer back to these Principles.

Finally, issues were identified which were felt to merit study. The three primary issues identified by the Task Force are shown below. For each issue, the Task Force identified the current process, listed potential changes to the process, identified pros and cons for each of the potential changes and made recommendations reflecting the pros and cons as well as the General Principles. The discussion for each issue is included in the body of the report.

1. Information provided about candidates for competitively elected seats
2. Competitive elections for President-Elect and Vice President
3. Nominating Committee structure

In addition, many other issues were identified which were felt to be of less importance than these three primary issues given the Task Force's deadline. These issues are addressed in the "Other Issues" section of the report. No specific recommendations are included in this section although a rating is shown to reflect the Task Force's thinking about their relative merits.

General Principles Governing CAS Election Procedures

The Task Force on the CAS Election Process has used the following Principles as an aid in discussing election options:

- 1) Proper membership control of the CAS: The Fellows should have the opportunity to move the CAS in whatever direction they wish through election procedures and approval or disapproval of constitution and bylaws changes.
- 2) Opportunity for any qualified member to seek office: As part of membership control of the CAS, it is important for any member who meets the bylaws requirement (currently must be a Fellow) to have a path for seeking office. If this individual has the qualifications and experience needed to gain sufficient support, then the individual should be able to play a role in the governance of the Society. The path should be publicized so the average Fellow can understand how to seek office.
- 3) Reflection of the role in governance of the two primary elected bodies – the Board and the President-Elect: The CAS is set up so that there are separate and distinct roles for the two elected bodies. The Board sets broad policy and articulates the general direction in which the CAS should be heading. The President, through the Executive Council, implements specific decisions and is charged with implementation of the broad policy. Over the years it has become firmly entrenched in the CAS operating procedures that it is the Board that sets the policy. The 3-year terms of the Board members allow for policy decisions to be developed.
- 4) A CAS election should promote camaraderie and mutual respect: The CAS is still a small organization and consists of people that share many common experiences. The election procedures should permit and reinforce members' mutual respect and should encourage agreement and consensus rather than points of disagreement and argument. This election is unlike a political election where it is expected that very radically different viewpoints will be brought to the electorate for resolution.
- 5) The person elected to the Board through the election process should be able to handle the broad range of responsibilities and issues likely to come up over a three-year term: The CAS faces many broad issues, some of which are not apparent at the beginning of a person's term. The viewpoint in the CAS elections has been to pick individuals that are well suited by background and temperament to handle a broad range of issues rather than dogmatic on specific issues. The President generally comes up through the Executive Council route – or a record of closely related activity – and so has a familiarity with the many issues the CAS faces.
- 6) Consideration given to the best use of a candidate's time: CAS Fellows that stand for governance positions are generally in the midst of very active careers. It is only their voluntary spirit that motivates them to allow themselves to be placed in nomination. They usually have very significant and time-consuming jobs or consulting practices, as well as family obligations, etc. The election procedures should be very efficient, conserve time and steer away from any activities that will cause excessive time to be spent on the process.
- 7) Continuity and efficiency of the governance process: The election process should result in people in governance positions with continuity and understanding of issues. In addition, they should be people with an attitude of cooperation and a will to get things done, which will lead to greater efficiency in the CAS.

- 8) A preference for performance over words: It should not be possible to have somebody who is very good in articulating concepts to gain widespread support without having the performance record to back up achievement. The CAS election process should be structured in such a way that good performance is a more likely path to be chosen for a governance position than merely the articulation of concepts.
- 9) Representation of various interests and backgrounds: The CAS as it grows is becoming an amalgam of people with a wide range of interests and backgrounds. From a national perspective there is U.S., Canada, and overseas. For a practice perspective there is personal lines, commercial lines, reinsurance, etc. From a discipline perspective there is pricing, reserving, dynamic financial analysis, etc. It is important for the CAS governance to have representation from all these areas.
- 10) Reflection of membership wishes: The CAS is a voluntary organization and must reflect members' preferences. Sometimes it is difficult to determine these preferences and in many cases the Fellows do not have preferences because they are not heavily involved with the election process. Even so, demonstrably open and proper election procedures contribute to effective elections and to a cohesive organization. Whatever election process is developed and used should have the general support of the membership.

Potential Changes to the Candidate Information Package Provided to Members in Board Elections

Current Procedure

The voting package sent to members includes a ballot and a one-page biographical summary for each candidate. The biographical summary simply lists the following:

- their CAS designations and the dates of their designations
- their educational background
- their current employment – not a resume of their entire career
- their activities and written contributions within the CAS
- their activities and written contributions within other actuarial organizations
- any other professional designations.

The CAS Office asks each candidate to develop the biographical summary and provide it by a deadline specified to meet the ballot mailing schedule. At times the CAS Office has developed the summary at the candidate's request.

In addition to this formal procedure, candidates recently have been asked their positions via e-mail request from individual CAS members. There is no "requirement" to respond to such requests. Candidates have responded to these informal requests as they have seen fit but with no formal process to share these views with a broader audience.

Potential Changes

- Continue to provide only biographical information prepared by the candidate. It would be made clear to both members and candidates that participation in any other individual dialogue or group forums would not be expected nor required of the candidates.
- Provide biographical information plus additional written comments from the candidates, distributed with the ballots and other voting material. It would be made clear to both members and candidates that participation in any other individual dialogue or group forums would not be expected nor required of the candidates.
- Provide biographical information and additional written comments from the candidates, distributed with the ballots and other voting material. Also provide an "official" forum(s) for candidates to interact directly with members, at their discretion.

Discussion of Options

- 1) Continue to provide only biographical information prepared by the candidate with no requirement to participate in any dialogue with members.

Pros:

- A. Minimizes the time commitment for running, thereby creating the largest possible pool of qualified people from which to select candidates.
- B. Allows activities supporting the CAS (listed in the current biographical information format) to speak loudest about the qualifications to serve the membership in an elected capacity.

Cons:

- A. Position statements are popularly supported by many members
 - B. Given the size and continued growth of the CAS membership, candidates are more likely to be unknown to members, making the current level of information provided insufficient.
 - C. Given the ease of electronic communication, other forums would likely continue to arise for position discussions. Therefore, it is impractical to reject procedures for statements without expecting alternative discussions.
 - D. Assuming electronic communication does occur as initiated by individual members, it seems appropriate to provide some way to share a candidate's thoughts with as wide an audience as possible.
- 2) Provide biographical information plus additional written comments from the candidates, distributed with the ballots and other voting material.

Pros:

- A. Reflects significant member support for position statements of some form.
- B. Official statements will engage the members more directly and with greater relevance to consider the issues facing the CAS, thus reducing apathy and increasing member awareness.
- C. Members will understand the Board workings and position better, and will feel less removed from it.
- D. Members with a particular issue interest may be able to identify the individual Board members that share their concerns when they want to contact the Board on an issue.
- E. The CAS is larger than it was and issues loom larger, and should be discussed. In a larger Society, members are less likely to know the candidates and where they stand than was once the case, so communication becomes more important. Also, in a larger group it is harder for members to directly influence elected Directors, thus it becomes more important to indirectly influence Directors via campaign voting.
- F. Leadership needs to represent the membership, and informed membership voting supports that.
- G. Some other professional organizations require some candidate discussion of issues.
- H. It is reasonable to expect that candidates already have developed their own ideas concerning some issues; if they have chosen to run for the Board without doing so, some would consider them unqualified. Under the circumstances, providing a statement that summarized their thoughts should not be unduly burdensome.
- I. Where there are no weighty issues, one should trust that the members would not elect a candidate on the basis of irrelevant posturing. Where there are legitimate issues, the Board election is in fact the best and most appropriate forum for the members to discuss and reflect upon those issues, and to voice their opinions where it counts: on their ballots. Evaluation of the issues is best done and will receive the most attention in the context of an election.
- J. Candidates can still choose how to respond to questions, if at all. Over time, candidates will be able to look to past elections to see how voters have responded to different styles of responses.

Cons:

- A. Official statements could be viewed as locking candidates into positions.
 - B. Providing official statements will prove too time-consuming since being a candidate and serving is already a major commitment.
 - C. Official statements could politicize the election process.
 - D. Requiring position statements could diminish the value of “good judgment” that we also wish for our Board members. Over the three years of their term, they will face issues that are not even known at the time of their election.
 - E. The additional time commitment required of candidates could result in fewer qualified members considering volunteering to run for office.
 - F. Candidates may agree to run for election but simply may not respond to any request for additional information, either by choice or due to time constraints. Such candidates may be perceived as apathetic and thus be at a disadvantage.
 - G. It is difficult to address often complex issues in “sound bytes” or summary position statements.
 - H. Use of candidate statements may shift the emphasis in the election process from a candidate’s prior service for the CAS to their positions on a few issues.
- 3) Provide biographical information and additional written comments from the candidates, distributed with the ballots and other voting material. Also provide an “official” forum(s) for candidates to interact directly with members.

Pros: (in addition to the pros shown for option 2)

- A. Provides maximum opportunity for voting members to interact with candidates and influence positions on issues the Board will face.
- B. Creating an “official” forum will allow the CAS to manage the process most efficiently. Even if no discussion forum is put in place, member solicitation of additional information could continue.

Cons: (in addition to the cons listed under option 2)

- A. Adding a less controlled discussion forum is likely to have uncertain results, including unpredictable time commitments and opening up greater opportunities for the negative aspects of electioneering.
- B. Being a candidate and serving if elected is already a major commitment. Having to answer an uncertain number of member e-mails is a great deal to ask.

Recommendation – Option 2

Given the demand among many members for Position Statements and the growth in our membership, it is appropriate to provide additional information to members about candidates for Board positions. Developing an orderly and efficient approach should control the time commitment in addressing positions. This is especially true since there are members who will seek additional information from candidates through informal channels if no formal channel is developed. Providing a formal process will therefore give the widest communication of positions to the total membership.

In recognizing the membership desire for more information, it is also important to recognize the time demand on candidates volunteering to run for elected office and ultimately to donate their time if elected. Since it is reasonable to expect that candidates already have developed their own ideas concerning the important issues facing the CAS, providing brief written statements to a limited number of questions does not seem unduly burdensome. Adding an expectation to participate in ongoing forums does cross the line of being overly burdensome and is therefore dismissed in this recommendation. It should be recognized that a member might still attempt to initiate discussion or a dialogue with candidates. The CAS should monitor CASNET and the CAS web site for such discussion, posting the official policy that there is no expectation that candidates will participate in such discussions.

Key Factors

- This option seems to have the popular support of the membership (Principles 1 and 10)
- The Board sets the policy and direction of the CAS. Without some communication, members may be completely ignorant of candidates' views on key policy issues. (Principle 3)
- Other uncontrolled communication may arise if the CAS takes no action, causing greater time demands and distractions of the candidates. (Principle 6)
- A controlled information package should not take too much time for candidates to complete. (Principle 6)

Development of Process and Format for Candidate Information Package

Current Procedure

Besides the biographical information provided about candidates, there is no additional information currently provided to members. This process is addressed as part of the Task Force's recommendation to provide additional information to members at the time ballots and other election materials are distributed.

Potential Options:

- Candidates individually could have free rein to determine their own format and issues to consider.
- The Nominating Committee has the responsibility to develop the format and questions annually. The Board would approve the format and questions ultimately sent to candidates.
- The Nominating Committee determines format, but with a process similar to the process and timing of the preferential ballot to receive input regarding important issues from the membership. The Board would approve the format and questions ultimately sent to candidates.
- A format could be developed that does not change from year to year. Make the format generic and fixed, relating to candidates' views and vision regarding principles and on issues past, present, and future.

Discussion of Options

- 1) Candidates individually could have free rein to determine their own format and issues to consider.

Pros:

- A. Provides greatest freedom to candidates to express themselves to the membership
- B. Is efficient in that this would add no additional demands on the CAS Board or Committees to prepare guidance on the information provided.
- C. Allows candidates to group together on mutually agreed-upon format.

Cons:

- A. Lack of official guidelines could lead to uneven response from candidates.
- B. The greater unknown on how to respond may result in a perception among candidates of a greater time demand, thereby reducing the interest in qualified candidates to run.
- C. A lack of official guidelines is most likely to result in undesirable electioneering.
- D. This is an inefficient process since candidates must decide the format and the length of their responses without guidelines.

- 2) The Nominating Committee has the responsibility to develop the format and questions annually. The Board would approve the format and questions ultimately sent to candidates.

Pros:

- A. The Nominating Committee is very familiar with the issues facing the CAS.
- B. The Nominating Committee, in their discussions with prospective candidates, is the first to recognize what would be considered overly burdensome and would be discouraging prospective candidates from running. They can draft guidelines that are respectful of the time commitment of prospective candidates and keep the largest possible pool of qualified candidates interested in running for office.

C. The Nominating Committee is annually chosen by the Board to handle related matters.

Cons:

A. The Nominating Committee is already “perceived” to have a power of endorsement. Adding an ability to ask questions that could favor the endorsed candidates adds to that perceived power.

3) The Nominating Committee determines format, but with a mechanism to receive member input regarding important issues in a manner similar to the process and timing of the current preferential ballot.

Pros: (in addition to those mentioned in the option 2)

- A. Provides a further opportunity for the election process to adjust to membership preferences.
- B. By introducing an additional membership control, would help alleviate some of the concern regarding the perception that the Nominating Committee’s endorsement power is already too great in the process.

Cons:

- A. Creates an additional, potentially large administrative chore in an already tight election schedule.
 - B. Tallying “issues” is unlike tallying names. The issues submitted are likely to be similar but asked from many different perspectives. Trying to reflect a wide range of perspectives and provide a format sensitive to the candidates time constraints could be unrealistic.
 - C. Members could informally contact the Nominating Committee to recommend questions, without a formal process.
- 4) A format could be developed that does not change from year to year. Make the format generic and fixed, relating to candidates’ views and vision regarding principles and on issues past, present, and future.

Pros:

- A. Allows candidates to know fully what the expectations are before deciding to run for election.
- B. A generic format would, of necessity, be more open-ended than questions about specific issues. This would give candidates the widest possible discretion in addressing the issues they think are important and/or to stress their decision making abilities rather than feeling that they must lock themselves into positions on specific issues.

Cons:

- A. Some people may prefer to compare candidates based on responses to a more specific set of questions.
- B. Allows candidates to “duck” addressing issues at all.

Recommendation – Options 2 and 4

The recommendation is to actually combine two of the options. We first propose the second option, which would house the responsibility for developing the format of the additional information with the Nominating Committee, with approval by the Board. This seems most efficient in terms of using the existing committee structure. This process also allows the Board to hear from the Nominating Committee the concerns they have regarding the additional information being asked. Adjustments to the process can be made as may be deemed necessary based on this feedback.

Second, we would propose the Nominating Committee adopt the fourth option in developing the format for the additional information. The generic format as we envision it would include three to five questions such as:

- What are the most important challenges facing the CAS today?
- What would you do to address those challenges as a member of the CAS Board?
- Why do you want to be a member of the CAS Board?
- What unique qualities would you bring to the Board in terms of your employment perspective or your involvement in past or present CAS activities?
- Is there any other issue you consider to be more important than those addressed above?

We would also recommend that the Nominating Committee establish a limit (perhaps 1,000 words) on the responses as part of establishing the format. Board nominees should be encouraged to provide the membership with responses to the Nominating Committee questions so that there can be maximum communication with the CAS. However, if a Board candidate chooses not to answer the questions, then that is acceptable and will be so indicated in the material provided to the membership. Again, this would be most respectful of a candidate's time and would limit the opportunity for unproductive electioneering.

Finally, we would recommend that communication of the information about candidates be included in multiple forums, in order to heighten member interest in the election and address the recently declining participation rates. We would recommend distributing the information not only with the Ballot mailing supplement but would also consider the Actuarial Review, CASNET e-mail, Fellows e-mail distribution list and the CAS web site.

Key Factors

1. A totally free-form format might create uncertainty as to the time and effort that should be invested to complete it. (Principle 6)
2. Overly specific questions may also be hard to complete (Principle 6)
3. Use of a stable format with more general questions is viewed as a compromise. A stable format is also administratively simpler and allows candidates to know what to expect (Principles 6 and 8)
4. The Nominating Committee is responsible for recommending the format because it is more efficient to use the existing committee structure, because they are very familiar with current issues, and because their conversations with prospective candidates make them as aware as any of the concerns prospective candidates have about the time needed to both run for election and serve the CAS. (Principles 6 and 8)

Potential Changes in the Presidential Election Process

Current Procedure

A “Preferential Ballot” is sent to the members, soliciting names of possible candidates for President-Elect before the Nominating Committee deliberates. The Nominating Committee has a full-day meeting and selects a single candidate for President-Elect. Other candidates may be put on the ballot by petition after the Committee publishes its recommendations. For the vast majority of CAS elections the President-Elect candidate selected by the Nominating Committee has been the only name on the ballot.

Potential Changes

- Full competitive election by the membership, with two or more candidates for President-Elect selected by the Nominating Committee.
 - Multiple President-Elect candidates, but the Board elects the President-Elect.
 - The Nominating Committee appoints a single candidate (unless there is a candidate by petition) for approval by the Board.
- 1) Full competitive election by the membership, with two or more candidates for President-Elect selected by the Nominating Committee.

Pros:

- A. Members will have a choice; election when there is a single candidate is superfluous.
- B. Members will feel that the process is more open.
- C. This was supported (“Agree” or “Strongly Agree”) by 50% of respondents in the 1993 Membership Survey.
- D. The Presidency has policy-making elements since the President, President-Elect and Past President are on the Board, with the Past President acting as Board Chair. A full competitive election would allow members the same voting rights they have in the selection of other Board members.

Cons:

- A. It's hard enough to find someone to commit to running; may be harder to find two or more when only one is going to win.
- B. A well-qualified losing candidate may be discouraged from running again; under the current system, he/she could easily be nominated in another year.
- C. It may be much harder to avoid “electioneering” if we recommend competitive elections but recommend against campaigning; candidates will naturally want to win. Some campaigning can be informal and hard to monitor.
- D. Having multiple nominated President-Elect candidates may encourage others who want to be put on the ballot by petition, which has been a rarity in the past. This could make the process more open to those who might want to politicize it or to those who might not be qualified.
- E. The Board sets policy. The President does not, other than as a voting member of the Board. A competitive election could shift the Presidential role too far towards that of policy-maker.
- F. This could, in turn, give the President a “loaded” vote in policy making.
- G. A one-year period of office is too short for a President to implement an “agenda”- other priorities would suffer and short-run thinking would prevail.

- 2) Multiple President-Elect candidates selected by the Nominating Committee, but the Board elects the President-Elect.

Pros:

- A. The name(s) of unsuccessful candidates(s) could be kept confidential.
- B. There is some competitive element to the election.
- C. There is a choice, but the effort of campaigning among the general membership is avoided.
- D. The Board, and the Nominating Committee it designates, are more familiar than most CAS members with the day-to-day responsibilities of the President and the effectiveness of possible Presidential candidates in other work they have done for the CAS.

Cons:

- A. Members are still one degree removed from the election.
 - B. This could create the potential for heavy campaigning by candidates with Board members.
 - C. This doesn't remove the stigma of a "closed" election process.
 - D. This requires a change to the Constitution, which states, "Annually, a new President-Elect shall be elected by the Fellows.." The change would require a vote by the members.
- 3) The Nominating Committee will select one or more President-Elect candidates, to be voted on by the Board. (Generally, the Nominating Committee would present a single candidate.) A member with appropriate qualifications could also become a candidate by presenting a petition before the Nominating Committee begins its deliberations. The Nominating Committee could recommend only the petition candidate as President-Elect, or nominate one or more alternative candidates. The candidates (which must include the petition candidate) would then be presented to the Board. The Board can elect a President-Elect from the choices. The Board is also free to consider a candidate of its own choosing. Only the winner of the election for President-Elect and the number of candidates will be announced.

The Board should also consider a requirement that a President-Elect candidate be a previously-elected Board member. This means that the President-Elect will at some time have been elected by the members to a position of responsibility in the CAS.

Pros:

- A. This would eliminate the "sham election" criticism.
- B. Easy to implement; would simplify the election process.
- C. This preserves some elements of the status quo, which has produced good Presidents in the past.
- D. Good potential candidates will not face the prospect of losing a competitive membership election.
- E. The Presidency has policy-making elements since the President, President-Elect and Past President are Board members, with the Past President acting as the Board Chair. This change allows, via petition and the prerequisite (previously elected Board member), more member input and control of the position than a simple appointment process.

Cons:

- A. This will be perceived by some members as "no change".
- B. This requires a change to the Constitution, which states, "Annually, a new President-Elect shall be elected by the Fellows.." The change would require a vote by the Fellows.

Recommendation: Option 3.

Key Factors:

1. The choice of a candidate for President-Elect by the Nominating Committee produces good Presidents. The selection is made by a group of Past Presidents who have experienced the demands of the Presidency and know the abilities of potential candidates from having worked with them in the CAS. (Principles 7 and 8)
2. The final choice of President-Elect remains with the Board of Directors, which is elected by the members. (Principles 1 and 3)
3. Nomination by petition is an option for any qualified member. (Principle 2)
4. A qualified member who is not chosen in a given year is free to be nominated in the future, without having publicly lost a competitive election. (Principles 4 and 6)
5. The pool of eligible President-Elect candidates is limited to those who have already been elected to Board positions by the members. (Principles 1 and 10)

Potential Changes in the Selection Process for Vice Presidents

Current Procedure

The Nominating Committee recommends a single candidate for each open Vice President position to the Board, which then decides to approve or reject the appointment. In practice, serving Vice Presidents are usually re-nominated each year to complete a three-year term of office.

Potential Changes

- Full competitive election by the membership, with two or more candidates for Vice President selected by the Nominating Committee.
- Multiple Vice President candidates, but the Board elects the Vice President.

1) Full competitive election by the membership.

Pros:

- A. The members would have a voice in selecting Vice Presidents.
- B. In a past Membership Survey, 38% of respondents “agreed” or “strongly agreed” that Vice President elections should be competitive.

Cons:

- A. The general membership is less familiar than the Nominating Committee with the demands of the Vice President positions and the ability of a given candidate to meet those demands.
- B. The Vice President position is not a policymaking one. Their responsibilities are to make recommendations only. This position should not be politicized.
- C. The current process works well.

2) Multiple Vice President candidates, but the Board elects the Vice President.

Pros:

- A. The name(s) of unsuccessful candidates(s) could be kept confidential (unlike an election by the membership).
- B. There is some competitive element to the election.
- C. There is a choice, but the effort of campaigning among the general membership is avoided.
- D. The Board, and the Nominating Committee it designates, are more familiar than most CAS members with the day-to-day responsibilities of the Vice Presidents and the effectiveness of possible Vice Presidential candidates in other work they have done for the CAS.

Cons:

- A. Members are still one degree removed from the election.
- B. This could create the potential for heavy campaigning by candidates with Board members.
- C. This doesn't remove the stigma of a “closed” Vice President selection process.
- D. Since the Vice President is not a policymaking position, it should not be politicized by making it part of a competitive process.

Recommendation

No change to the current process. We do, however, need to make members who aspire to Vice President positions aware of the path to get there- membership on relevant Committees followed by a good track record as Committee Chair, for example. Maybe this should be part of a packet distributed to new Fellows. The EC and the Board might want to consider other means of publicizing this information, such as the CAS web site or the Participation Survey. Providing this information would address the perception that Vice President selection is a closed process.

Key Factors:

1. Vice Presidents are nominated by a group of Past Presidents who are familiar with the work required of Vice Presidents and know the abilities of potential candidates from having worked with them in the CAS. Since each Vice President position is specialized, the latter is particularly important. (Principles 7 and 8)
2. The final choice of Vice Presidents remains with the Board of Directors, which is elected by the members. (Principles 1 and 3)
3. A qualified member who is not chosen in a given year is free to be nominated in the future, without having publicly lost a competitive election. (Principles 4 and 6)

Potential Changes In The Nominating Committee

Current Structure:

Five immediate past Presidents with third past President serving as Chairman (in place since mid 1980s).

Operating Procedures:

A preferential ballot is sent to members which provides preferred nominating standards and names of members who meet these standards. Members provide names of candidates to the Nominating Committee. One annual in-person meeting is held in June to decide on nominees to be presented to the membership. The meeting lasts a full day. The President and President-Elect make presentations regarding the current status and future needs of the CAS, including recommendations for Vice President and Board members and for the President-Elect position. The President and President-Elect do not participate in the remainder of the meeting.

The Nominating Committee uses nominating standards to evaluate the suitability of candidates for various positions.

Potential Changes:

In considering changes, our survey of organizations indicates that there are organizations using each of the possible approaches.

- Expand membership outside the past Presidents. Annual appointment of Nominating Committee to include people in addition to past Presidents.
- Change procedural rules for selecting nominees.
- Make the deliberations more open.
- Make it easier for members to be nominated outside the current process.

1) Expand membership outside the past Presidents.

Pros:

- A. The expansion to other people would diminish the appearance of a closed network.
- B. Additional people may widen the viewpoint on who would make good candidates.
- C. Easy to do once the rules on expansion and whom to include are decided.

Cons:

- A. The past Presidents have been most intimately involved with the CAS and have the most balanced view of the qualities good candidates possess.
- B. The results of the nominating process have been satisfactory.
- C. Members of the Nominating Committee are already past Presidents and so are not nominated for President-Elect. By convention, members do not nominate themselves for Board positions.

Recommendation:

The Board should consider expanding the Nominating Committee to include members outside the current CAS governance. This expansion can be accomplished by either adding qualified CAS members, such as presidents of regional affiliates and special

interest groups, to the five past Presidents or reducing the number of past Presidents to less than five and adding other members to bring the total numbers on the Committee up to the current five. While the Task Force did not express a preference for approach, there was consensus that a variety of approaches should be given serious consideration.

2) Change nominating standards for selecting nominees

Pros:

- A. The nominating standards do not force a mix of nominees from different backgrounds. They can be changed to force a better mix.
- B. The nominating standards are not well known by the members, so there is the appearance of a closed system.

Cons:

- A. The rules seem to work well in terms of the candidates selected.
- B. As informal rules, the Nominating Committee can exercise substantial discretion when needed.

Recommendation:

No change is recommended, but the Board and Nominating Committee should continue to be sensitive to the need for a Board with a variety of backgrounds. However there should be an effort to communicate several times with the membership on the standards for selection and how the Nominating Committee works.

3) Make the deliberations on who the nominees should be more open.

Pros:

- A. The more open the deliberations, the less the process appears as a closed system.
- B. Open deliberations may yield candidates that would not otherwise surface.

Cons:

- A. The process may become unwieldy and difficult to manage if too open.
- B. The Committee is accustomed to dealing with all discussions as very confidential. The confidentiality may be more difficult to maintain in a more open environment.

Recommendation:

The Nominating Committee should consider ways to make the process more accessible, particularly with respect to surfacing candidates. There should be a more proactive process of reaching out to various groups, such as the Regional Affiliates, the Special Interest groups, and others.

4) Make it easier for members to be nominated outside the current process.

Pros:

- A. If a member feels that an alternative nomination process is available, then there will be a more open feeling.

- B. Good candidates may surface in addition to those selected by the Nominating Committee.
- C. Reduces recruiting effort on part of Nominating Committee.

Cons:

- A. Candidates nominated outside the normal process may not meet the same rigorous standards as the Nominating Committee applies.
- B. If this process is too easy, the election process may be too splintered because there will be too many candidates.

Recommendation:

- 1) For Board candidates, the preferential ballot should include a process whereby a member can attain a position on the ballot by submitting a request signed by at least fifteen members who are eligible to vote.
- 2) There should be a provision for Board members that permits the Nominating Committee to approve expense reimbursement for a nominee who would otherwise not be able to participate on the Board.

Key Factors Applying to All the Nominating Committee Recommendations:

1. The key factor in all the recommendations is that the changes will ensure an open nominating process which reinforces membership control (Principle 1) and reflection of the membership wishes (Principle 10).
2. The Task Force is satisfied that the standards and process are reasonable but is of the view that there should be a higher level of communication. More communication is consistent with assuring that qualified members understand how to seek office (Principle 2) and that there is a proper representation of various interests and backgrounds (Principle 1).

Other Issues

The following section discusses other issues or ideas surfaced during Task Force meetings which, while important, did not take priority over primary issues, and which never received full consideration. For the sake of completeness, and to air these topics for possible future consideration, they are listed here with minimal discussion. They are also categorized, and are preceded by a rating from 1 to 5 according to the Task Force's preliminary affinity for the ideas (5 = provisional recommendation, 1= provisional rejection).

A. Vote Counting

1. (Rating 4) Continue Approval Voting as is (on Board elections, cast up to 4 votes, total votes per candidate, top vote getters win). Very common among surveyed organizations.
2. (5) Continue Approval Voting but with Voter Information - inform the voter of how votes are tallied, and point out that if they greatly prefer a single candidate, their best strategy is to vote for only that one candidate
3. (2) Approval Voting with variations, proportional voting, and preference voting.

B. Mechanics

1. (5) Candidate names are randomly sorted once, and different ballots use that random listing once but rotate through who heads the list. Thus if there are 8 candidates there are 8 different ballots and each candidate will appear first on 1/8 of all ballots. By putting a marker indicating which of 8 names is first, this allows automated reading of ballots (presumably by the same people who process CAS exam short answer questions) while preserving fairness and avoiding unmanageable complexity.
2. (4) All ballots are the same. The first name is randomly selected, all others are listed alphabetically starting from that name (e.g. Carpenter, Kaplan, Purple, Berens, Bryan). This is the SOA approach. It is almost as fair as #1 above, and simpler.
3. (5) Do away with the two-envelope system to simplify since confidentiality is less of an issue with CAS Staff rather than members opening the envelopes. The staff currently opens both envelopes.
4. (2) Other modifications to the Teller's responsibilities.
5. (2) Use Online voting or 1-800 voting. Other surveyed organizations have not adopted these, although corporate shareholder votes often use them. Is this helpful?

C. Board Breadth

1. (3) Recognizing that from time to time different important constituencies may be underrepresented on the Board and CAS leadership positions, allow the Board to designate up to three individuals as non-voting members ("representatives") of the Board. Currently Board meetings are closed to members, so this requires an explicit change. If Canadians, for example, are underrepresented, this allows the Board to invite a chosen Canadian to attend all Board meetings, so that the Board may gain from their perspective, and so that this constituency's voice has some representation.
2. (1) Different constituencies could be explicitly recognized in the voting process, and (e.g.) a Board seat could be reserved for a Canadian. (We are reluctant to institutionalize such Balkanization, or to attempt to define in a timeless way what the correct subgroups would be.)
3. (2) Constituencies can gain more representation if the ballot mailing takes note of the fact that there are no Board members from constituency X, and encourages voters to consider this in casting their votes. This is a friendlier, less coercive version of #2 above.

D. Miscellaneous Rules

1. (3) Fill interim position Board openings from election runners-up. This is often done, but now it would be a requirement. Has the advantage that these individuals have already agreed to serve. More democratic, but if there are few candidates we may be forced to choose a candidate who received relatively few votes. On the other hand, it could

- encourage more candidates who might hope for an interim position. (Alternately the Board could be explicitly encouraged to choose interim replacements from under-represented constituencies.)
2. (2) Release the vote counts to the membership. We're grownups, and candidates can face reality. Elections should feel real. Alternatively, release only to the candidates who lost.
 3. (2) Cumulative term limits for Board members and other positions. For example, one cannot serve more than 9 years on the Board.
 4. (1) Change the number of signatures required on petitions to run for office, possibly varying the requirement based on the office sought (or based on characteristics of the candidate, such as seniority, or prior Board or EC membership).
 5. (3) Have eligibility requirements (rather than today's recommendations) for candidates for Board, VP, and PE.
 6. (1) Give voting rights to Associates or after they have been Associates for some time period (say 10 years).

Appendix A

Summary of Membership Input

As part of the Task Force's review process, we solicited input from members via e-mail and through an announcement in the November Actuarial Review. The Task Force received feedback from 78 individuals; 64 Fellows, 13 Associates, and one student. Some of these individuals submitted multiple comments on different occasions in response to discussions from other members. However, only one count per person is reflected in the following statistics. The Task Force also recognizes that the feedback it has received does not represent an unbiased statistical sample, but only the opinions of those who chose to respond.

Out of the total of 78 respondents, 57 expressed a preference for more information about Board candidates, usually in the form of position statements or discussions of current issues. Among the 64 Fellows who responded, 52 expressed that preference, while 12 stated that no change to the current procedure was required. The majority of the respondents in favor of more information cited a lack of knowledge about the candidates as the primary reason. The candidates were often completely unknown to the member and it was felt that having some idea of their thinking on key CAS issues would help in their decision process. An additional side benefit mentioned was the additional public debate on key issues that this might generate. The most commonly cited reason for those who expressed a preference for the status quo was that little additional beneficial information would come from position statements and they would only serve to politicize the process.

On the issue of competitive elections for President-Elect, 26 of the 78 respondents were in favor of voting by the membership with multiple candidates. However, it should be noted that many who commented on additional information for Board candidates did not express an opinion one way or the other on competitive President-Elect elections. This was especially true of those members who commented after December 27, 1999 when the CAS Office sent an e-mail asking for feedback on the position statement issue. Among the 64 Fellows who responded, 22 were in favor of multiple candidates in a competitive election by the membership. The most important issue for the Associates seemed to be the right to vote as almost half of those responding made this their only area of comment.

After reviewing members' comments, discussing the General Principles, and conducting its deliberations, the Task Force observes that many CAS members (including those on the Task Force) may not have a complete understanding of the CAS election process. Some of the comments about a closed process may simply result from a lack of knowledge about candidate selection or how the leadership is chosen. The Task Force believes that providing additional information about the process will help members' perceptions and may lead to greater participation. Some suggestions for possible additional communication to members include:

- A package of information for new Fellows and a session at their induction meeting,
- A session at the Course on Professionalism on the election process, and
- A session at the CAS leadership meeting that might include a discussion of governance, the roles of different office holders, and the path to such offices.

Appendix B

Survey of the Election Procedures of Other Organizations

Fourteen professional and other organizations were surveyed with respect to their election procedures for their Boards of Directors, Presidents and other elected offices.

Of the organizations surveyed:

- Six hold competitive elections for President, one of which is by the Board (the Institute of Actuaries)
- Seven hold competitive elections for Board candidates
- Four require position statements by either the President or Board candidates

Of the organizations providing information on the makeup of the Nominating Committee:

- Five (including the CAS) had Nominating Committees made up entirely of current or Past Presidents. This includes the American Academy of Actuaries, where the Nominating Committee includes the President-Elect of each of the five U.S. actuarial organizations.
- Three had Nominating Committees made up of a specified number of Past Presidents plus other members
- Two had no specific requirements for the makeup of the Nominating Committee

The survey questionnaire is included on the next page of this Appendix. A grid summarizing the responses from each organization follows.

Questions on Election Process

Background

1. Number of members in total
2. Number of members eligible to vote
3. Approximate percentage of members who vote
4. Geographic dispersion
5. How likely is an eligible voting member to have heard of the candidates?
6. Over the past 5 years, what has been the trend in:
 - Number of members
 - Number of members eligible to vote
 - Percentage of members voting
7. Is the organization homogeneous or are members primarily associated with subgroups or sister organizations?
8. What is the mission/purpose of the organization - educational, certification, political, promoting members' services, protecting jobs?
9. Where (ultimately) does the group get its funding?
10. Have there been changes in the election process over the past few years?
11. Does your organization typically have to address controversies over issues?

Offices; Process for each office

1. How do the names get on the ballot? (self-nomination; nominating committee; preliminary poll of members; petition)
2. Are there more candidates than positions?
3. Do the candidates communicate their positions on issues facing the association? If so, how? Is it required?
4. What background information on each candidate is given to the voting members?
5. Is any type of active campaigning permitted or encouraged?
6. Do you make any attempt to have a distribution of candidates that matches the general membership by geographic distribution, specialty, or other factors?

Voting Mechanics

1. Describe the process. Is voting by voice, paper, or electronic ballot? Can proxy votes be made?
2. Is it done at meetings or through other means? If it is done at meetings, are there provisions for absentee voting?
3. Is anonymity maintained? If so, how?
4. How are duplicate ballots from the same member avoided?
5. Are the names randomly ordered on the ballots or does everyone get an identical ballot?
6. Who supervises the counting of the ballots?
7. Is counting the ballots done by machine or by hand?
8. Are the actual vote counts publicly available?

What works/doesn't work from administrative viewpoint?

What works/doesn't work from members' viewpoint?

Can you provide anything on your procedures in writing?

Summary
Election Process Survey

	<u>CAS</u>	<u>CIA</u>	<u>SOA</u>	<u>AAA</u>	<u>ASPA</u>	<u>CCA</u>	<u>IA</u>	<u>MAA</u>	<u>AFSA</u>	<u>IDMA</u>	<u>AICPA</u>	<u>SOFE</u>	<u>CHURCH</u>	<u>CONAC</u>
Interviewer	Tinsley	Berens	Tinsley	Tinsley	Tinsley	Tinsley	Kaplan	Kaplan	Carpenter	Carpenter	Bryan	Purple	Berens	Tinsley
<u>Background</u>														
1. Members	3,283	3,400	16,200	13,385	3,800	1,050	11,000 (Incl Stud.)	27,000	150 Co's	100 (plus Corp)	330,000	1,700	45,000	100-200
2. Eligible Members	1,925	2,200	8,400	13,385	2,800	960	5,500	Dues Paid (Almost All)	1/Co.	No Vote	No Vote	1,700	200	100-200
3.%Vote	45.7	40	29/34	1 to 2	25-35	25	20-25	8	Nearly All	N/A	N/A	20	100	30-35
4.Geographic	U.S./C.	Canada	Int'l Low	N/A	N/A	N/A	2/3 UK	U.S.	U.S.	N/A	N/A	U.S.	NJ	Mexico
5. Knowledge	Mixed	Likely in PA	By PR	Most	Most	Likely	Just a Name	Likely	Likely	N/A	N/A	Good	10-20%	Good
6. 5-Year Trend														
- Members	Growing	Growing	Growing	Growing	Growing	Flat	-	-	Falling	Growing	-	Growing	Flat	Falling
- Eligible	Growing	Growing	Growing	Growing	Growing	Flat	-	-	Falling	N/A	-	Same	Flat	Falling
- % Vote	Down	Stable	Down	Same	Same	Same	Down	-	Same	N/A	-	Same	Stable	Falling
7. Homogeneous?	Yes	Both	Both	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8. Purpose	Ed/Prof	Prof	Ed/Prof	Prof	Ed/Prof	Ed/Prof	Ed/Prof	Advance Math	Lobby/Ed	Educ	Ed/Prof	Accred/Prof	Religious	Prof
9. Funding	Dues/Fees	Dues/Fees	Dues/Fees	D Dues	Dues/Fees	Dues/Fees	Dues/Fees	Dues	Dues	Dues	Dues/Fees	Dues	Contrib	Dues
10. Changes?	No	No (note D)	No	No	No	No	Eligibility	No	No	No	-	No	No	No
11. Issues?	Yes	Yes	Yes	Yes	Yes	Yes	External Only	No	No	No	Yes	Yes	Yes	Yes
<u>Processes</u>														
1. Ballot	Note G	Note E	Note A	Nom Comm	Nom Comm	Nom Comm	Note H	Note I	Note L	Nom Comm	Note K	Note F	Self-Nom	Self-Nom
2. Competitive?	Yes (Bd only)	Yes	Yes	No	No	No	Yes	Yes	No	No	No	No (Can Petition)	Yes	Yes
3. Positions?	No	Yes	Yes	No	No	No	Allowed	Yes	No	No	No	No	No	Yes
- How?		WebSite	Note B				Not Done	Ballot						
- Required?		No	?				No	Yes						

Summary
Election Process Survey

4. Bio Info	CAS Bio	Geo/PA	Note C	None	None	None	Yes	Yes	No	No	No	Limited	PR	-
5. Campaign?	No	PE	PE	No	No	No	No	No	No	No	No	No	No	Yes
6. Demographic?	Yes	Yes	Yes	Yes	No	No	No	Yes	Note M	No	Yes	Yes	Maybe	-
<u>Voting Mechanics</u>														
1. Process	Paper	Paper	Paper	Voice	Voice	Voice	Paper	Postcard	Paper	No Voting	No Voting	Voice (Bd) Bd (EC)	Paper	Paper
2. Meetings?	No	No	No	Yes	Yes	Yes	No	No	No	N/A	N/A	Yes	Yes	Yes
- Absentee?	No	No	No	No	No	No	No	-	No	N/A	N/A	Yes	No	Yes
3. Anonymity?	Yes	Yes	No	N/A	N/A	N/A	Yes	Yes	No	N/A	N/A	N/A	Yes	Yes
- How	(Office)	2 Envel.					2 Envel.	(No Names)					No ID	-
4. Duplicates	List	List	List	N/A	N/A	N/A	List	No Process	List	N/A	N/A	N/A	One Ballot	-
5. Random?	Yes	No	No	N/A	N/A	N/A	No	No	No	N/A	N/A	N/A	Yes	-
6. Supervision	Exec Dir/ Comm	Comm	Comm	N/A	N/A	N/A	Comm	Vendor	Staff	N/A	N/A	N/A	Tellers	Board
7. Machine?	No	No	Yes	N/A	N/A	N/A	No	No	No	N/A	N/A	N/A	Yes	No
8. Publicize #'s?	No	No	No	N/A	N/A	N/A	No	No	No	N/A	N/A	N/A	Yes	-
<u>Admin View</u>														
1. What Works?	OK	OK	OK	OK	OK	OK	OK	-	Staff Input	OK	-	Exec Dir Input	Electronic	-
2. What Doesn't?	Manual Ballot	Tedious	Arduous/ Long	None	None	None	Low Return	Prep of Bios/Photos	-	-	-	-	N/A	-
<u>Member View</u>														
1. What Works?	Merit	OK	OK	Merit	Merit	Merit	?	-	-	-	-	Board Election	N/A	-
2. What Doesn't?	See Task Force Rpt	Rep	?	"Old Boy" Comment	Rep	None	?	Low %	-	-	-	Pres. Election	Multi Ballots	Self-Nom
Written Procedures?	Yes	Yes	Yes	Yes	Bylaws	Bylaws	Bylaws	Bylaws	-	-	-	Bylaws	No	-

Notes to Election Process Summary

SoA

A. The SoA uses a two ballot process. For the first ballot, the Committee on Elections (composed of the two immediate past-presidents and 10 other Fellows) lists candidates for officers and Board of Governors (BOG) who satisfy the criteria approved by the Board. PE and VP candidates are asked first if they are willing to serve. PE candidates must have served as a VP or Secy-Treasurer. VP candidates must have served on the BOG. BOG candidates (about 90) must have held a significant committee chair position (or equivalent involvement in sections, as a speaker, NAJ author, etc.) to be placed on the "reference list" for the first ballot.

The second ballot (provided no Fellow received the majority of first ballot votes for PE) lists not less than three nominees for PE, six for VP, and 12 for BOG. The candidates with the highest number of votes are elected.

B. Statements are included in the first ballot for PE candidates. For the second ballot statements are included for PE, BOG and VP candidates. PE's also are invited to address the two SoA Spring meetings (5 minutes), participate in online dialogue up to 30 days prior to ballots mailing, and are interviewed by staff for a special supplement to The Actuary prior to the election.

C. Biographical information is included in the first ballot for PE and VP candidates and limited credentials are listed for those qualified to run for the BOG. The second ballot includes bio info for all candidates (including BOG) and pictures of the candidates.

CIA

D. Under currently proposed changes, all officers, including the PE, will be elected by the Board. This has been a subject of controversy among the members. The PE must have served on the Board (Council) or be a current member of Board. Since this is a change to the Bylaws and subject to a vote by the members, it is not final.

We were told that the reasoning for this is that most not-for-profit organizations and most professional associations have the Board elect their Presidents. Many actuarial bodies including the Institute and the Faculty appoint their Presidents as well. The main reason for the Board election is the fact that Board members should know the candidates the best. The position of President is a very demanding position and the person filling this position must be willing to devote most of his/her time and energy to the profession. It is almost impossible for the average member to know who will do the best job.

Some other reasons cited for election by the Board included maintaining continuity, since elections by the membership can result in a President who has a totally different agenda from his/her predecessor, and the possibility that some good candidates may not be willing to run in an election but would be prepared to do the job if appointed.

E. The Elections Committee (appointed by the President and including Penultimate and Immediate Past Presidents, and 4-5 other members; The Executive Director ex-officio) sends out first ballot by mail for members to indicate nominations for PE and VP and Council. The second ballot is distributed with at least 3 candidates for President, 6 for VPs and for Council, from those

getting highest number of votes who agreed to be put on the ballot. If any VP or Council seat is vacated due to election results, the person receiving next highest number of votes is declared VP or Council member, whichever applies.

SOFE

F. A Nominating Committee (7 members), chaired by the immediate Past President, is selected. The Nominating Committee selects candidates for the Board of Governors (50 members on BOG serve 5 year terms, so 10 new per year). Executive council (12 members from the board) is then elected by the Board. The Board then elects the President and Secretary/Treasurer from the 12 member EC. Note: only CFE's (their equivalent of FCAS) can serve on the Board, although AFE's (their ACAS) can vote for Board candidates.

CAS

G. A preferential ballot providing CAS nominating standards for election to PE and the Board (plus listings of Board members, officers, committee chairs, exam committee officers and part chairs, and regional affiliate presidents over last 10 years) is mailed to all Fellows in February. The Nominating Committee is provided with the results of this "straw ballot" and the Board in May suggests candidates for VP. The Nominating Committee meets in May-June to develop a slate for a PE and 8 candidates for four Board positions and to select VP candidates. The P and PE attend this meeting only to provide comments on the leadership needs of the CAS and then are excused. The Nominating Committee slate (PE, Board candidates) is distributed in July to the Fellows, and the opportunity is offered to petition to place a name(s) on the ballot for PE and Board (requires 15 signatures). The final ballot is mailed in September to the Fellows, and the Board elects the VP's at its September meeting.

INSTITUTE OF ACTUARIES (UK)

H. The only election currently is to the Council (Board). The Council then "coopts" additional members of their choosing to serve on Boards. The Council chooses the officers (Pres, PE, etc.) who form the House Committee. Fellows and Associates (?) are invited to nominate Fellows. If a nominee and two Fellows sign a form, they are on the ballot. Typically five openings per year for Council (Board). There is no nominating committee, and any encouragement is informal. Last year there were 12 nominees for six Council positions. Candidates are required to prepare a 150-200 word biographical statement. They can choose to state positions here but it isn't done. General noncontroversial statements about strengthening the IA have become more common recently. It isn't in the Bylaws, but staff is sure that criticism of other nominees would not be permitted. Similarly, the bylaws do not address campaigning, but it is not done. About five years ago a nominee sent out flyers, but it was frowned on and he did not win.

MATH ASSOCIATION OF AMERICA (AAA)

I. Regional Section Chairs appoint Section Nominating Committees; National President appoints National Nominating Committee with Board approval. These are the only two membership elections. (Numerous Board positions, including three positions on the Executive Committee, are nominated by the Executive Committee and voted by the Board. Some of these require two nominees, others do not.) The Board consists of Sectional Governors, National positions of President and recent Presidents, 1st VP, 2nd VP, and Board chosen Board members.

There are three (+) candidates for National positions (plus blank for write-in), two + for Sectional positions.

Candidates must submit a three-part statement which appears on the ballot: MAA activities, professional background, and comment on challenges facing the MAA. The comment tends to be substantive (expand in this new direction) but not especially controversial.

J. Each candidate gets an even share of ballots at the top of the list. But the biography section is alphabetical. Where there are three candidates have “approval voting”: may vote for one or two candidates, voting is not proportional: nominees with highest number of “X”s win.

AICPA

K. There is no voting done at the national level. Instead, a Nominating Committee is appointed by the Board and by the Council. That Nominating Committee solicits candidates for the Board and the Council from state CPA societies, committees, the major firms, and other potential sources. The Board itself consists of 62 members that serve for 3 years. The chairman of the board serves for a 1-year term. However, there is no actual voting done at the national level.

Most people that are nominated to serve on the board or on the council are very well known within their profession. Usually, they have put in a number of years of service at the committee level and also are high profile and usually are very active. Every committee has a chair and a full time staff liaison who is an employee of the AICPA. Generally, there are many more applications than available positions on a committee. The committee chair and the staff liaison go through the candidates and select the candidates that they are recommending be put on the committee. That selection then goes to the Chairman of the Board of Directors who, generally, signs off on the selections. If someone aspires to a national leadership role, the first step is to be active in committee work or in a state society.

The national process does not involve an election. Instead, candidates are surfaced from various sources by the Nominating Committee. The Nominating Committee makes the selection of those individuals that will serve on the board and those individuals that will serve on Council. There is no direct election of any of the people that are involved in national leadership.

AMERICAN FINANCIAL SERVICES ASSOCIATION (AFSA)

L. A Nominating Committee composed of three past Presidents puts names on ballot for the Board and for one officer position, the Secretary/Treasurer position. The prior Secretary/Treasurer succeeds the prior Vice President who becomes the President. The Nominating Committee gets a lot of help from the organization’s staff, especially with respect to the small company members. This ensures that those who have been most active are selected for leadership positions.

The member companies then elect the Board nominees. The Board elects the officers.

M. See Note L above with respect to company size. Large companies paying maximum dues have automatic Board seats. There are also portions of the Board seats set aside for medium sized and small sized members.

**Appendix C
Past Membership Survey Data**

1993 CAS Membership Survey

Question 31 addressed the election of the President-Elect, Directors, and Vice Presidents.

	<u>Strongly Agree</u>	<u>Agree</u>	<u>Indifferent</u>	<u>Strongly Disagree</u>	<u>Disagree</u>
Extend voting rights to ACAS	11.2%	22.0%	19.1%	30.7%	16.4%
Elect VPs by vote of the membership	9.6	28.8	35.7	21.1	4.8
Hold competitive elections for the President-Elect	14.5	35.5	31.9	14.1	3.9
Conduct issues-oriented campaigns	9.3	28.3	35.7	19.5	7.2

1998 CAS Membership Survey

Question 49 asked “Do you think that candidates in CAS Board elections should be asked to provide a position statement on key issues?” Of the 961 members who participated, 677 answered yes (70.4%), 238 answered no (24.8%) and 46 did not answer (4.8%). In their report, the research firm that compiled the results also noted that older members and members in the consulting profession were less interested in such public disclosures.