



Actuarial Board for Counseling and Discipline

Actuaries' Club of Hartford & Springfield

ABCD Overview – Process, Activity and Case Studies

November 10, 2016



Introduction

- I was appointed to the ABCD earlier this year
- Any opinions I express are mine and are not necessarily those of the ABCD
- I am a pension actuary, but I'll try to avoid a lot of specialty-specific material



Agenda

- Background on ABCD
- ABCD Processes
- Existing proposals to improve effectiveness



Actuarial Board for Counseling and Discipline

ABCD was established in 1991 by the U.S. actuarial organizations to

- **Investigate** alleged violations of the Code of Professional Conduct by members and recommend discipline
- **Counsel** (provide guidance to) members
- **Mediate** disputes between members and others.



ABCD Membership in 2016

Appointed by Selection Committee (Presidents and Presidents-elect of U.S. organizations)

Member

Area of Practice

Janet Fagan, Chairperson

Casualty

Richard A. Block, Vice Chairperson

Retirement

Janet M. Carstens, Vice Chairperson

Health

Nancy Behrens

Life

David L. Driscoll

Retirement

David F. Ogden

Health

Debbie Rosenberg

Casualty

Allan W. Ryan

Life

John T. Stokesbury

Retirement



Since its inception in 1992, the ABCD has completed its cases as follows:

Dispositions	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Dismissed	12	24	9	11	8	11	13	10	5	20	16	7
Dismissed With Guidance	6	10	3	–	5	1	5	2	8	5	4	2
Counseled	–	2	8	1	6	2	5	–	2	3	2	4
Mediated	3	1	1	–	–	–	–	1	–	4	–	1
Recommended Private Reprimand	–	–	–	–	–	–	–	–	1	1	–	–
Recommended Public Discipline	–	1	2	–	3	–	1	–	3	–	–	1
Request for Guidance	8	8	8	10	28	31	22	31	36	21	47	30
Total	29	46	31	22	50	45	46	44	55	54	69	45

Dispositions	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	TOTAL
Dismissed	5	5	1	5	11	29	16	9	48	10	19	11	315
Dismissed With Guidance	2	4	1	–	1	5	1	2	1	2	10	–	80
Counseled	1	4	3	1	2	–	–	–	2	8	4	3	63
Mediated	–	–	–	1	1	–	–	–	–	–	–	–	12
Recommended Private Reprimand	–	–	–	–	1	–	2	–	1	–	–	–	6
Recommended Public Discipline	–	2	1	1	3	2	3	2	4	2	4	1	36
Request for Guidance	46	37	31	35	48	46	55	55	62	82	90	96	963
	54	52	37	43	66	82	77	68	118	104	127	111	1,475



ABCD Processes

- Follow Article X of AAA bylaws and ABCD Rules of Procedure
- All ABCD inquiries, guidance and mediation confidential, unless
 - Actuary makes public or agrees to publication
 - Court requires disclosure
 - Redacted, generic situation used for educational purposes



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



ABCD Inquiry

- Based on complaint from individual, typically
 - Client
 - Regulator
 - Other actuary
- At ABCD's initiative
 - Based on public document that suggests possible violation



ABCD Inquiry

- **Step 1: Initiation of Inquiry**
 - Complaint received
 - Reviewed by staff for completeness
 - Information based
 - Chairs review public document and decide to proceed
 - Sent to subject actuary for response



ABCD Inquiry

- **Step 2: Chairs' review**
 - Chairs evaluate for possible material violation
 - Chairs decide whether to
 - Seek additional information
 - Dismiss complaint
 - Offer mediation
 - Commence investigation
 - Notify subject actuary, complainant and ABCD



ABCD Inquiry

- **Step 3: Investigation**
 - Appoint investigator, subject to challenge
 - Investigator
 - obtains and reviews documents,
 - interviews individuals involved,
 - prepares report of results, i.e. facts as investigator understands them
 - Report sent to subject actuary for response



ABCD Inquiry

- **Step 4: ABCD consideration**
 - ABCD decides whether to
 - Seek additional information
 - Dismiss (with/without guidance)
 - Counsel the actuary
 - Conduct a hearing
 - Subject actuary, complainant, investigator notified of decision



ABCD Inquiry

- **Step 5: Hearing**
 - Conduct fact finding hearing attended by
 - Investigator
 - Subject actuary
 - Hearing is recorded by a court reporter
 - Investigator presents results
 - ABCD and actuary question investigator
 - Actuary presents case
 - ABCD questions actuary



ABCD Inquiry

- **Step 6: Deliberations**
 - ABCD discusses hearing and documents
 - Decides whether to
 - Dismiss
 - Counsel
 - Recommend discipline
 - Obtain more information, reopen hearing



ABCD Inquiry

- **Step 7: Notification**
 - Notify subject actuary, complainant and investigator of decision
 - If discipline is recommended, transmit to appropriate organization(s)
 - Statement of ABCD findings
 - All documents used by ABCD
 - Transcript of hearing



ABCD Inquiry

- **Step 8: Member Organizations**
 - These forward the ABCD materials to the Joint Discipline Council (JDC)
 - JDC appoints a Disciplinary Panel for the case
 - May decide to
 - Impose recommended discipline
 - Impose greater level of discipline
 - Impose lower level of discipline or none



Request for Guidance

- Private guidance by ABCD member
 - Expresses member's own opinion
- Private guidance by ABCD
 - Expresses views of board
- Public guidance by ABCD
 - At request or agreement of actuary(ies)
 - Provides guidance to profession
 - Expresses views of board



Request for Guidance

Example RFG Topics

- How do I know if I am qualified?
- How can I become qualified?
- How can I do a job that involves more than one area of expertise?
- How much can I rely on my supervisor?
- How much can I rely on my staff?
- How much documentation of my work should I save?
What if I leave my company?
- When should I refuse an assignment?
- When should I make a complaint about another actuary?
- When is a violation of the Code material?
- When is a violation of the Code resolved?



Mediation

- If all parties agree
- Facilitate resolution of issue without inquiry





Contacting the ABCD

- **Letter:** 1850 M St., N.W., Suite 300, Washington, D.C. 20036
- **Telephone:** (202) 223-8196; (202) 872-1948 (fax)
- **Website:** www.abcdboard.org
- Contacting any individual ABCD member or ABCD staff (contact information on website)



CASE STUDY 1

Details TBA





CASE STUDY 2

Details TBA





CASE STUDY 3

Details TBA





CASE STUDY 4

Details TBA

