

OPEN LETTER TO THE BOARD OF THE AMERICAN ACADEMY OF ACTUARIES

Date: October 8, 2009

RE: Annual Meeting in Boston on October 26, 2009

Dear Academy Board:

It has come to my attention that recent actions taken by the Academy are further trivializing the rights of MAAAs to elect some members to the Academy Board of Directors.

Election Process

A recent announcement indicates that the plan for the Annual meeting of the Academy at which elections will take place will be structured to allow, apparently, very little time for members to do anything but vote for the slate of candidates presented to it by the Nominating Committee. As announced the Annual meeting of the Academy will begin after the Keynote Speaker, service award presentations, and the “ceremonial” Presidential transition and it will end at 2:15pm.

Please let members know how much time will be allotted to the election process and if you intend to hold to tradition and ask for nominations from the floor?

Number of Board Positions

The Nominating Committee has presented three very good candidates for three Regular Director positions. One additional candidate is designated to fill a vacancy created by Arthur Panighetti’s election to VP before his Regular Director term ended. However, there are four Regular Director positions expiring in 2009 (Bell, Emma, Herget, and Steiner). **Therefore, there ought to be four Regular Directors elected at the Annual meeting on October 26.** The Nominating Committee has only presented three candidates.

It may be that the Academy is operating under the assumption that in May 2009 the Academy Board amended the Bylaws in order to split the Secretary/Treasurer position into two distinct positions – Secretary and Treasurer. Accompanying this decision to split the Secretary/Treasurer position into two, apparently, one Regular Director position elected by the members was removed.

However, this supposed action has never been reflected in the current Bylaws (posted on the Academy website) which control the election process. And, in any event, it is very clear that the Bylaws do not allow the Academy Board to make an amendment that would eliminate one member elected Regular Board member.

Please explain to the members why only three Regular Director positions need to be filled.

Nomination from the floor

Please be advised that certain members are and will be collecting proxies from members who are unable to attend the Annual meeting in order to vote. These members intend to nominate from the floor a candidate for the fourth expiring Regular Director board position.

Please be prepared to accept nominations from the floor at the Annual meeting. It is a member's right per the Bylaws (Article I, Section 1) to make nominations and the members expect this right to be recognized.

General Disregard for Academy Bylaws

While a minor point in the general scheme of things, it is, nevertheless, worth pointing out that your election of Ken Hohman to the position of President-Elect is contrary to the Academy Bylaws.

Assuming that Hohman is intended to fill the vacancy created when Bruce Schobel resigned as President-Elect, then the correct procedure per the Bylaws (Article V, Section 2) is quoted below (*emphasis added*) for your convenience:

At the annual meeting of the Board, if either

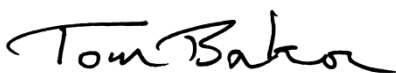
(a) the President-Elect has succeeded the President and has served in that capacity for six months or more by reason of the office of President becoming vacant or

(b) the office of the President-Elect is vacant, except in the case where the President-Elect has succeeded to the office of the President and has served in that capacity for less than six months, the Directors, by a vote of a majority of the whole Board, shall, prior to the election of the President-Elect, elect a President to serve from the close of the first subsequent annual meeting of the Academy until the close of the second subsequent annual meeting of the Academy.

That is, at its Annual meeting on October 20 in Denver the Academy Board, prior to electing a new President-Elect should elect (in these circumstances) a President to serve the Presidential term that would be served by the President-Elect.

Again, perhaps a minor point but further evidence that the Academy pays little attention to its own Bylaws and hardly in keeping with a desire to improve its reputation among its members.

Sincerely,



Tom Bakos, MAAA

cc: Mary Downs
Ron Gebhardtsbauer
Ken Hohman
Mary D. Miller

Dave Neve
Tom Wildsmith