

Discipline Report

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Discipline Report

This is the forty seventh 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 June 2018, the Committee on Professional Conduct (CPC) held one meeting and two conference calls. The next meeting of the CPC is a conference call scheduled for December 13, 2018.

Disciplinary Costs (\$000) to September 30, 2018

	FY 18–19		FY 17–18	
	Budget	Actual	Budget	Actual
Routine legal costs	75	25	75	47
Non-routine legal costs	0*	40	0*	0
Other costs	0*	0	0*	0
Total costs	75	65	75	47
	Actual		Actual	
Costs recovered	0		0	
No. of cases reviewed	10		16	

*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 Disciplinary Tribunals (DTs) convened since the last report.

(b) Cases outstanding where charges have been filed

In the case where charges have been filed, a guilty plea has been submitted and a joint submission of penalty will be heard by the appointed Disciplinary Tribunal.

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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 report the CPC discussed 10 cases against 13 Fellows, Associates, or Affiliates including the case noted above.

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

Two earlier cases are still under review by an IT and one has been dismissed following the report of the IT.

(d) Summary by practice area

The 10 cases set out above may be summarized by practice area as follows:

	Cases	Individuals
Life	4	4 members
Pension	5	8 members
P&C	0	0 members
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 214 cases.
- Of these 214 cases, 132 cases were dismissed, three cases resulted in a private admonishment without going to an investigation team, and 79 cases were referred to ITs.
- Of the 79 cases that were referred to ITs, 38 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

Professional Obligations and Actuarial Employers

A number of questions have arisen over the past few years with respect to a member's professional obligations as they relate to the member's employer, co-workers, or clients. At times, the interests of others may not be completely compatible with the member's professional obligations.

It may seem obvious to many but it must be emphasized that the CPC, or the CIA for that matter, has no jurisdiction over an employer of actuaries. In most instances, the employer is a corporation with many employees, including many who are not actuaries. The CPC does not investigate or bring charges against a corporation.

The CPC also does not investigate or bring charges against non-members who happen to work for actuarial employers. The CPC does not investigate the actions of clients of members.

If we review the Rules, however, there are many instances where the actions of others may cause a member to be at risk professionally.

In particular, Rule 1 states "A member shall act honestly, with integrity and competence, and in a manner to fulfil the profession's responsibility to the public and to uphold the reputation of the actuarial profession."

It is clear from Rule 1 that a member has obligations to the public and to the actuarial profession. It is not acceptable for a member to acquiesce to a colleague taking actions that are detrimental to the public or the actuarial profession, even if the colleague is not a member. In our experience, actuarial employers are well aware of this obligation and expect their actuaries to speak up if they are concerned that the actions of the firm, or another employee of the firm,

would be, or could be, detrimental to the public or the actuarial profession.

Rule 6 states "A member who performs *professional services* shall take reasonable steps to ensure that such services are not used to mislead other parties or to violate or evade the law."

Many members focus on the "evade the law" part of this rule whereas the "mislead other parties" part is every bit as important.

As a member, you should be careful to be transparent with respect to your role on any work assignment. You should be careful to disclose to all expected users when you are communicating the position of your employer or client and not your professional actuarial opinion.

The scope of your work, your instructions from your client, and any limitations that these instructions may pose when completing your work should be made clear to both your client and any affected third party at the outset of a work project, especially when providing work to parties that are taking adversarial positions.

In Canada, an actuary's work product must often be translated, either into French or English. If you know your work is, or likely is, to be translated, you must satisfy yourself that the people doing the translation are qualified to do so under Rule 6. In this case that would mean that the translator(s) understand the subject matter well enough to accurately reflect the contents of the original work product. This does not require you to be able to judge the translation on your own, just that it is reasonable to expect that the translation was

completed well. It is always a good idea to indicate when a document is a translation of an original and that if there are any discrepancies, the original will prevail. If a user points out any material discrepancy in the translation, you should take action to have the discrepancy corrected and to warn potential users of the incorrect translation under Rule 6.

Rule 8 states “A member shall perform *professional services* with courtesy and respect, shall avoid unjustifiable or improper criticism of other members, and shall cooperate with others in the client’s or employer’s interest.” In addition, Rule 9 states “A member shall not engage in any advertising or business solicitation activities in respect of *professional services* that the member knows or should know are false or misleading, or that reflects

unfavourably on the profession or the competence or integrity of any member thereof.”

For many members, advertising or promoting services for an employer is an important part of the job. If any such activity reflects unfavourably upon third parties, including other actuaries or the actuarial profession, you should take action to stop that activity under Rule 9. You should advise your employer and colleagues of your concerns.

Again, it is not acceptable for a member to knowingly acquiesce to promotional activity performed by colleagues that reflects, or could reflect, unfavourably on other actuaries or the actuarial profession. Other actuaries are competent and behave with integrity. That is what makes our profession strong.