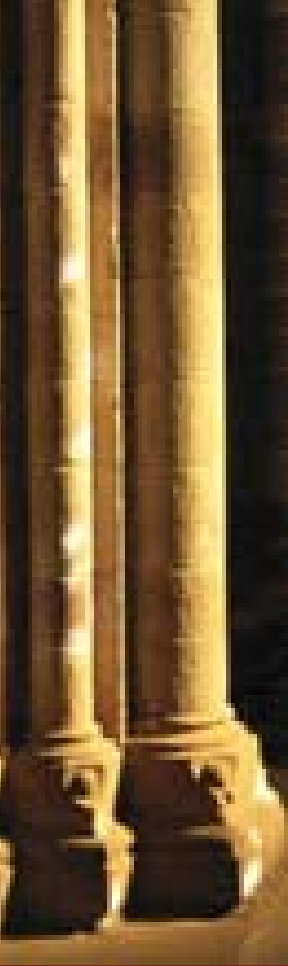




# **CASUALTY ACTUARIES Of GREATER NEW YORK**

**May 29, 2013**



# **Council on Professionalism Discipline Task Force**

**Michael L Toothman  
FCAS, MAAA**

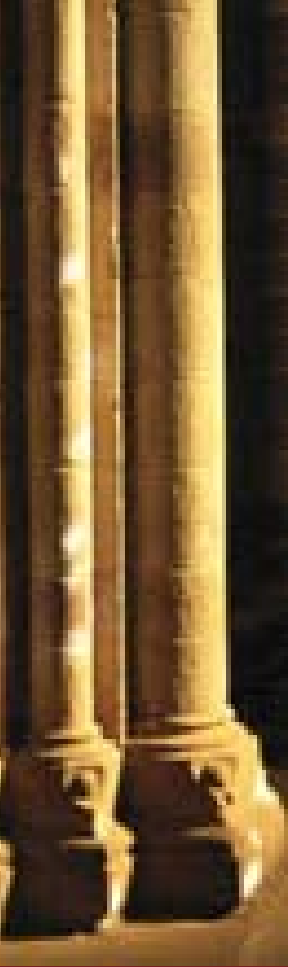
# Discipline Task Force Membership



	<u>Area of Practice</u>
<b>Michael Toothman, Chairperson</b>	<b>Casualty</b>
<b>Kevin Dyke</b>	<b>Casualty</b>
<b>Cande Olsen</b>	<b>Life/LTC</b>
<b>Steve Ostlund</b>	<b>Health/Life</b>
<b>Richard Young</b>	<b>Pension</b>

## Task Force Charge

The TF was formed for the purpose of identifying and discussing “further issues and concerns that the public had with the ABCD.” The TF agreed that they would interpret this charge to allow them to identify any potential improvements to the profession’s counseling and discipline processes, particularly with regard to those that might improve the perceptions of members, regulators, and ultimately the public at large.



## DISCUSSION TOPICS

1. Information provided to the public when discipline occurs
2. Automatic triggers, i.e. should certain events automatically trigger an investigation of an actuary by the ABCD?
3. Transparency, particularly the balance within the process of transparency vs. confidentiality
4. High Profile Cases, particularly whether the current level of confidentiality in the process ought to be different for certain cases which have already received considerable publicity

## DISCUSSION TOPICS

5. Education of members of the profession regarding the profession's counseling and discipline processes as well as the level of activity
6. Concerns as to why some members of the profession, and particularly regulators as a group, seem to be reluctant to file complaints
7. Perceptions among some members of the profession that the ABCD is ineffective and/or inefficient
8. Ways to further publicize the positive aspects of the ABCD, including the Counseling and Request for Guidance (RFG) roles of the ABCD

## DISCUSSION TOPICS

9. Should there be less stringent penalties available?
10. How should the profession or individual actuaries handle instances of poor work product?
11. What should the profession or individual actuaries do when an actuary is trying to evade the law?
12. Should non-actuaries be on the ABCD?

## DISCUSSION TOPICS

13. Should redacted versions of Requests for Guidance (RFGs) be publicized in some fashion?
14. What information should be provided to complainants?
15. Should the complainant be invited to participate more in the process?
16. Can improvements be made to the investigating process, particularly as to timeliness?





**DISCUSSION:**

**TRANSPARENCY  
VS.  
CONFIDENTIALITY**



DISCUSSION:

## AUTOMATIC TRIGGERS

Should we adopt the concept?

Details



**DISCUSSION:**

**ROLE OF COMPLAINANT**





DISCUSSION:

## REQUESTS FOR GUIDANCE

Should we publish redacted versions  
of RFGs?



DISCUSSION:

INVOLVEMENT OF  
NON-ACTUARIES

ON THE ABCD?  
ON THE JOINT DISCIPLINE  
COUNCIL?



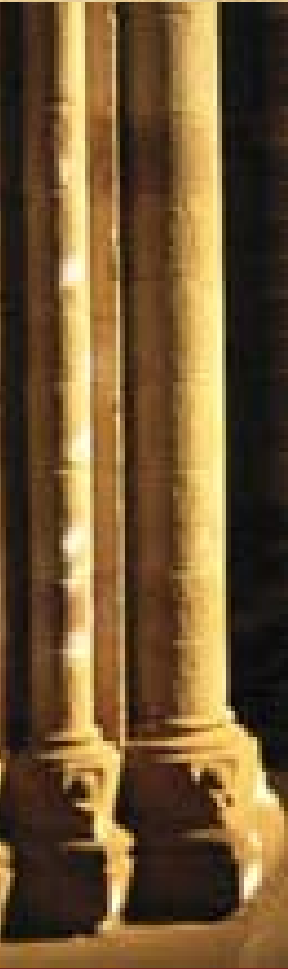
DISCUSSION:

PRECEPT 13



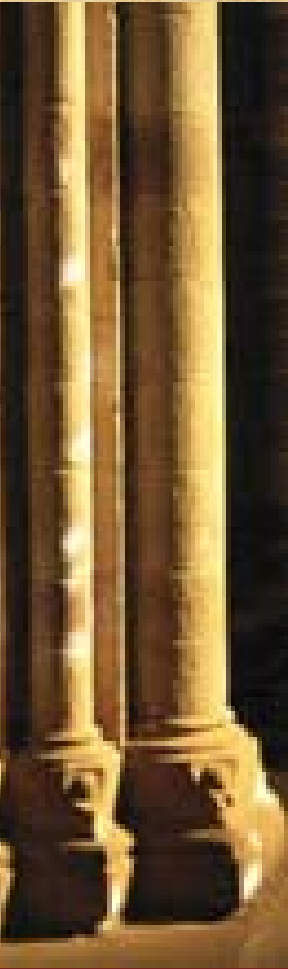
## An ABCD Inquiry

- Is a fact-finding effort, not an adversarial forum
- Examines whether or not an actuary materially violated the Code of Professional Conduct
  - not whether the actuary is liable for damages



## Challenges/Weaknesses

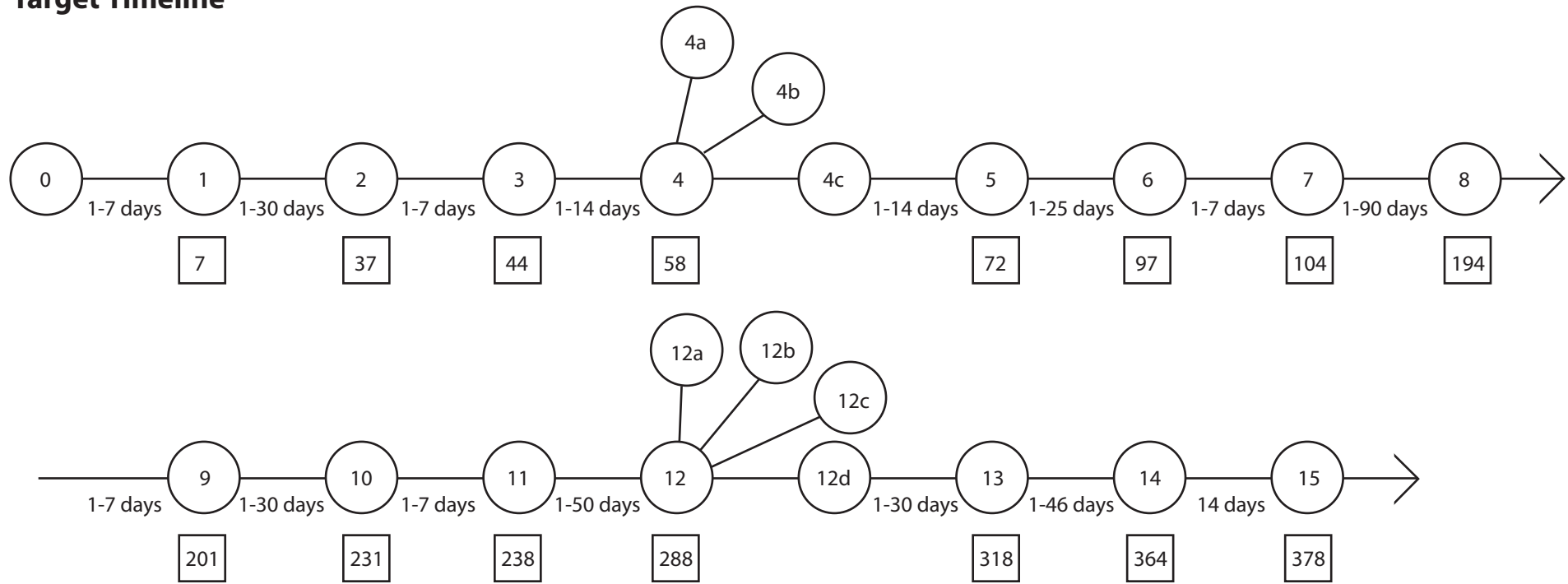
- **Lack of understanding within the profession of the counseling and discipline process and the role of the ABCD (exacerbated by confidentiality issues)**
- **Reliance on practitioners to self-police in many cases**
- **Timing of the process**





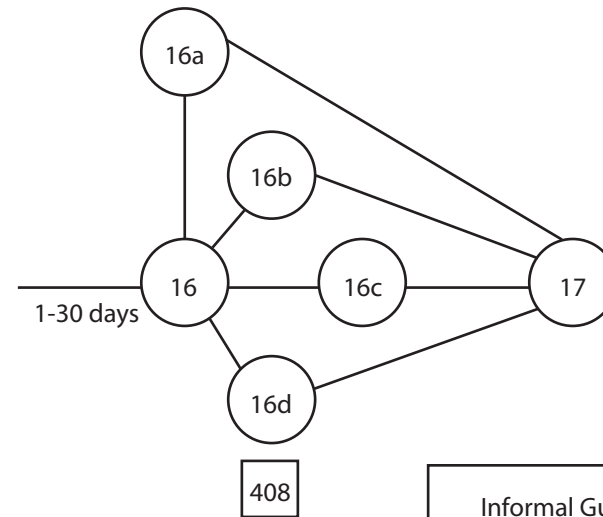
**Flow Chart:  
ABCD Investigation Process  
Target Timeline\***

**DRAFT DOCUMENT**



- 0. Receive complaint
- 1. Send complaint to subject actuary ("SA")
- 2. Receive SA's response
- 3. Transmit to Chair and Vice Chairs ("VCs")
- 4. Chair/VCs decide (to)
  - a. Dismiss
  - b. Assign to mediator
  - c. Assign to investigator
- 5. Select investigator and inform SA
- 6. SA accepts appointment or objects
- 7. Send case specific docs to inv
- 8. Receive investigative report
- 9. Send report to SA
- 10. Receive SA's response
- 11. Transmit to ABCD
- 12. ABCD decides (to)
  - a. Dismiss
  - b. Counsel
  - c. Investigate further
  - d. Schedule hearing

- 13. Send SA hearing notice
- 14. SA responds
- 15. Conduct hearing
- 16. ABCD effects
  - a. Dismissal
  - b. Counseling
  - c. Further investigation
  - d. Discipline recommendation
- 17. As applicable
  - Notify SA/complainant
  - Effect counseling
  - Prepare report with transcript to SA and membership organizations



Informal Guide under discussion by the ABCD

\* ABCD Rules dictate some time frames.