

**Report of the 2002 Task Force  
on the Casualty Actuarial Society  
Election Process**

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## **Introduction**

In February 2000, the Task Force on the CAS Election Process presented its report to the Board of Directors of the Casualty Actuarial Society (CAS). Based on the recommendations of that report, the CAS Board made several changes to the election process. Specifically, the CAS Board:

1. Required candidates for Board positions to respond to two questions about their desire to be a Board member and the unique qualities they bring to the Board.
2. Directed the Executive Council to disseminate information about the CAS election process to the membership.

Having had two years to evaluate the impact of these changes, as well as to receive feedback and comments from the membership on these changes, the Board formed the 2002 Task Force on the CAS Election Process to study and make recommendations on five questions. These questions are:

1. Are the five immediate Past Presidents the “right” members of the Nominating Committee?
2. Should the Nominating Committee always nominate a slate of candidates for all positions or only when an insufficient number is nominated for each position? If the latter, what is an insufficient number for the Board?
3. Should the CAS encourage more discussion of issues by candidates and, if so, how?
4. Should the CAS release the vote counts of all elections?
5. When the preferential ballot is distributed, should members be invited to nominate/suggest Vice President candidates?

To coordinate its responses to these five questions, the Task Force concluded there was a need to structure a revised election process. Hence the Task Force developed such a proposal. The Task Force also believes the proposal addresses many of the concerns of the membership not explicitly recognized in the five questions given to the Task Force. The Task Force strove to create election and nomination processes that are not only open, but will be perceived to be open and will engender the widespread support and participation of the membership.

## **Proposed Election Process**

The Task Force recommends to the Board that it implement an election process, as follows:

1. A Nominating Committee is formed with the following composition:
  - The two immediate Past Presidents (the penultimate President to serve as chair).
  - One past Board member.
  - Two members who have been Fellows for at least ten years.
  - Two members who have been Fellows for less than ten years.

Terms of service will be two years. Members (other than the two immediate Past Presidents) will be selected by the Board, as follows:

- a. Interest will first be solicited on the Participation Survey.
- b. From among the volunteers, the Board will fill any vacancies, giving preference to volunteers who have not served on the Nominating Committee previously.
- c. If an insufficient number of members in any of the three categories expresses an interest, the Board will recruit additional members observing the general criteria for the four at-large members and again giving preference to members who have not served on the Nominating Committee previously.

Service on the Nominating Committee would preclude a committee member from being nominated to any open office while serving on the Committee.

2. In the spring, a call for nominations will be distributed to members. This call will include (a) a request for suggested candidates for the Board, President-Elect and any open Vice President positions, similar to the current Preferential Ballot, and (b) a list of the information that needs to be submitted by people interested in being candidates for the Board or President-Elect via the petition process.
3. Any person interested in seeking a seat on the Board or seeking to be President-Elect will be requested to submit three things:
  - a. A resume using the current format.
  - b. A petition signed by 1% of the Fellows for Board positions and 2% of the Fellows for the President-Elect. The number of Fellows used to convert the percentages to a number will be the number as of the end of the previous Annual Meeting.

- c. A statement, not to exceed one page, on “Why I want to serve?” and another statement not to exceed one page to identify issues that are of special interest to the individual and any position he or she may have on those issues.
4. For all positions other than the Vice President positions, the CAS Office will provide the Nominating Committee with a list of the names suggested for each position along with the number of times a person has been “nominated.” In the case of the Vice President positions, only the names mentioned will be provided with no count of how many times an individual name has been “nominated.” This exception for the Vice President positions is introduced to eliminate the possibility of politicking.
5. The Nominating Committee may nominate one additional person per open position. The Task Force suggests that the Board encourage the Nominating Committee to ensure a slate of at least 8 Board candidates and 2 President-Elect candidates. In any case, the Nominating Committee must always nominate a sufficient number of candidates to attain a minimum of six Board candidates and one President-Elect candidate, even if the number nominated by the Committee is more than one per open position.
6. The Nominating Committee nominates candidates for the Vice President positions and provides those nominations to the Board, as is the current practice.
7. Ballots for President-Elect and the Board are distributed to all Fellows. These ballots do not contain any indication as to whether candidates were nominated by petition or selected by the Nominating Committee.
8. If a President-Elect candidate receives a vote count of more than 50% of the number of ballots, that candidate is elected. This provision is the same as the current procedures.
9. For the Board, anyone receiving a vote count of at least one-third of the number of ballots cast is elected, subject to a maximum of four successful candidates. If more than four candidates receive more votes than one-third of ballots cast, the four with the highest vote count will be elected.

We recommend a minimum number of votes, stated as a percentage of the number of ballots, to avoid allowing a group of Board members representing only a small minority to be elected if there are a large number of candidates. We are therefore proposing that the Board election process be similar to the process for the President-Elect. This proposal requires a change to the By-Laws and/or Constitution, as the current process requires only a plurality of the votes to be elected to the Board.

The Task Force considered thresholds ranging from 25% to 40%. In selecting the one-third threshold, the Board considered the results of the 2001 election in which the successful candidate with the least number of votes had a vote count equal to 39% of the ballots. The unsuccessful candidates had vote counts between 24% and 38% of the ballots.

10. All vote counts are released to the membership.
11. To the extent that there are still vacancies, say  $n$  positions, a runoff election will be conducted among the  $2n$  candidates receiving the highest number of votes during the first round. The runoff election package will indicate the number of open seats and will include, for each candidate, the resume, the “Why I want to serve” statement, the statement on issues of special interest to the prospective candidate, and a one page paper on a topic selected by the Nominating Committee. The topic could be a broad one, such as the candidate’s views on the most important issues facing the CAS or a request for information about any particular issues on which the candidate has a strong view, or a narrow one focusing on a single issue.

This provision is consistent with the current Constitution. We propose, however, to change the run-off election process as described in (11) below. That change is proposed because the current process (election by secret ballot at the November meeting) has the potential to disenfranchise those Fellows who are unable to attend the Annual Meeting.

12. The  $n$  candidates receiving the highest numbers of votes are elected. All vote counts are again released to the membership.

The Task Force has reviewed the Constitution and Bylaws and it does not believe that any constitutional changes are needed to implement this proposal. The Bylaws, however, would need to be changed in two ways:

1. The Bylaws indicate that the candidates with the four highest vote counts, even if those counts represent a plurality, are elected. This proposal will require a change indicating that the plurality is subject to a minimum percentage of the votes cast.
2. The Bylaws indicate that any runoff elections be held at the Annual Meeting. This proposal will require a change to allow the runoff election to be held by mail ballot.

The Task Force strongly suggests that a thorough review of the Constitution and the Bylaws be conducted to ensure that appropriate changes are made to the governance documents of the CAS.

## **Recommendations**

In this section of the report, the Task Force's recommendations with respect to the five specific questions posed by the Board are presented.

### ***Are the five immediate Past Presidents the “right” members of the Nominating Committee?***

As presented in the above proposal, the Task Force believes that the current composition of the Nominating Committee is not appropriate. The task force recommends that it be changed to:

- The two immediate Past Presidents (the penultimate President to serve as chair).
- One past Board member.
- Two members who have been Fellows for more than ten years.
- Two members who have been Fellows for less than ten years.

Terms will be two years. Members other than the two ex officio members will be selected as follows:

- a. Interest will first be solicited on the Participation Survey.
- b. From among the volunteers, the Board will select volunteers to fill all vacancies, giving preference to volunteers who have not served on the Nominating Committee previously.
- c. If an insufficient number of members in any of the three categories expresses an interest, the Board will recruit additional members again giving preference to members who have not served on the Nominating Committee previously.
- d. Members of the Nominating Committee must be willing to forego nomination to any elected or appointed position during their term on the Committee.

This approach balances the issues of including members familiar with the responsibilities of the elected positions, providing a greater voice to membership, and lessening any perceptions of the “old-boy” network.

### ***Should the Nominating Committee always nominate a slate of candidates for all positions or only when an insufficient number is nominated for each position? If the latter, what is an insufficient number?***

The Task Force recommends that the Nominating Committee be allowed to nominate the greater of one person per open position and the number needed to attain a minimum of

six Board candidates and one President-Elect candidate, though the Task Force would prefer to see at least eight Board candidates and two President-Elect candidates. The ability to nominate up to one candidate per open position allows the Nominating Committee to identify candidates from constituencies who may not be represented by the self-nominated candidates or to otherwise diversify the candidate pool.

***Should the CAS encourage more discussion of issues by candidates and, if so, how?***

The Task Force recommends that, in the event of a runoff election, the candidates respond to an additional question posed by the Nominating Committee.

The Task Force recommends that the information distributed about each candidate also be put on the CAS Web Site.

Otherwise, the Task Force recommends continuation of the status quo with respect to additional discussion by candidates, though the Task Force had less of a consensus on this question than on any other question. Some members of the Task Force would like to see discussions allowed on CASNET and, with anonymous postings not allowed, in the CAS Discussion Forum.

***Should the CAS release the vote counts of all elections?***

The Task Force recommends that the CAS should release the vote counts of all elections.

***When the Preferential Ballot is distributed, should members be invited to suggest Vice President candidates?***

The Task Force recommends that names of people for consideration for the Vice President positions should be solicited as part of the initial request for candidates. These names, but not the number of times each person was named, should be given to the Nominating Committee for its consideration.

## **Considerations**

This section of the report presents the considerations identified by the Task Force and through its interviews regarding each of the five specific questions posed by the Board.

### **Are the five immediate Past Presidents the “right” members of the Nominating Committee?**

*Yes*

The Past Presidents, at least shortly after their term as President, are familiar with the issues facing the CAS, the attributes required for the roles, and at least some of the individuals who have contributed to the CAS. They are in the unique position of having served the CAS as President and know more about the job demands and what it takes to do the job than most other members.

Under the current process, the committee seeks a wide range of input from many people in arriving at its decisions. Discussions are frank and open. Even as a Past President gets out of touch, they can challenge the names others propose. This objective questioning is a valuable part of the process for the committee.

The Past Presidents are ineligible to be nominated President-Elect so are not likely to be in the position of wanting to nominate themselves. The benefit does not necessarily exist, however, with respect to Board positions.

The current approach allows past presidents to continue to serve.

Many people view the results of the current process as satisfactory, so they see no need to change it.

*No*

One person can influence the actions, direction and policy of the CAS for seven years. A person who is elected President-Elect influences the Board and the Executive Committee for the two years while President-Elect and President, influences the Board, acting as its Chair, while Immediate Past President, and influences the composition of the Board and the nomination of President-Elects for the five years beginning when Immediate Past President. This process allows an individual enough time to bring his/her friends or colleagues through the system and have them nominated for President-Elect or the Board.

The current process appears to be closed to the CAS membership. In particular, there is a perception, not universally shared, that the CAS is run by an “old boy network.” In some

ways, a nomination could be perceived as a reward for “keeping your nose clean” or being successful in business.

*Suggestions for Alternate Compositions of the Nominating Committee*

The following possibilities were identified through the Task Force’s discussions amongst itself and in its interviews with selected CAS members.

1. The Past President

One past member of the board

Two others who became Fellows at least 10 years ago (not currently on the Executive Council or Board.)

One other who became a Fellow less than 10 years ago (not currently on the Executive Council or Board.)

The members in each category should be chosen at random from those who apply with preference given to those who have not served previously on the Nominating Committee.

2. One first-year and one second-year Board member.

One or two Past Presidents

3. The five immediate past presidents

Three new members representing a generational cross section:

One who became a Fellow in the past seven years

One who became a Fellow in the past 8-14 years

One from the 15-21 year cross section.

These three people would serve a three-year term each, with the first group having staggered terms into a rolling one-on and one-off condition.

4. The five immediate Past Presidents

A president of a Regional Affiliate

5. The current Vice Presidents

Some number of Past Presidents

The following alternatives were identified from a survey of not-for-profit organizations. (Information provided to CAS by the American Society for Association Executives.)

1. Board appoints seven regular members, and includes one immediate past chair. No more than three past chairs. One must be reappointed in the following year for continuity.

2. Board appoints seven regular members. No more than four may be Board members. Members must reflect geographic dispersion and varied interests of members.
3. Seven elected members.
4. Seven members: President, one Executive Council member; five elected members. Limited to two terms.
5. Board President appoints seven members, all members of current Board.
6. Two Senior Directors present five names to Board to approve; none of these names may be a Board member.
7. Nine members; chapters select six members, while Board selects three. Board members may not serve. No one may serve more than one year in a five-year period.

**Should the Nominating Committee always nominate a slate of candidates for all positions or only when an insufficient number is nominated for each position? If the latter, what is an insufficient number?**

*Nominate Full Slate*

Without the Nominating Committee, the Board could become less diverse. The Nominating Committee tries to ensure that as many constituencies (e.g., type of employment, geographic location) are represented on the Board as possible. Along the same lines, the Nominating Committee can prevent a special interest group from dominating an election by ensuring a diversity of candidates.

If the Nominating Committee were only used when there were an insufficient number of candidates nominated for each position, there could be a negative connotation to having been placed on the ballot by the Nominating Committee, just as there is perceived to be today for candidates who petition to be placed on the ballot. This concern could be eliminated if the names of the petition candidates are not announced until the Nominating Committee has met.

*Act As Back Up if Insufficient Nominations*

Under this approach, the Nominating Committee would act closer to a recruiting committee than a nominating committee, as its role would be to identify potential candidates, ask them to consider petitioning to be placed on the ballot and, possibly, assist them in collecting signatures. This process could occur either while candidates are collecting signatures or after petitions are submitted.

This approach would eliminate the benefits to nominated candidates of endorsement by the Nominating Committee and, as such, might encourage more candidates to run.

**How many candidates is a sufficient number?**

*One Per Vacant Seat*

It is not necessary to have contested elections, particularly for President-Elect.

It may be difficult to identify two candidates for President-Elect.

*Two For President; Six for the Board*

It is important to allow the membership choices in selecting the President-Elect and Board.

**Should the CAS encourage more discussion of issues by candidates?**

*Yes*

Additional discussion will promote more open and “freer” election process.

Members are less likely today than in the past to know the candidates personally so discussion of the issues will help members make an informed voting decision.

Additional discussion by candidates will encourage members, especially newer members, to become more involved in the organization.

Additional discussion may help more quickly identify issues, develop solutions and identify the direction that the membership wants the CAS to go.

Members are interested in learning more about a candidate’s thought process. Members are asking for more discussion and for more information about the candidates.

*No*

It is unreasonable to expect the candidates to be well versed in the issues or to anticipate the issues that might arise during their term.

The CAS is looking for quality people who are willing to serve and who are willing to work on any issues that arise.

Current Board members have found occasions on which they were swayed by others’ comments and observations. Complex issues that have not had the benefit of discussion should not be the focus of CAS elections.

There is already enough information presented to establish a candidate's willingness to serve the CAS.

Additional discussion will increase the candidate's time commitment, which may reduce the number of members willing to volunteer.

Discussion of issues has the potential to make the process overly political.

### **How should the discussion of the issues occur?**

The Task Force identified three ways in which additional discussion could occur:

1. An open forum through use of the CAS Web Site to provide a discussion forum for members and candidates to have an open question-and-answer session.
2. Specific questions. Each candidate provides a written response to the same question(s). The question(s) would be constructed by the Nominating Committee and could include an "issue" question. The Nominating Committee, through the use of the CAS Web Site, could solicit questions from the membership that it would like to see addressed by the candidates.
3. A single communication. Each Board candidate would have the opportunity to send one communication (generally via e-mail) to the membership covering whatever topics she or he desired. President-elect candidates could send up to three such communications. These communications could also be posted on the CAS Web Site. Rebuttals would be outside the scope of this form of communication.

### ***Open Forum***

#### ***Pros***

The CAS should allow candidates to discuss issues, just as occurs in most other elections.

Any increase in discussion will allow the membership to "know" the candidates better and to make more informed choices.

An open forum maximizes the opportunity to discuss issues if the candidate chooses to do so.

#### ***Cons***

The demands placed on candidates could be potentially large and candidates who do not respond will be viewed negatively.

Not all candidates are sufficiently informed on all issues facing the CAS to be able to provide responses to questions. The CAS should not necessarily seek individuals for its Board with specific agendas, but rather those who will consider the issues of each question the CAS faces, provide insight to the Board as it deliberates and make informed decisions.

An open forum would “politicize” the election process. The CAS is an educational organization and its interests are not best served by having the membership split by politics.

Running on issues may limit a candidate’s ability to change position on the issue once elected

### ***Specific Questions***

#### *Pros*

This approach provides a controlled format in which to discuss issues.

This approach would respond to members’ request for more information about candidates’ opinions on what the issues are and their opinion on those issues.

Response to a limited number of questions should not significantly add to the time commitment involved in the current process.

#### *Cons*

A focus on specific issues distracts from exploring why a candidate is willing to serve the CAS.

### ***Single Communication***

#### *Pros*

A single communication would allow candidates to address the topics that they feel are most pertinent.

Using multiple channels for communication will reach more members and may increase membership participation in the process.

#### *Cons*

Any additional communication that allows discussion of issues will turn the process more into a political campaign.

Drafting of the communication will increase the time commitment of candidates.

**Should the CAS release the vote counts of all elections?**

*Yes*

Releasing vote counts will cause the CAS election process to be more open.

In combination with knowledge of candidates' position statements, this communicates a great deal of information to members as to what the membership is thinking. This can serve to encourage more participation from individuals who might have otherwise thought they were alone in their positions.

The combination of the vote counts and the respective candidates voiced opinions will provide information to the membership about its collective views. Even if a candidate is not elected but gets a significant minority of votes, the candidate's voter support may create more pressure for change related to the specific issues on which opinions were expressed.

*No*

Some candidates might be embarrassed if they have a low vote count. Others argue that the willingness to risk receiving a low vote count is a sign of leadership and that all candidates should be willing to handle this possibility.

Some candidates might be reticent to run if they know the vote counts may be released.

**When the Preferential Ballot is distributed, should members be invited to suggest Vice President candidates?**

*Yes*

These positions are important in that they affect CAS policy and activities. As such, members should be allowed (or encouraged) to become more actively involved in the selection process.

Members, such as those on committees, are often in a position to evaluate and identify possible Vice President candidates.

This change would make the process more open and might identify candidates with whom the Nominating Committee is not familiar.

The suggestions will not be binding on the Nominating Committee, so there is no harm done by making this change.

*No*

The Vice President positions are administrative. Asking the membership for input would be like asking the shareholders to elect a company's management team. Further, the Nominating Committee is aware of all of the people with sufficient experience in each area from which to choose. The membership, on the other hand, may not be familiar with the qualifications needed to fill these positions.

This change could lead to electioneering by people interested in the positions. The Nominating Committee might be influenced by how many times an individual is suggested. In that situation, potential candidates might ask all of their friends and associates to suggest them, thereby possibly making the nomination process into a popularity contest.

The Vice President positions are super-committee-chairperson positions. The best knowledge to make those selections rests within the Board and the Executive Council. The Vice Presidents have a very direct job of getting the committees to carry out their respective missions in service to the Executive Council who in turn serves the Board. To open that to populist elections, even through a straw ballot, will erode that idea a great deal. If only committee members and chairs submitted straw ballots, then the process will be net positive.

## **Closing**

The Task Force appreciates the opportunity to present its recommendations to the Board. It would like to thank the CAS members who were surveyed for their time and input. These members include Al Beer, Ron Brusky, Bob Daino, Sean Devlin, Sholom Feldblum, John Gelba, Jennifer Johnson, Tim Koester, Orin Linden, John Purple, Becky Roever, Gail Ross, Arthur Schwarz and Bob Wolf. The Task Force would also like to acknowledge the assistance of the CAS office in preparing this report, particularly Cynthia Ziegler who collected the information in the attached Appendix.

The Task Force is available to answer any questions regarding this report.

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