



# AMERICAN ACADEMY *of* ACTUARIES

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**Council on Professionalism Cycle Report**  
**Chairperson and Vice President: Kathleen Riley**  
**Assistant General Counsel and COP Staff Liaison: Sheila J. Kalkunte**  
**April 30, 2009**

## **COUNCIL ON PROFESSIONALISM HIGHLIGHTS**

- **The Committee on Qualifications and Academy staff continue to receive and answer various questions on the revised Qualification Standards, and present at various sessions on the standards.**
- **The Council plans to sponsor, together with the other actuarial organizations, at least four professionalism webcasts throughout 2009, and began with a webcast on March 27, 2009, on the application of standards of practice and qualification as they relate to the work of actuaries subject to the U.S. Code of Professional Conduct outside the United States, which was attended by over 250 registrants.**
- **The Council continues to integrate into its functions the Academy Board approved Strategic Plan initiatives assigned to the Council including initiatives such as participating in SOA and CAS professionalism courses, and serving as a professionalism resource for all actuarial organizations.**
- **The Council is coordinating the effort to update the Applicability Guidelines in light of revisions to various ASOPs and the adoption of new ASOPs by the ASB over the last few years.**
- **At the direction of CUSP, the Council formed a Task Force to explore how best to communicate actuarial uncertainty to the public and principals of actuaries. The Task Force is chaired by Kathy Riley, and includes Steve Kellison, Chap Cook, Tom Bakos, and Dean Westpfahl and has met and discussed various courses of action.**
- **The Council continues to implement the Academy's strategic plan by encouraging compliance with the conflict of interest acknowledgment to be signed by all Academy volunteers. The Council streamlined the 2009 process and has achieved at least approximately 96 % compliance as of the date hereof.**
- **The Committee on Professional Responsibility, lead by Tom Bakos, has been working on a discussion paper regarding Precept 13 of the Code of Professional Conduct and how to assist actuaries in complying with same.**

- **The Council is working on an article to explain to membership the adoption of the Board’s decision to allow “private reprimand” as an alternative to the disciplinary measures available to the Academy.**
- **The Academy’s Life and Health Qualifications Seminar Task Force members are preparing for the next annual Life and Health Qualifications Seminar scheduled for November 2009 in Arlington, VA and expect a turnout of at least 75 participants.**
- **The Committee on Actuarial Public Service is soliciting and reviewing nominees for the 2009 annual Robert J. Myers Public Service Award.**

The Council’s next meeting is scheduled for May 12, 2009, at 9:00 am in Washington, D.C.

## STRATEGIC DIRECTIONS

**I. Inspire and enable our members to attain and keep a high level of professionalism in their work (Strategic Plan Sections 1.4 & 1.7), including development and promotion of practical materials to incorporate professionalism in their daily practice.**

The Academy professionalism volunteers and staff continue participating in a variety of actuarial organization events throughout 2009 including the 2009 Enrolled Actuaries Meeting in April, the SOA Health Spring Meeting in May, the SOA Life Spring Meeting in June, the SOA's Health Pricing and Valuation Boot Camp in August 2009, and presentations at various annual meetings sessions of the SOA, CCA, ASPPA, and CAS. The Academy continues to participate in the CAS Professionalism Courses and the SOA Fellowship Admissions Courses offered several times throughout the year. The professionalism volunteers and staff also present at various actuarial clubs across the United States on professionalism topics.

The Council started the process of updating the Actuarial Guidelines to assist practicing actuaries in light of the recent revisions to various ASOPs and the adoption of new ASOPs by the ASB, with the help of the other practice councils.

The Council has agreed to schedule webinars including the following topics: international qualification standards and standards of practice on March 27, 2009; discussion on the U.S. Code of Professional Conduct on June 26, 2009; discussion regarding adherence to Precept 13 of the Code of Professional Conduct in the third quarter of 2009; and discussion about revisions to ASOPs 36 and 43 in the fourth quarter of 2009. These webcasts assist actuaries to comply with the increased continuing education requirements, and professionalism CE requirements, in a cost effective manner under the revised qualification standards. They are co-sponsored by ASPPA, CAS, CCA, and SOA.

The Life and Health Qualifications Seminar Task Force members continue to prepare for the next annual seminar scheduled for November 9 through November 12, 2009, and expect at least 75 attendees to this annual event.

**II. Advocate the profession's professionalism standards to our publics and regulators, both within and outside of the United States (Strategic Plan Sections 1.5, 3.2.3 & 8.6).**

The JBEA approved the Academy as a qualified sponsor of JBEA continuing education for Enrolled Actuaries in order to assist members and other actuaries who are EAs comply with JBEA CE requirements. To date, the Academy has

issued over 1,000 certificates of attendance in connection with Academy webcasts to assist Enrolled Actuaries comply with the JBEA CE requirements.

At the request of CUSP, the Council formed a Task Force to explore how best to communicate actuarial uncertainty to the public and principals of actuaries. The Task Force is chaired by Kathy Riley, and includes Steve Kellison, Chap Cook, Tom Bakos, and Dean Westpfahl, which TF has met and considered various courses of action in communicating uncertainty including putting together an article in Contingencies and a discussion paper on the same.

As of the date hereof, the Council and Academy staff implemented the Executive Committee directive that volunteers on Academy councils, committees, task forces, and work groups specifically acknowledge the Academy's current Conflict of Interest Policy. As of the date hereof the Academy has approximately 96% compliance with this initiative. The Council followed up on implementing the Academy's strategic plan by encouraging compliance with the conflict of interest acknowledgment to be signed by all Academy volunteers. The Council believes that the new streamlined version of the COI Acknowledgment has greatly increased compliance.

With the effectuation of the Qualification Standards on January 1, 2008, the Committee on Qualifications and the Academy professionalism staff continue to be available to, and respond to, numerous questions from actuaries and others on these revised Qualification Standards. The Qualification Standards website also contains a list of FAQs at <http://www.actuary.org/qualstandards/qualfaqs.asp> which is updated periodically.

<p><b>III. Promote and coordinate a consistent and evolving continuing education standard in the United States, and facilitate coordination of profession-wide professionalism education (Strategic Plan Sections 1.7.1 &amp; 1.7.2).</b></p>
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The CUSP recommended to the Council on Professionalism that it broaden its scope to address professionalism issues facing all five of the U.S.-based actuarial organizations and the Council has been actively involved in broadening its involvement in other organizations' professionalism programs including co-sponsorship of professionalism webcasts among all the U.S. actuarial organizations.

The revised Qualification Standards have strengthened the professionalism requirements of credentialed US actuaries, by, among other things, increasing the annual CE requirements, and by adding a 3-year experience requirement to the basic education and experience component of the Qualification Standards. The qualification standards are an alternative method of satisfying the SOA's new CPD requirements for its members effective January 1, 2009.

The Committee on Professional Responsibility, lead by Tom Bakos, has been charged by the Council with, and has been working on a draft of, a discussion paper regarding Precept 13 of the Code of Professional Conduct and how to assist actuaries in complying with same.

Throughout 2009, the Academy has agreed to co-sponsor with the Conference of Consulting Actuaries a series of audiocasts on professionalism topics.

#### **EXTERNAL CONTACTS:**

- ❑ Joint Board for the Enrollment of Actuaries
- ❑ NAIC
- ❑ IAA
- ❑ CAS
- ❑ CCA
- ❑ SOA
- ❑ ASPPA
- ❑ Actuaries Club of Boston
- ❑ Philadelphia Actuarial Club
- ❑ Southeastern Actuarial Conference
- ❑ Middle Atlantic Actuarial Club
- ❑ Baltimore Actuaries Club
- ❑ Arizona Actuarial Club
- ❑ Tri-State Actuarial Club