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Discipline Bulletin



Report

This is the twenty-fourth periodic report to Members, Associates and Affiliates prepared in accordance with Bylaw 20.12(8). Its primary purpose is to educate and inform all Members, Associates and Affiliates about the disciplinary process and current disciplinary activities. Please send any comments on or suggestions for improvements in these reports to me at my Online Directory address. Information in this report regarding specific cases represents the status at March 31, 2007.

Below is an interview with Jim McCarter and Bob Baldwin, the Committee on Professional Conduct's (CPC) first public non-actuarial members:

It has been over one year since the CPC welcomed its first public, non actuarial members. Bob Baldwin, a well known pension expert, and Jim McCarter, the Auditor General of Ontario, were asked to join the CPC to provide additional perspectives in the CPC's deliberations and improve the transparency and public perception of the work of the CPC. In this interview, they provide some insight into their first year on the committee.

Jim McCarter

Q1: How would you describe your experience since you joined the committee?

Jim: I accepted the invitation to join the CPC as one of the two non-actuary public representatives in November 2005 and attended my first meeting on January 25, 2006. I had previously served on the Ontario Institute of Chartered Accountant's professional conduct committee for four years so I knew what to expect and have found the case review process to be fairly similar. From the people aspect, the actuaries on the committee are clearly seasoned professionals who bring a solid understanding of professional standards combined with a necessary dose of pragmatic common sense.

Q2: Did you have any experience working with discipline committees or dealing with matters of discipline prior to joining the CPC? If so, how would you compare them?

Jim: As noted earlier, I served on the Ontario CA's professional conduct committee for four years. The process is similar in that it is complaints-driven and both the complainant and

respondent are given an opportunity to provide comments for consideration by the committee. Similar to the CA process, at times additional independently acquired information is needed before a final decision can be reached. The bottom line is that both the CA and the actuary conduct review processes are effective in ensuring that the complainant and the respondent each get a fair hearing.

Q3: What do you see as positive about the current process? What is negative?

Jim: Perhaps the biggest positive is that the CPC bends over backwards to ensure as much information as possible is obtained and all parties get ample opportunity to present their respective points of view. It is evident from the exchange of views around the table that all cases get a very thorough review before any decisions are made. As an aside, the actuaries who do the case investigation work should also be recognized for doing top-notch work especially as almost all of this is done on a volunteer basis.

The one area that the CPC recognizes it needs to address is the timeliness with which cases are dealt with. The CA conduct process generally expedites the resolution of cases much more quickly.

Q4: Are there any specific changes to the process you would recommend?

Jim: The committee is already taking steps to ensure cases are dealt with more quickly such as adopting the CA's practice of using paid investigators for the more serious or complex cases. As well, it may be possible to expedite the disposition of cases where there is clearly little risk to the public.

Q5: You were added to the committee primarily to ensure that CPC members don't favour their actuarial colleagues in rendering their decision. How would you describe the balance the committee weighs, re: the public interest and the rights of the accused actuary.

Jim: Overall, I've been impressed with the fairness and thoroughness of the CPC process — both from the public interest as well as the actuary's perspective. However, as professionals, members must recognize that when the situation under review may involve a potential risk to the public, these cases must be dealt with as quickly as possible even though this may pose certain difficulties from the actuary's point of view.

Q6: Have you found it interesting and would you recommend membership to other non-actuaries when the time comes?

Jim: Absolutely. As well, I would hope that in due course when the committee and the actuaries' governing council assess continuation of non-actuaries on the CPC, the consensus is that there has been some value added by having the perspective of the two public members of the CPC brought to the conduct deliberations.

Bob Baldwin

Q1: When did you join the CPC?

Bob: I joined the committee in March 2006.

Q2: How would you describe your experience on the CPC since you joined?

Bob: It has been a positive experience. I am impressed with the effort that committee members give to the work of the CPC. People arrive at meetings having digested large amounts of documentation and having thought about the issues in each case. In the committee's deliberations, a great deal of balanced care is shown for the two sides of the case.

Q3: Did you have any experience working with discipline committees or with dealing with matters of discipline generally prior to joining the CIA's CPC? If so how would you compare them?

Bob: I have a history of working with the Institute that dates back to some time in the 1980s, but not on discipline issues. I worked for the Canadian Labour Congress for many years and while there, I organized meetings between representatives of the two organizations, I responded to CIA committee and task force reports as well as drafts of standards of practice. I have also been as speaker at CIA events.

Q4: What do you see as positive about the current process? What is negative?

Bob: What strikes me as most positive is the diligence of the Committee members. They seem determined that justice will be served.

I joined the CPC at a time when it was dealing with a serious issue — namely, the long time it has sometimes taken to resolve issues. The committee has adopted new procedures to try to speed things up and the success that has been achieved in this area is still being tested. In some cases, of course, the delays

result from things beyond the control of the Committee.

Again on the negative side of the question, I think that members of the Institute who lodge complaints should be expected to be more precise than they are at times about the provisions of the rules of professional conduct and/or standards of practice that they think have been violated. I am surprised by the looseness of a minority of complaints.

Q5: Are there specific changes to the process you would recommend?

Bob: A number of important changes are "in the works" at this time. Their focus is to speed up the CPC process. It will be very important for the Institute and the CPC to monitor their effectiveness.

It is a much lower priority, but having raised the issue earlier about the lack of precision in some complaints from members of the CIA itself, it may be useful to look at remedies to this situation.

Q6: You were added to the committee primarily to ensure that CPC members don't favour their actuarial colleagues in rendering their decision. How would describe the balance the committee weighs re the public interest and the rights of the accused actuary?

Bob: It is refreshing to me that concern for protecting the public is regularly in the forefront of Committee deliberations.

Q7: Have you found it interesting and would you recommend membership to other none actuaries when the time comes?

Bob: Yes I would. I hope that the presence of non-actuaries is of value to the Institute too. I believe there are times when Jim and I bring a perspective that would be difficult to generate from within the profession.

Meetings

Since the last Discipline Bulletin of December 2006, the CPC held a meeting on March 1st, 2007. The committee also held one telephone conference call on March 30, 2007. Future meetings of the CPC have been scheduled for June 14, 2007, September 27, 2007 (Montreal) and December 13, 2007 (Toronto).

Disciplinary Costs (\$000) to March 31, 2007

	FY 06-07		FY 05-06	
	Actual	Budget	Actual	Budget
Legal Costs	144	---	170	---
	67	---	27	---
Other Costs	211	186	197	225
Costs recovered	Actual		Actual	
	51		7	
No. of cases reviewed	15		22	

The budget for the Fiscal Year 2007/2008 is \$245,000.

Cases

a) Charges filed and cases completed

There are no cases with respect to which tribunals have been completed since the last periodic report in December 2006.

b) Cases outstanding where charges have been filed

Separate charges were previously filed against two Members of the Institute, in connection with the valuation of a pension plan.

A notice of the filing of charges and referral of the charges to a Disciplinary Tribunal of the Canadian Institute of Actuaries was circulated April 12, 2006 to inform members of the Institute and the public about the case in accordance with Bylaw 20.04(3.1). The Notice can be found on the new Discipline Section on the CIA's public website.

A Disciplinary Tribunal has been appointed by the chairperson of the Tribunal Panel, in accordance with Bylaw 20.06(1), and arrangements are being made to hear these charges.

Please note that pursuant to the Bylaws, the Executive Director will publish a Notice to the public and the membership approximately 15 days prior to any hearing before a Disciplinary Tribunal. This notice will include the date, time and place of the hearing.

Anyone who wishes to request more information about the disciplinary process may obtain that information from the Executive Director.

c) Other complaints and information

Apart from the case mentioned in b), in the period since the December 2006 report, the CPC has considered 9 complaints or other information that might lead to complaints, against nine (9) Members, Associates or Affiliates.

i. New Cases

Five (5) new complaints and/or information were received for the CPC's consideration. In one of these, after obtaining further information, the CPC decided to dismiss the matter. In the other four (4), the CPC is obtaining further information before deciding how to proceed.

ii. Old Cases

The CPC had previously referred three (3) cases to three Investigation Teams, whose investigations are continuing.

In one earlier case, upon reviewing the Investigation Team report and the response provided by the member, the CPC decided to dismiss the complaint.

d) Summary by Practice Area

The 15 cases reviewed in the 2006-2007 fiscal year may be summarized by practice area as follows:

Life	1
Pension	9
P&C	0
Workers' Compensation	0
Actuarial Evidence	2
Other	3

Robert J. McKay
Chairperson, Committee on Professional Conduct