

Discipline Report

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This is the forty-sixth periodic report to Fellows, Associates, and Affiliates prepared in accordance with Bylaw 20.12(8). Its primary purpose is to educate and inform all Fellows, Associates, and Affiliates about the disciplinary process and current disciplinary activities. Please send any comments or suggestions for improvements in these reports to me at my Online Directory address.

Meetings

Since the last Discipline Report of November 2017, the Committee on Professional Conduct (CPC) held one meeting and one conference call. The next meeting of the CPC is scheduled for September 27, 2018 in Toronto.

Disciplinary Costs (\$000) to March 31, 2018

	FY 17–18		FY 16–17	
	Budget	Actual	Budget	Actual
Routine legal costs	72	69	75	68
Non-routine legal costs	0*	34	0*	38
Other costs	0*	0	0*	11
Total costs	72	103	75	120
	Actual		Actual	
Costs recovered	0		0	
No. of cases reviewed	16		28	

*Note: Non-routine legal costs and other costs are now paid from a discipline reserve of \$750,000.

Cases

(a) Charges filed and cases completed

There were no cases heard and completed by a Disciplinary Tribunal in the fiscal year ending March 31, 2018.

(b) Cases outstanding where charges have been filed

There were charges filed in one case in the last fiscal year and the case will be heard once a Disciplinary Tribunal has been appointed.

Anyone who wishes to request more information

about the disciplinary process may obtain that information from the Executive Director.

(c) Other complaints and information

Since the last Discipline Report, the CPC discussed 15 cases against 18 Fellows, Associates, or Affiliates including the case noted above.

Three new complaints and/or information were received for the CPC's consideration. The CPC is obtaining more information before deciding how to proceed in one case, one will have an investigation team appointed, and the third was dismissed.

In four earlier cases, the CPC is still obtaining further information before deciding how to proceed. An investigation team has been appointed for one of the earlier cases and four cases were dismissed.

Two earlier cases are under review by an investigation team.

(d) Summary by practice area

The 15 cases set out above may be summarized by practice area as follows:

	Cases	Individuals
Life	7	7 members
Pension	6	9 members
P&C	1	1 member
Workers' Compensation	0	0 members
Actuarial Evidence	0	0 members
Other	1	1 member

(e) Summary of CPC cases since 1992

In response to an interest that was expressed to the CPC, this Discipline Report includes additional statistics on past CPC cases:

- Since 1992, the CPC has completed 211 cases.
- Of these 211 cases, 130 cases were dismissed, three cases resulted in a private admonishment without going to an investigation team, and 78 cases were referred to investigation teams.

- Of the 78 cases that were referred to investigation teams, 37 cases resulted in no charges being filed, and 41 cases resulted in charges being filed.
- Of the 41 cases that resulted in charges being filed, nine cases resulted in private admonishments, eight cases resulted in an admission of guilt and sanctions, and 24 resulted in public Disciplinary Tribunals.
- Of the 24 Disciplinary Tribunal hearings, 22 resulted in either a guilty plea by the Respondent or a finding of guilt by the Disciplinary Tribunal on some or all of the charges. In the other two cases, the respondents were found not guilty by the Disciplinary Tribunal.

Steve Eadie

Chair, Committee on Professional Conduct

How the CPC Provides Service

During the past year I received a number of requests from members to clarify the role of the Committee on Professional Conduct (CPC), and therefore decided to take this opportunity to provide a brief overview of our work for all members.

The CPC is constituted to handle all disciplinary matters concerning the Institute's members and Associates, and to provide them with counselling and education concerning disciplinary matters. As a result, the CPC has a diverse group of members with competence in both official languages and all practice areas. All new committee members receive training.

Experienced actuaries are ideal for this committee because the matters we consider almost always require extensive practical experience. The Immediate Past President is an ex officio member of the CPC. Michel Simard, in his role as CIA Executive Director, provides support for our work, and we have outside legal counsel to assist us. We have two members to represent the general public who are not actuaries.

The CPC typically meets twice a year, once in Toronto and once in Montréal. There are occasional conference calls. CPC members also assist in the delivery of the professionalism workshop for all new Associates.

A disciplinary case may arise from a complaint made by a member of the CIA, by a complaint made by a member of the public, through

information brought to the attention of the CPC (e.g., a newspaper report), or by the CPC itself as a result of its work.

Once a case is established, each member of the CPC is asked to identify whether the member has a conflict of interest. If a conflict exists, that member is excused from any further participation in the case. (They step out of a meeting while the case is discussed.)

A subgroup made up of two to three members of the CPC is assigned to review the case based on their background. All interviews of the parties involved in the case are conducted with at least two members of the CPC present.

All parties to a case must agree to keep the matters investigated confidential except where public notification is required under the bylaws or as required in a Disciplinary Tribunal. In essence, everything is confidential until a charge is laid and referred to a Disciplinary Tribunal. If a party does not sign a confidentiality agreement, they will not be provided with any further notification or confidential information concerning the application of the disciplinary process for the case.

Following its review, the subgroup presents a report to the full CPC who then makes the decision with respect to how to proceed with a case. The CPC may decide to dismiss the case, proceed with a private admonishment, or lay a charge and refer it to an Investigation Team (IT).

An IT consists of two senior actuaries who investigate the matter fully and prepare a report for the CPC. The IT members are paid a modest stipend for their work. The committee reviews the report and any response provided by the respondent, and then decides whether to dismiss the matter, or whether to file a charge against the Fellow, Associate, or Affiliate in question.

If the CPC decides that a charge is warranted, it may proceed with a private admonishment, a “fast track” consisting of an admission of guilt and an acceptance of a public reprimand and potential sanctions, or to hold a public hearing before a Disciplinary Tribunal.

A Discipline Notice is required when a charge has been laid and the case is proceeding to a Disciplinary Tribunal. Until that point everything remains confidential, but after that point the process becomes public. All of the information

that may be disclosed with respect to a case is provided in the special Discipline Notice.

The Disciplinary Tribunal is public and will decide guilt and sanction unless there is a guilty plea from the member, in which case the Disciplinary Tribunal decides on the sanction. Disciplinary Tribunal decisions are disclosed publicly. The penalties which may be imposed following an admission or decision of guilt include a public reprimand, a suspension of membership in the CIA, an expulsion from membership, remedial education, or payment of a fine and all or part of the legal fees incurred by the CIA’s legal counsel.

If you are unsure of the process or the application of the Rules, contact the chair of the CPC for clarification. The chair may not discuss a particular case but may provide general guidance that may be helpful.