

Professionalism Counts

Professionalism 1999 Annual Reports

Committee on Qualifications
Actuarial Standards Board
Actuarial Board for Counseling and Discipline
Joint Committee on the Code of Professional Conduct

Contents

- i Preface to Members of All Organizations
Representing Actuaries in the United States
- ii Letter from Daniel J. McCarthy, American Academy of Actuaries
Vice President for Professionalism
- 1 Report of the Committee on Qualifications
- 6 Report of the Actuarial Standards Board
- 13 Report of the Actuarial Board for Counseling and Discipline
- 21 Report of the Joint Committee on the Code of Professional Conduct
- 24 Code of Professional Conduct

Preface

To Members
of All
Organizations
Representing
Actuaries
in the United
States

This is the fourth combined annual report of the Actuarial Board for Counseling and Discipline, the Actuarial Standards Board and the American Academy of Actuaries Committee on Qualifications. Its purpose is to acquaint the members of the five U.S.-based organizations representing actuaries (American Academy of Actuaries, American Society of Pension Actuaries, Casualty Actuarial Society, Conference of Consulting Actuaries and Society of Actuaries) with the activities of these groups and their importance to actuarial professionalism.

The U.S.-based organizations have agreed to maintain a common Code of Professional Conduct, including reference to appropriate qualification standards and standards of practice, and a common set of counseling and disciplinary practices designed to be uniform.

In the United States, the Actuarial Standards Board and the Actuarial Board for Counseling and Discipline have been established as independent organizations to serve the actuarial profession in the areas of standard-setting and investigation, counseling and discipline. They are responsible to the five U.S.-based organizations representing actuaries. Each of these boards receives administrative support from the staff of the American Academy of Actuaries, the cost of which is covered by American Academy of Actuaries dues plus additional support from the other U.S.-based organizations representing actuaries to cover the cost of their members who are not members of the American Academy of Actuaries.

The actuarial profession in the United States has delegated to the Academy, through the Academy Committee on Qualifications, responsibility for developing and maintaining standards of qualification to practice as an actuary.

The activities of the Actuarial Board for Counseling and Discipline, Actuarial Standards Board and Committee on Qualifications are coordinated through the Academy's Council on Professionalism, which is dedicated to encouraging the members of all U.S.-based actuarial organizations to achieve and maintain a high level of professionalism in their ongoing practice.

There are also committees that address professionalism issues within each of the organizations representing actuaries in the United States. The work of these groups supports the Actuarial Board for Counseling and Discipline, Actuarial Standards Board and the Academy's Committee on Qualifications and strengthens actuarial professionalism for all actuaries.

*Letter from the
American Academy of
Actuaries Vice President
for Professionalism*



Daniel J. McCarthy

By reading this far, you have passed the first test: You have shown enough interest in the professionalism of U.S. actuaries, and in what we actuaries do to maintain and enhance it, to open this set of the 1999 Annual Reports on actuarial professionalism. Don't stop here! Please review the reports because, in one way or another, what is reported here affects YOU.

To my way of thinking, a theme of this year is that our professionalism activities reflect both **maintenance** of the structure we have and reacting to **new challenges**.

On the **maintenance** front, for example, the Actuarial Standards Board (ASB) is actively involved in updating existing Actuarial Standards of Practice to take account of developments in the ways actuaries practice; the Committee on Qualifications (CoQ) is reviewing applications of organizations that wish to become "Approved Providers" of continuing actuarial education; and the Actuarial Board for Counseling and Discipline (ABCD) has a continuing caseload of counseling and investigation activities.

New challenges for the ASB include the development of standards in emerging areas of practice (demutualization of life insurers, for example); the CoQ has been reexamining its Qualification Standards in light of the major changes to the Society of Actuaries examination syllabus that took place on January 1, 2000; and the ABCD continued consciousness-raising, both for actuaries and for key public bodies, about its role in improving both the quality of actuarial work and the way in which actuaries practice.

As you think about these subjects, please be aware of three other things:

- You will shortly receive a second exposure draft of the proposed new Code of Professional Conduct developed by the Joint Committee on the Code of Professional Conduct. Please read it thoughtfully and comment if you have suggestions or concerns.
- The International Actuarial Association (IAA) is beginning to think about whether international standards of practice may be needed in some areas of practice and, if so, what their scope would be. This is an important subject, in which leaders of the U.S. actuarial profession are taking a lead role. If such standards are developed, we are very conscious of the need for appropriate due process and for clarity in their scope. Stay tuned.
- You may be aware that, as a byproduct of the controversy about cash balance pension plans, some legislators have called actuarial professionalism into question. This challenge should remind us that both the way we do our work *and* the way we describe what we do can put us in the public eye at any time. We need to live up to expectations of both our work *and* our description of our work.

None of these activities happens without committed, caring people. We are fortunate to have actuaries with the energy and talent to do this necessary work; they have our thanks.

A handwritten signature in black ink, appearing to read "Dan McCarthy". The signature is fluid and cursive.

Daniel J. McCarthy
*American Academy of Actuaries Vice President and
Chairperson of the Academy's Council on Professionalism*

Committee on Qualifications Charge

The Committee on Qualifications of the American Academy of Actuaries drafts and recommends standards of basic education, experience and continuing education for actuaries practicing in the United States. Once approved by the Academy Board of Directors, these standards are codified as Qualification Standards for Prescribed Statements of Actuarial Opinion.

The scope of qualification standards is not limited to members of the Academy. Under Precept 3 of the actuarial profession's Code of Professional Conduct, all actuaries who are members of a U.S.-based organization representing actuaries — the Academy, American Society of Pension Actuaries, Casualty Actuarial Society, Conference of Consulting Actuaries or Society of Actuaries — must meet the qualification standards when practicing in the United States. Thus, the work of the Committee on Qualifications is important to members of the profession nationwide.

The Committee on Qualifications also is charged to provide members with confidential guidance on meeting the qualification standards. The committee receives dozens of inquiries each year from actuaries who have questions about the application of qualification standards to their own practice. Most inquiries concern continuing education requirements and typically are resolved informally through telephone conversations with the inquiring actuaries. However, in some instances the entire committee meets to discuss an inquiry and prepare a written reply.

The Committee on Qualifications is composed of nine members, at least two of whom are active practitioners in each of the profession's traditional practice areas — casualty, health, life and pension.

Committee on Qualifications

Isaac Watts (1674-1748) the English Nonconformist minister and hymnist wrote:

Do not hover always on the surface of things, nor take up suddenly, with mere appearances; but penetrate into the depth of matters, as far as your time and circumstances allow, especially in those things that relate to your profession.

*Letter from the
Chairperson*



Charles L. McClenahan

1999
Committee Members

William J. Bugg Jr.

John B. Dinius

James L. Lewis Jr.

Mary Frances Miller

Adam J. Reese

Kathleen A. Riley

Carl Shalit

In order to assure those who rely upon the professionalism of actuaries that we are not hovering on the surface of our field, that we have not suddenly taken up the appearance of actuarial expertise, and that we have penetrated into the depth of matters actuarial, the Code of Professional Conduct requires that we be qualified to perform the professional services we undertake.

The functions of the Committee on Qualifications are to recommend qualification standards for actuaries practicing in the United States; to promulgate the approved qualification standards; and to respond to requests for guidance relating to the application of those standards. These important functions, as do so many others within our profession, fall to the volunteers who compose the committee and to the staff of the American Academy of Actuaries.

Volunteer work is always easiest when it is performed with good cheer by dedicated individuals. In this regard, I have been doubly blessed. To the committee members whose hard work and good humor supplement their outstanding professional skills I give my sincere appreciation. And to Lauren Bloom and Rita Winkel go my gratitude for making me appear much more organized than I really am.

Finally, to the practicing actuaries I offer the advice to become familiar with the qualification standards. They exist for our benefit as a profession.



Charles L. McClenahan
Chairperson, Committee on Qualifications

1999 Annual Report

Having completed a major revision of the *Qualification Standards for Prescribed Statements of Actuarial Opinion* in 1998, the Committee on Qualifications spent most of 1999 dealing with issues related to the implementation and maintenance of those standards.

In response to suggestions from the Council on Professionalism, the committee discussed several alternative organizational changes, including reconfiguring the committee as either an independent board comparable to the Actuarial Standards Board (ASB) or the Actuarial Board for Counseling and Discipline (ABCD), or as a subcommittee of the ASB. The committee recommended none of those options. Instead we suggested that our structure continue as a committee of the American Academy of Actuaries, reporting to the Council on Professionalism. The committee should be expanded, however, to include liaison representatives from the American Society of Pension Actuaries (ASPA), the Casualty Actuarial Society (CAS), the Conference of Consulting Actuaries (CCA) and the Society of Actuaries (SOA). The Academy Board of Directors approved this recommendation in 1999.

A major challenge to the committee during the year was the SOA's examination syllabus revision that eliminated the requirement for candidates to be examined on U.S.-specific regulatory and legal requirements. As a result of this change, the committee needed to address two issues. The first issue was whether the revised SOA syllabus was sufficient to meet the basic education requirements of the General Qualification Standard. After review of the new syllabus content, the committee concluded that it contained sufficient general material, even absent U.S.-specific topics, that actuaries educated under the revised syllabus should meet the General Qualification Standard. In order to make that point clear, the committee recommended minor changes in the wording of the basic education requirement.

The second issue related to the SOA syllabus revision was whether the new syllabus was sufficient to meet the basic education requirements of the Specific Qualification Standards for the Statements of Opinion, which are part of the National Association of Insurance Commissioners (NAIC) Annual Statements. The committee recommended that actuaries who sign these prescribed statements of actuarial opinion (PSAOs) should continue to be required to complete examinations on the applicable U.S.-specific statutory accounting and other regulatory and legal requirements. In order to fill the gap created by the removal of this material from the SOA syllabus, the committee recommended that the Academy develop and offer a special-purpose seminar and examination to be available by the fall of 2000. The Academy Board approved this recommendation during 1999.



*Committee on
Qualifications member
John B. Dinius*



*Committee on
Qualifications member
Mary Frances Miller*



*Committee on
Qualifications member
Adam Reese*



*Committee on
Qualifications member
William Bugg*



*Committee on
Qualifications member
Carl Shalit*



*Committee on
Qualifications member
James Lewis*

The committee has also been actively involved in the professionwide issue of recognition and qualification of actuaries educated abroad who want to practice in the United States. While the major focus has been on mutual recognition, the committee began to consider how the Qualification Standards apply to those actuaries who have achieved their credentials through university education or qualifying examinations offered by actuarial organizations outside the United States.

As in past years, committee representatives met with the NAIC to keep that body informed about committee activities and to solicit comments and observations relating to how the Qualification Standards affect public service actuaries.

During the past year the committee developed forms and procedures to receive and review requests for recognition of organized activities for continuing education as well as requests for recognition as an approved provider of such activities. We reviewed nine requests for recognition; eight were approved.

One of the more important functions of the committee is to respond to confidential requests from members for guidance concerning compliance with the Qualification Standards. While the revision of the Standards has served to clarify a number of previously ambiguous items, we continue to receive numerous requests for guidance.

The Year 2000

As we enter the final year of the millennium, the Committee on Qualifications has a number of projects on the table. In addition to the ongoing activities of responding to requests for guidance, reviewing applications for approved providers of continuing education and keeping attention focused on the Qualification Standards through articles in the *Actuarial Update*, the committee will be closely involved in the development of the Academy seminar and examination on U. S.-specific statutory and legal requirements. We will continue to work on international issues, specifically mutual recognition and qualification of foreign-educated actuaries, and we will implement the revised committee structure.

We look forward to another productive year.

Members of the Committee on Qualifications



Standing left to right:

Carl Shalit, William J. Bugg Jr., Adam Reese, James L. Lewis

Seated left to right:

John B. Dinius, Charles L. McClenahan(Chairperson), Mary Frances Miller

Actuarial Standards Board Charge

The Actuarial Standards Board (ASB) was established in 1988 as an independent entity managed with staff support of the American Academy of Actuaries. Its purpose is to direct and manage the development of actuarial standards of practice, to expose and promulgate actuarial standards of practice in all areas of actuarial practice and to provide continuous review of existing standards of practice, determining whether there is need for amendment, alteration, expansion or elimination.

The ASB has the authority to prescribe its own operating procedures and to establish and appoint individuals to committees, subcommittees and task forces it may deem necessary in carrying out its assigned functions.

Actuarial Standards Board

*Letter from the
Chairperson*



David G. Hartman

1999
ASB Board Members

*Frank Irish, Vice
Chairperson*

*James R. Swenson, Vice
Chairperson*

Phillip N. Ben-Zvi

Heidi R. Dexter

Ken W. Hartwell

Roland E. (Guy) King

William C. Koenig

Alan J. Stonewall

The year 1999 was a very important and active one for the Actuarial Standards Board. With the adoption of four Actuarial Standards of Practice, release of nine exposure drafts and approval of two proposals for additional standards, the ASB worked diligently to fulfill its charge to support the actuarial profession by providing guidance to practitioners in all practice areas.

Of course, the ASB could not fulfill its mission without the ongoing support of its volunteer committees. Each standard adopted represents many hours of thoughtful discussion by the members of the drafting committees as they struggle to put on paper a clear and understandable description of appropriate practice in a given area. Still more hours are dedicated to thoughtful consideration of comments received on each exposure draft, and to the careful revision of the drafts to incorporate the suggestions of members' comments. To each of you who dedicates your time and effort to the development of actuarial standards of practice, the ASB on behalf of the profession offers its sincere thanks. Without you, the Actuarial Standards of Practice could not be developed. Your contribution to the ASB and to the actuarial profession as a whole is very much appreciated.

The year 1999 was, in some respects, a sad one. Mary Cadette, our director of standards, was injured in an automobile accident, and while her health has improved she was ultimately unable to return to the ASB. Some months later, standards editor Anne Kotchek left the ASB to pursue another position. Happily, Ed Burrows, a respected former member of the ASB, agreed to serve as interim director; the ASB is grateful for his efforts on its behalf. Caren Clark, former editorial assistant to the ASB, has been promoted to the position of standards editor. A second standards editor, Erica Kennedy, joined the ASB staff at the end of 1999, and Doreen Evans serves as the ASB's new editorial assistant. Staff oversight is provided by Lauren Bloom, Academy general counsel and director of professionalism. The ASB is grateful for the support of its hard-working staff.

As I step down from two years as the chairperson of the ASB, I'm pleased to have had this opportunity to serve the profession. I'm particularly thankful for the support of my vice chairpersons, Frank Irish and Jim Swenson, and of the other members of the Board. The Board will miss the thoughtful contributions of Frank Irish, whose term expired at the end of 1999. The ASB is pleased to welcome Bob Wilcox, former insurance commissioner and vice president of the American Academy of Actuaries, as its newest member in 2000. I look forward to supporting the ASB's new chairperson, Alan J. Stonewall, as he leads the ASB in seeking to meet the challenges of the year ahead.

A handwritten signature in cursive script that reads "David G. Hartman".

David G. Hartman
Chairperson, Actuarial Standards Board

Actuarial Standards Board

The Actuarial Standards Board (ASB) adopted four standards this year and approved release of nine exposure drafts, collectively covering all four traditional actuarial practice areas (casualty, life, health, and pension). Additionally, the ASB approved proposals for development of two new standards. The ASB projects completed in 1999 are listed below by practice area.

Casualty Committee

The Casualty Committee oversees two subcommittees and one task force, reviewing and revising the work of these groups as necessary before submitting their work to the ASB. During 1999, this committee completed the following tasks:

The Subcommittee on Reserving reviewed comments received on the second exposure draft of its proposed revision of Financial Reporting Recommendation 8, *Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves*. This proposed standard was the subject of a hearing conducted by the ASB on November 16, 1999, in conjunction with the Casualty Actuarial Society's Annual Meeting. Fourteen speakers presented oral comments at this hearing, which was attended by approximately 100 interested actuaries. The comment deadline on the third exposure draft was December 16, 1999.

The Subcommittee on Ratemaking released an exposure draft of its proposed standard, *Treatment of Catastrophe Losses in Evaluating Property/Casualty Insurance*. The standard provides important guidance to practitioners in addressing the infrequent but potentially enormous losses that can be generated by catastrophic events. The comment deadline on the exposure draft was June 15, 1999.

Finally, the Task Force on Complex Models developed a second exposure draft of a proposed standard retitled, *Using Models Outside the Actuary's Area of Expertise — Property/Casualty*. The comment deadline on the second exposure draft was March 1, 2000.

General Committee

The General Committee developed one second exposure draft in 1999, issued by the ASB. Titled *Utilization of Generally-Accepted Actuarial Principles and Practices*, it recasts Interpretative Opinion 4 and was released for comment with a November 1, 1999 comment deadline.

Health Committee

This year, the Health Committee focused on revising Actuarial Standard of Practice (ASOP) # 5, *Incurred Health and Disability Claims*. The exposure draft updates the existing standard and clarifies its treatment of a number of issues, including the exclusion of active life reserves,



*ASB Vice Chair
James Swenson*



*ASB Member
Heidi Dexter*



*ASB Member
Ken Hartwell*

1999 Annual Report



*ASB Vice Chairperson
Frank K. Irish*



*ASB Member
William Koenig*



*ASB Member
Phillip Ben-Zvi*

reinsurance, coordination of benefits, follow-up studies and “long-tail” products. The exposure draft was released with a March 31, 2000 comment deadline.

Life Committee

The committee completed one standard this year addressing practice in the context of life insurance company demutualizations. *Actuarial Responsibilities with Respect to Closed Blocks in Mutual Life Insurance Company Conversions* provides broad guidance on the role of the actuary in demutualizations. The Life Committee also issued a second exposure draft on the related topic, *Allocation of Policyholder Consideration in Mutual Life Insurance Company Demutualizations*. This proposed standard provides specific guidance to actuaries on factors to consider when determining the allocation of policyholder consideration when a mutual life insurance or holding company demutualizes.

Additionally, the committee developed two exposure drafts. The first proposed revisions to ASOP 10, *Methods and Assumptions for Use in Stock Life Insurance Company Financial Statements Prepared in Accordance with GAAP*, and was released for comment with a deadline of December 1, 1999. The second, titled *Compliance with the NAIC Valuation of Life Insurance Policies Model Regulation*, was released for comment with a deadline of March 31, 2000.

Pension Committee

The Pension Committee completed two important standards this year. The first, *Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Actions*, provides guidance to pension actuaries practicing in the area of divorce proceedings. The second, *Selection of Demographic and Other Non-Economic Assumptions for Measuring Pension Obligations*, serves as a companion to ASOP 27, *Selection of Economic Assumptions for Measuring Pension Obligations*.

Task Force on Long-term Care

This task force revised ASOP 18, *Long-term Care Insurance*, to address new developments in the field, including new financing mechanisms, expansion of covered services in long-term care insurance policies, the emergence of additional experience information and changes in the regulatory environment. The ASB adopted the revised standard in January of 1999, and the task force was dismissed with thanks.

Retiree Group Benefits Task Force

This task force was reconfigured in 1999, and has undertaken revision of ASOP 6, and possibly ACG 3. An exposure draft is expected sometime in 2000.

Actuarial Standards Board Members



*ASB Chairperson
David G. Hartman*

The nine-person Actuarial Standards Board broadly represents the various practice areas within the actuarial profession. ASB members are appointed to three-year terms, subject to one renewal, by a Selection Committee made up of the presidents and presidents-elect of the American Academy of Actuaries, the American Society of Pension Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries and the Society of Actuaries.

The Selection Committee, which annually appoints the chairperson of the ASB, named Alan J. Stonewall chairperson for 2000. Mr. Stonewall succeeds David G. Hartman, who completed two one-year terms as chairperson this year. Mr. Stonewall will also be starting his second term on the ASB this year, as will Roland E. (Guy) King. The term of Frank S. Irish expired at the end of 1999. Mr. Irish was replaced by Robert E. Wilcox.



*ASB member
Guy King*

Phillip N. Ben-Zvi	2000*
Heidi R. Dexter	2000
David G. Hartman, Chairperson	2001*
Ken W. Hartwell	2001
Frank S. Irish, Vice Chairperson	1999*
Roland E. (Guy) King	1999
William C. Koenig	2000
Alan J. Stonewall	1999
James R. Swenson, Vice Chairperson	2001*

Terms expire on December 31 of the year indicated. An asterisk indicates a member who is serving a second term.



*ASB Member
Alan Stonewall*

Financial Summary

Financial activities pertaining to the Actuarial Standards Board are accounted for separately within the American Academy of Actuaries system of accounts. The ASB submits a budget request to the Academy secretary/treasurer, listing all planned income sources and potential expenses. The Academy Board of Directors considers this request when adopting the Academy's annual budget and makes provision within the budget for ASB operating expenses.

The ASB has discretion with regard to the expenditure of all funds allocated to it, subject only to accounting and audit requirements mutually determined by the treasurer and the ASB.

Actuarial Standards Board Statement of Revenue and Expenses Year Ended December 31, 1999¹

Revenue	
Standards Handbooks and Binders	\$ 10,125
Service Fees ²	113,463
Total Revenue	\$123,588
Expenses	
Salaries ³	\$100,682
Benefits	23,187
Office Operating Costs	39,265
Printing	150,857
Postage	45,276
Staff Travel	19,273
Committee Meetings	39,958
Contractual	55,008
Temporary Personnel	28,596
Travel Reimbursement for ASB Members	62,862
Miscellaneous	22,927
Total Expenses	\$587,891

¹ These figures represent the unaudited financial results as of December 31, 1999. Many members of the actuarial profession have contributed significant amounts of time to the activities of the Actuarial Standards Board without compensation. The financial statement does not reflect the value of these contributed services.

² In addition to funding from the Academy, operating costs for the ASB are supported in part by payments from the American Society of Pension Actuaries, Casualty Actuarial Society, Conference of Consulting Actuaries and Society of Actuaries.

³ Includes salaries of full-time staff members and charges for actual time spent on the standards program by other Academy employees.

Members of the Actuarial Standards Board



Standing left to right:

Alan Stonewall, Heidi Dexter, Guy King, Ken Hartwell, William Koenig, Phillip Ben-Zvi

Seated left to right:

Frank Irish (Vice Chairperson), David Hartman (Chairperson), James Swenson (Vice Chairperson)

Actuarial Board for Counseling and Discipline Mission

The Actuarial Board for Counseling and Discipline was established in 1992 by the organizations representing actuaries in the United States. Its threefold mission is to: provide counsel and respond to requests for guidance from actuaries about issues they encounter in day-to-day practice; consider alleged violations of the actuarial profession's Code of Professional Conduct, offer remedial counseling, and, when necessary, recommend disciplinary measures to the member organizations; and serve as mediator in the resolution of disputes involving actuaries.

Actuarial Board for Counseling and

Letter from the Chairperson



Kenneth W. Porter

1999

ABCD Members

Henry K. Knowlton,

Vice Chairperson

Robert W. Sturgis, Vice

Chairperson

John M. Bertko

William J. Bugg, Jr.

Sue Ann Collins

David P. Flynn

Ruth F. Frew

Howard M. Phillips

The Actuarial Board for Counseling and Discipline (ABCD) operates pursuant to authority delegated by the American Academy of Actuaries, the American Society of Pension Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, the Society of Actuaries, and the Canadian Institute of Actuaries (with respect to work by the latter's members in the United States).

Composed of practitioners representing the five U.S.-based organizations and representing a crosssection of practice areas, the ABCD serves both the profession and the public in a number of ways, primarily by providing guidance to members of the profession who request it, by investigating allegations of material violations of the Code of Professional Conduct (or its antecedents), and by reporting findings of material violations to applicable membership organizations.

Additionally, the ABCD reports its activities to the profession through this annual report and quarterly reports to the U.S.-based membership organizations. It also publishes case studies and other information in the various organizations' publications, and it provides general information to members of the profession at various meetings throughout the year.

In 1999, the ABCD made a concerted effort to meet with the leadership of the five U.S.-based organizations and learn how the ABCD can provide better, more useful information about ABCD cases, while ensuring the confidentiality ABCD rules require.

The profession is fortunate to have members who personally support professionalism through ABCD work. I thank the volunteers who served as investigators, consultants, and advisers for the ABCD in 1999. Their time, energy, and professional skills contributed considerably to our work.

I also thank members of the ABCD for the significant time and energy they invested in providing guidance to practitioners, reviewing ABCD cases, attending meetings, drafting documents, and generally conducting the ABCD's business. I extend special thanks to outgoing ABCD member Henry Knowlton. Mr. Knowlton served on the ABCD from 1994 through 1999, serving as chairperson for three years. He frequently performed ABCD work as if it were a full-time job and made many important contributions, including, for example, serving as the primary author of an improved ABCD charter and the Rules of Procedure for the ABCD, which became effective January 1, 1999. His insights, experience, and spirit will be greatly missed.



Kenneth W. Porter

Chairperson, Actuarial Board for Counseling and Discipline

Discipline 1999 Annual Report



*ABCD Vice Chairperson
Robert Sturgis*



*Member of the ABCD
Ruth Frew*



*ABCD Vice Chairperson
Henry Knowlton*

The profession created the Actuarial Board for Counseling and Discipline (ABCD) to serve the profession and the public. The day-to-day work of the ABCD is composed of such service.

As statistics at the end of this report show, a significant portion of the ABCD's work in 1999 involved individual ABCD members responding to practitioners' requests for guidance on professionalism issues. Members of the profession wrote or called the ABCD to confer with a practitioner experienced in their practice area on how they might address difficult situations.

Occasionally, practitioners seeking guidance were concerned about disclosing their identities (notwithstanding the confidentiality requirements governing the ABCD) and asked if they could remain anonymous, yet obtain guidance. The preferred procedure, stated in the Rules of Procedure for the ABCD, Section I(B), is for requesters to request anonymity while allowing the chairperson, vice chairpersons, and appropriate staff to know their identities. Additionally, the Rules of Procedure provide the means for the ABCD to deal appropriately with suspicious circumstances or instances in which egregious conduct has already occurred:

The ABCD reserves the right to forego responding to any request for guidance submitted by an actuary who refuses to be identified, or to identify another actuary, to the Chairperson, Vice Chairpersons, and ABCD staff. The ABCD reserves the right to handle a request for guidance as if it were a complaint where there is evidence that a violation of the Code(s) of Professional Conduct may have occurred.

Realizing that guidance might help professionals resolve difficult issues or avoid violating the Code of Professional Conduct, the ABCD decided in 1999, as a policy matter, to continue providing guidance whenever feasible, even when an actuary chooses to remain anonymous.

The ABCD also served the profession by making presentations to actuarial organizations. In early 1999, the ABCD solicited information from U.S. actuarial clubs regarding the kinds of presentations that would interest their members. The ABCD received several

requests for mock ABCD hearings and presented them at actuarial meetings around the country. The mock hearing demonstrates how the ABCD conducts investigations generally and hearings in particular. Additionally, it illustrates some of the issues ABCD cases present.

The ABCD serves the public and the profession by providing information on how to file a complaint and by making informed, deliberative decisions regarding those complaints.

There are no forms or specific formats for ABCD complaints. Both the Rules of Procedure for the ABCD and the ABCD's Web site (www.abcdboard.org) provide general guidance. The staff provides additional guidance, as requested. In general, a complaint should:

- (1) Succinctly describe the actuary's conduct that allegedly materially violated the Code of Professional Conduct and, if feasible, the precept(s) the conduct violated.

- (2) Provide and cite any available documents (if feasible, by page numbers and paragraphs) that substantiate contentions of material violations.

The ABCD's responsibility regarding a complaint, or an inquiry that it initiates on its own, is to determine whether an actuary materially violated the Code of Professional Conduct. The initial determination of whether an actuary may have materially violated the Code is made by the chairperson and vice chairpersons. They can dismiss a complaint or refer it to investigation. Investigators, following their initial work, provide a written report



*Member of the ABCD
Howard Phillips*



*Member of the ABCD
John Bertko*



*Member of the ABCD
David Flynn*



*Chair of the ABCD
Kenneth Porter*



*Member of the ABCD
Sue Ann Collins*



*Member of the ABCD
William Bugg*

to the ABCD, which refers the report to the actuary under investigation for information and comment. The ABCD as a whole reviews each investigative report and the actuary's response, and votes whether to conduct a hearing. If, following an ABCD hearing, it appears an actuary has materially violated the Code, the ABCD renders findings and recommends appropriate disciplinary action to the actuary's membership organization(s).

Not every complainant agrees with a decision by the Chairperson and two Vice Chairpersons to dismiss a complaint. Similarly, not every subject actuary agrees with a decision to proceed with an investigation or with a decision by the whole ABCD to recommend discipline. However, the chairpersons and the ABCD as a whole must make their decisions based on a preponderance of the evidence before them, drawing on their collective experience, critically examining the facts presented in the complaint and the response, applying their knowledge of the tenets of the profession, and voting their earnest belief.

Investigators, consultants, advisers, and mediators (whether appointed or informally resolving disputes) all served on a voluntary basis. Their service to the profession and the public assisted enormously in resolving ABCD cases.

ABCD investigators provide excellent work. However, recruiting investigators was often problematic in 1999. The responsibility of determining whether actuaries violated the tenets of the profession is an important part of maintaining professionalism and respect for the profession. In 2000 and beyond, the situation calls for experienced practitioners to accept the invitation to serve.

Case Considered During 1999

Type of Case	Pending from 1998 and Earlier	Received in 1999	Total
Conduct	15	5	20
Practice	6	2	8
Conduct and Practice	6	2	8
Requests for Guidance	2	30	32
Total	29	39	68

Cases by Practice Area	Pending from 1997 and Earlier	Received in 1998	Total
Casualty	5	7	12
Health	7	11	18
Life	6	6	12
Pension	10	15	25
Non-traditional	1	0	1
Total	29	39	68

Action by Individual ABCD members

Replied to requests for guidance	31
Mediated	1

Disposition by Chair person and Vice Chairpersons

Dismissed	10
Dismissed with guidance	2
Referred to investigation	8

Disposition by Whole ABCD

Dismissed (complainants' objections to Chairpersons' dismissal)	2
Conducted hearings	2
Referred to 2000 hearings	2

Cases in Progress

Pending investigation (including cases initially referred to investigation in 1999)	13
Pending receipt of more information (from complainant, subject, other)	7
Pending disposition following December 1999 hearings	2
Referred to 2000 hearings	2

Total cases in progress **24**

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

Dispositions	1992	1993	1994	1995	1996	1997	1998	1999	Total
Dismissed	12	24	9	11	8	11	13	10	98
Dismissed with guidance	6	10	3	—	5	1	5	2	32
Counseled	—	2	8	1	6	2	5	—	24
Mediated	3	1	1	—	—	—	—	1	6
Recommended public discipline	—	1	2	—	3	—	1	—	7
Replied to requests for guidance	8	8	8	10	28	31	22	31	146
Total	29	46	31	22	50	45	46	44	313

Financial Summary

Year Ended December 31, 1999¹

Revenue	
Interest	\$6,060
Service Fees ²	35,079
Total Revenue	\$41,139
Expenses	
Staff Salaries ³	\$74,110
Staff Benefits	17,045
Office Operating Costs	28,903
Printing	11,531
Postage and Delivery Services	1,947
Staff Travel	2,088
Committee Meetings	23,488
ABCD Travel Reimbursement	20,583
Other	2,063
Total	\$181,758

¹The above figures are unaudited costs associated with the ABCD. Copies of the audited financial statements of the American Academy of Actuaries will be available upon request from the Academy's office in Washington, D.C., in May 2000. Many members of the actuarial profession have contributed significant amounts of volunteer time to the activities of the ABCD. This financial summary does not reflect the value of those contributed services.

²In addition to funding from the Academy, operating costs for the ABCD are supported in part by payments from the American Society of Pension Actuaries, Casualty Actuarial Society, Conference of Consulting Actuaries and Society of Actuaries.

³Includes salaries of full-time staff members and charges for actual time spent on the ABCD program by other Academy employees.

Members of the Actuarial Board for Counseling and Discipline



Standing left to right:

David Flynn, Howard Phillips, Sue Ann Collins, William Bugg, Ruth Frew, John Bertko

Seated left to right:

Henry Knowlton (Vice Chairperson), Kenneth Porter (Chairperson), Robert Sturgis (Vice Chairperson)

Joint Committee on the Code of Professional Conduct Preamble

The Precepts of this Code of Professional Conduct identify the professional and ethical standards with which an actuary must comply. The Annotations provide additional explanatory, educational and advisory material to members of the actuarial profession on how the Precepts are to be interpreted and applied. An actuary must be familiar with, and keep current with revisions to, the Code of Professional Conduct and its Precepts and Annotations.

Joint Committee on the

*Letter from the
Chairperson*



Jack M. Turnquist

1999
Joint Committee
Members

Morris W. Chambers

William J. Falk

Michael Fusco

Sam Gutterman

Luis Huerta

Kenneth A. Kent

Howard M. Phillips

The Code of Professional Conduct (Code) identifies the professional and ethical responsibilities with which actuaries must comply in order to fulfill their responsibility to the public and to the actuarial profession. As such, the Code serves as the cornerstone of our professionalism.

The Joint Committee on the Code of Professional Conduct (Joint Committee) is charged with ensuring that the Code keeps pace with the changing environment, appropriately addresses perceived needs and problems on a timely basis, and remains consistent among the U.S.-based organizations.

Last year, the Joint Committee developed a first exposure draft of a revised Code to address the general issues of currency and consistency, to provide greater clarity, and to make it more user friendly. Earlier this year, the Boards of the U.S.-based organizations approved the distribution of the exposure draft to their member actuaries for comment. The exposure draft was distributed on May 1 with a comment deadline of August 1.

More than 60 responses containing some excellent comments were received. These addressed not only the proposed changes but also a number of areas of the Code for which revisions had not been proposed. All comments were carefully reviewed by the Joint Committee and proved to be invaluable in developing a proposed second exposure draft of the revised Code.

The second exposure draft makes a number of significant changes to the earlier exposure draft, including:

- establishing a single Code to be adopted by each of the organizations, in its entirety, without editorial or stylistic changes;
- revising the introductory paragraphs to state more clearly the purpose of the Code, the actuaries' obligations under it, and the profession's responsibility to the public;
- clarifying the fact that any material violation of the Code renders an actuary subject to the profession's counseling and disciplinary processes;
- expanding the Definitions section in the introductory section by transferring several more internal definitions, inclusion of more terms, and clarifying some existing definitions and terminology;
- eliminating the specific reference to criminal offenses as a presumed breach of the Code and focusing instead on professional conduct involving fraud, deceit or misrepresentation, or on any acts that would reflect adversely on the actuary's professional competence or integrity;

Code of Professional Conduct

- expanding on the actuary’s responsibilities in situations where standards of qualification or standards of practice do not exist and adding a new Annotation to address situations where an actuary’s work product deviates from professional standards;

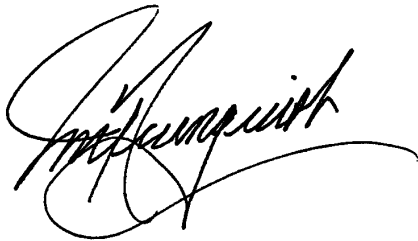
- restructuring, expanding, and clarifying the Precepts and Annotations dealing with actuarial communications and disclosure under a broadened section heading of Communication and Disclosure;

- replacing “direct users” with “past, present, and prospective Principals” as known parties whose interests should be considered when determining whether they would be affected in a conflict of interest situation;

- clarifying the actuary’s duty of cooperation in situations where a Principal replaces one actuary with another without first resolving any outstanding fee disputes; and

- restructuring the Precept and Annotations dealing with the responsibilities of the actuary with knowledge of an apparent, material violation of the Code by another actuary to emphasize the obligation to seek private resolution of such breaches with the other actuary, when it’s appropriate to do so.

This proposed second exposure draft was distributed to the Boards of each of the U.S.-based organizations starting in December, for review, discussion, and a request for approval for distribution to their actuarial membership for comment in early 2000.



Jack M. Turnquist
Chairperson, Joint Committee on the Code of Professional Conduct

Code of Professional Conduct ^{1,2}

Each of the U.S. organizations representing actuaries has adopted a Code of Professional Conduct. The Code of Professional Conduct developed through and adopted by the American Academy of Actuaries as amended January 1995 is reprinted here. The footnotes annotate variations in this code made by each of the organizations (American Society of Pension Actuaries [ASPA], Casualty Actuarial Society [CAS], Conference of Consulting Actuaries [CCA], Society of Actuaries [SOA]).

Preamble

The Precepts of this Code of Professional Conduct identify the professional and ethical standards with which an actuary must comply. The Annotations provide additional explanatory, educational,³ and advisory material to members of the actuarial profession on how the Precepts are to be interpreted and applied. An actuary must be familiar with, and keep current with⁴ revisions to,⁵ the Code of Professional Conduct⁶ and⁷ its Precepts and Annotations.

Professional Integrity

PRECEPT 1. An actuary shall act honestly⁸ and in a manner to uphold the reputation of the actuarial profession and to fulfill the profession's responsibility to the public.

ANNOTATION 1-1. An actuary fulfills the profession's responsibility to the public through compliance with this Code, and by offering actuarial advice, recommendations,⁹ and opinions that are the product of the actuary's exercise of professional judgment.

ANNOTATION 1-2. An actuary who pleads guilty to or is found guilty of any misdemeanor related to financial matters or any felony shall be presumed to have contravened Precept 1 of this Code, and shall be subject to the profession's counseling and discipline procedures.

ANNOTATION 1-3. An actuary shall not use a relationship with a third party to attempt to obtain illegal or materially improper treatment from such third party on behalf of a principal (i.e., present or prospective client or employer).

PRECEPT 2. An actuary shall perform professional services with integrity, skill, and care.

¹As Adopted May 9,1993 and Amended September 26,1996 (CAS)

²The Code of Professional Conduct was approved by the Board of Governors of the Society of Actuaries on May 18,1993. (SOA)

³Comma deleted (CAS)

⁴Comma added (CAS)

⁵Comma deleted (CAS)

⁶Comma added (ASPA,CAS,SOA)

⁷and (ASPA,CAS,SOA)

⁸, with integrity (ASPA,SOA)

⁹Comma deleted (ASPA,CAS,SOA)

ANNOTATION 2-1. “Professional services” refers to the rendering of advice, recommendations,¹⁰ or opinions based upon actuarial considerations, and also includes other services provided to a principal (i.e., present or prospective client or employer) by one acting as an actuary.

*Qualification Standards*¹¹

PRECEPT 3. An actuary shall perform professional services only when the actuary is qualified to do so and meets applicable qualification standards.

ANNOTATION 3-1. It is the professional responsibility of the actuary to observe applicable qualification standards in the jurisdiction in which the actuary renders professional services, and to keep current regarding changes in these standards. For example, for practice in the United States, the Qualification Standards promulgated by the American Academy of Actuaries apply; for practice in Canada, the eligibility conditions promulgated by the Canadian Institute of Actuaries as set out in the Canadian Institute of Actuaries’ bylaws apply.

Standards of Practice

PRECEPT 4. An actuary shall ensure that professional services performed by or under the direction of the actuary meet applicable standards of practice.

ANNOTATION 4-1. It is the professional responsibility of the actuary to observe applicable standards of practice in the jurisdiction in which the actuary renders professional services, and to keep current regarding changes in these standards. For example, for practice in the United States, the Standards of Practice promulgated by the Actuarial Standards Board apply; for practice in Canada, the Standards of Practice promulgated by the Canadian Institute of Actuaries apply.

ANNOTATION 4-2. Where there is a question regarding the applicability of a standard of practice, the professional judgment of the actuary, taking into account the applicable accepted principles of actuarial practice, shall prevail.

Disclosure

PRECEPT 5. An actuary shall, in communicating professional findings, indicate clearly that the actuary is responsible for the findings.

¹⁰Comma deleted (CAS)

¹¹~~Qualification Standards~~ (CCA)

ANNOTATION 5-1. An actuary who makes an actuarial communication should indicate clearly the extent to which the actuary or other source(s) are available to provide supplementary information and explanation.

ANNOTATION 5-2. An actuary who makes an actuarial communication assumes responsibility for it except to the extent the actuary disclaims responsibility by stating reliance on other sources. Reliance on other sources means making use of those sources without assuming responsibility therefor. A communication making use of¹² such reliance should define the extent of reliance. An actuary may rely upon other sources for information except where limited or prohibited by applicable standards of practice.

ANNOTATION 5-3. Any written communication of professional findings must be signed with the name of the actuary who is responsible for it. The name of an organization with which the actuary is affiliated may be incorporated into the signature,¹³ but the actuary's responsibilities and those of the organization are not affected by the form of the signature.

PRECEPT 6. An actuary shall, in communicating professional findings, identify the principal(s) (i.e., the client[s] or employer[s]) for whom such findings are made and shall describe the capacity in which the actuary serves.

PRECEPT 7. An actuary shall make full and timely disclosure to a principal (i.e., present or prospective client or employer) of the sources of all direct and indirect compensation that the actuary or the actuary's firm may receive in relation to an assignment for which the actuary provides professional services for that principal.

ANNOTATION 7-1. An actuary who is not financially and organizationally independent concerning any matter related to the subject of an actuarial communication should disclose to the principal any pertinent relationship that¹⁴ is not apparent.

ANNOTATION 7-2. "Indirect compensation" is any material consideration received from any source in relation to an assignment for which the actuary provides professional services, other than direct remuneration for those services.

ANNOTATION 7-3. Actuaries employed by firms that¹⁵ operate in multiple sites are subject to the requirement of disclosure of sources of compensation that¹⁶ the actuary's firm may receive in relation to professional services with respect to a specific assignment for that principal, regardless of the location in which such compensation is received.

¹²any (ASPA,SOA)

¹³Comma deleted (ASPA,CAS,SOA)

¹⁴~~that~~ which (CAS)

¹⁵~~that~~ which (CAS)

¹⁶~~that~~ which (CAS)

Conflict of Interest

PRECEPT 8. An actuary shall not perform professional services involving an actual or potential conflict of interest unless:

- (a) the¹⁷ actuary's ability to act fairly is unimpaired; and
- (b) there¹⁷ has been disclosure of the conflict to all known direct users whose interests would be affected by the conflict; and
- (c) all¹⁷ such known direct users have expressly agreed to the performance of the services by the actuary.

ANNOTATION 8-1. A "direct user" of an actuary's services is a principal (i.e., present or prospective client or employer) having the opportunity to select the actuary and able to communicate directly with the actuary about qualifications, work,¹⁸ and recommendations.

ANNOTATION 8-2. If the actuary is aware of any significant conflict between the interests of the direct user and the interests of another party relative to the actuary's work, the actuary should advise the direct user of the conflict. The actuary should also include appropriate qualifications or disclosures in any related actuarial communication.

Control of Work Product

PRECEPT 9. An actuary shall not perform professional services when the actuary has reason to believe that they may be used to mislead or to violate or evade the law.

ANNOTATION 9-1. Material prepared by an actuary may be used by another party in a way that¹⁹ may influence the actions of a third party. The actuary should recognize the risks of misquotation, misinterpretation,²⁰ or other misuse of such material and should take reasonable steps to ensure that the material is clear and presented fairly²¹ and that the actuary is identified as responsible for the material as required by Precept 5 of this Code.

Confidentiality

PRECEPT 10. An actuary shall not disclose to another party any confidential information obtained through

¹⁷Capitalize (a) The,(b) There,and (c) All (ASPA,SOA)

¹⁸Comma deleted (ASPA,SOA)

¹⁹~~that~~ which (ASPA,SOA)

²⁰Comma deleted (CAS)

²¹Comma added (ASPA,CAS,SOA)

professional services performed for a principal (i.e., client or employer) unless authorized to do so by the principal²² or required to do so by law.

ANNOTATION 10-1. “Confidential information” refers to information not in the public domain of which the actuary becomes aware in conjunction with the rendering of professional services to a principal. It may include information of a proprietary nature, information that²³ is legally restricted from circulation,²⁴ or information that²⁵ the actuary has reason to believe²⁶ the principal would not wish to be divulged.

Courtesy and Cooperation

PRECEPT 11. An actuary shall perform professional services with courtesy and shall cooperate with others in the principal’s (i.e., client’s or employer’s) interest.

ANNOTATION 11-1. Differences of opinion among actuaries may arise, particularly in choices of assumptions and methods. Discussions²⁷ of such differences, whether directly between actuaries or in observations made to a principal by one actuary on the work of another, should be conducted objectively and with courtesy.

ANNOTATION 11-2. An actuary in the course of an engagement or employment may encounter a situation such that the best interest of the principal would be served by the actuary’s setting out an alternative opinion to one expressed by another actuary together with an explanation of the factors that²⁸ lend support to the alternative opinion. Nothing in this Code should be construed as preventing the actuary from expressing such an alternative opinion to the principal.

ANNOTATION 11-3. A principal has an indisputable right to choose a professional advisor. An actuary may provide service to any principal who requests it,²⁹ even though such principal is being or has been served by another actuary in the same matter.

If an actuary is invited to advise a principal for whom the actuary knows or has reasonable grounds to believe that another actuary is already acting in a professional capacity with respect to the same matter or has recently so acted, it may be prudent to consult with the other actuary both to prepare adequately for the assignment and to make an informed judgment whether there are circumstances involving a potential violation of this Code that³⁰ might affect acceptance of the assignment.

The prospective new or additional actuary should request the principal’s consent to such consultation. When the principal has given consent, the original actuary may require reasonable compensation for the work required to assemble and transmit the relevant information such as

²² ~~client or employer~~ (ASPA,SOA)

²³ ~~that which~~ (ASPA,CAS,SOA)

²⁴ Comma deleted (ASPA,CAS,SOA)

²⁵ ~~that which~~ (ASPA,CAS,SOA)

²⁶ ~~that~~ (ASPA,CAS,SOA)

²⁷ ~~Discussions~~ Discussion (ASPA,SOA)

²⁸ ~~that which~~ (ASPA,CAS,SOA)

²⁹ Comma deleted (ASPA,CAS,SOA)

³⁰ ~~that which~~ (ASPA,CAS,SOA)

pertinent data, work papers,³¹ and documents. The actuary need not provide any items of a proprietary nature, such as computer programs.

Advertising

PRECEPT 12. An actuary shall not engage in any advertising or business solicitation activities with respect to professional services that the actuary knows or should know are false or misleading.

ANNOTATION 12-1. “Advertising” encompasses all communications by whatever medium, including oral communications, that³² may directly or indirectly influence any person or organization to decide whether there is a need for actuarial services or to select a specific person or firm to perform actuarial services.

Titles and Designations

PRECEPT 13. An actuary shall make use of membership titles and designations of an actuarial organization only in a manner that conforms to the practices authorized by that organization.

ANNOTATION 13-1. “Title” means any title conferred by an actuarial organization related to a specific position within that organization. “Designation” means a specific reference to membership status within an actuarial organization.

Collateral Obligations

PRECEPT 14. An actuary with knowledge of an apparent,unresolved material violation of this Code shall disclose such violation to the appropriate counseling and discipline body of the profession, except where the disclosure would divulge confidential information or be contrary to law.

ANNOTATION 14-1. A material violation of this Code is one that³³ is important, has influence or effect, or affects the merits of a situation, as opposed to one that³⁴ is trivial, does not affect an outcome, or is one merely of form.

ANNOTATION 14-2. Except when an actuary is prohibited by law or while the actuary is acting in an adversarial environment involving another actuary or actuaries, when the actuary becomes aware of an apparent material violation of this Code, the actuary is required to undertake promptly the following course of action:

(a) If appropriate,discuss the situation with the other actuary or actuaries and, if necessary, agree upon a course of action to ensure that the apparent violation is resolved;

³¹Comma deleted (ASPA,CAS,SOA)

³²~~that~~ which (ASPA,CAS,SOA)

³³~~that~~ which (ASPA,CAS,SOA)

³⁴~~that~~ which (CAS)

(b) If (a) is not appropriate or is not successful, bring the apparent violation to the attention of the appropriate investigatory body. For example, for violations of this Code arising out of practice in the United States, the actuary should refer the matter to the Actuarial Board for Counseling and Discipline; for violations of this Code arising out of practice in Canada, the actuary should follow procedures established by the Canadian Institute of Actuaries³⁵.

PRECEPT 15. An actuary or the actuary's representative shall respond promptly in writing to any letter received from a person duly authorized by the appropriate counseling and disciplinary body of the profession to obtain information or assistance regarding possible violations of this Code.

PRECEPT 16. An actuary shall abide by this Code of Professional Conduct whenever providing professional services.

ANNOTATION 16-1. Laws and regulations may impose obligations upon the actuary. Where the requirements of law or regulation conflict with this Code, the requirements of law or regulation shall take precedence.

ANNOTATION 16-2.³⁶ For professional services rendered in Canada, the rules of the Canadian Institute of Actuaries apply.

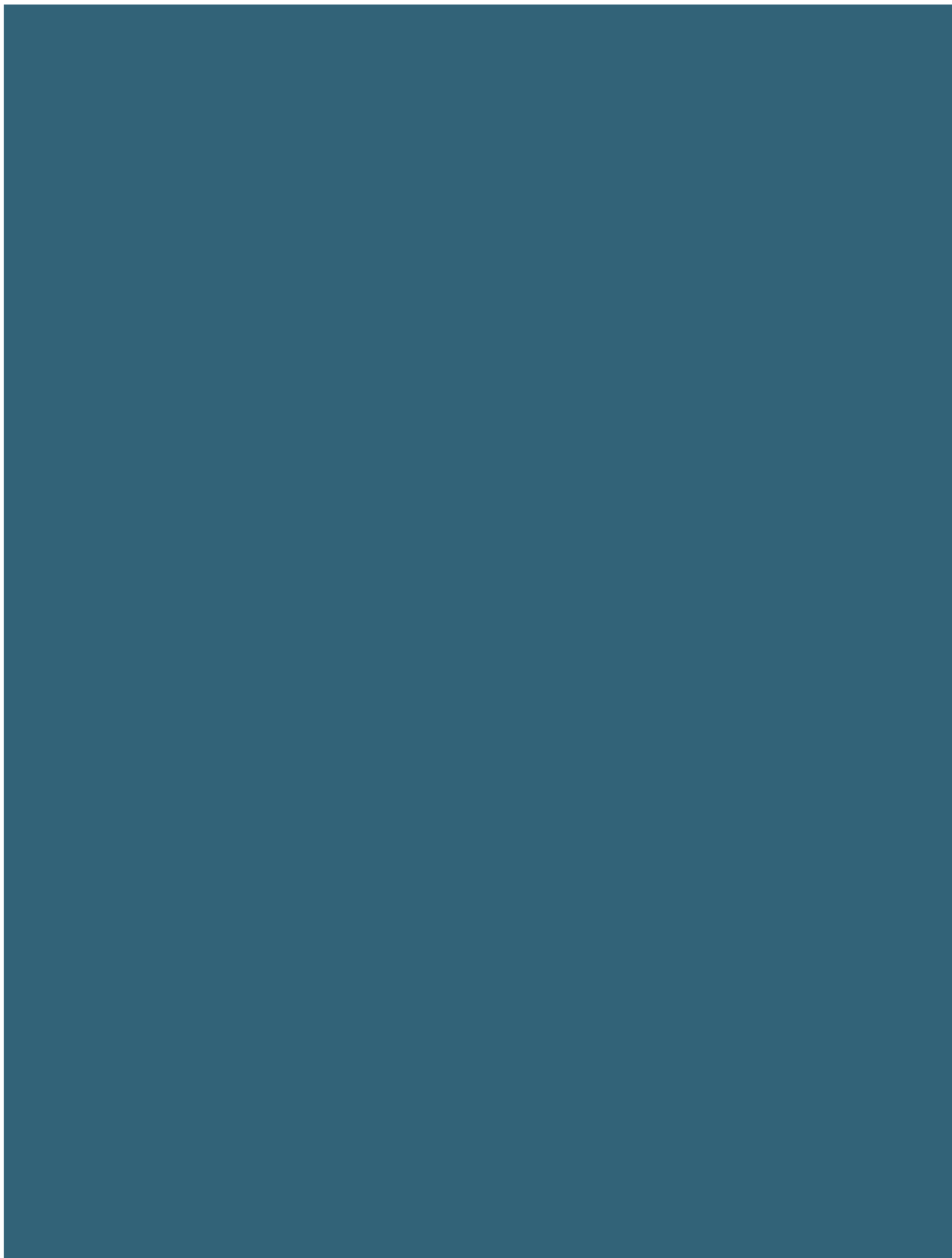
ANNOTATION 16-3.³⁷ For professional services rendered in Mexico, the rules of the Colegio Nacional de Actuarios apply.

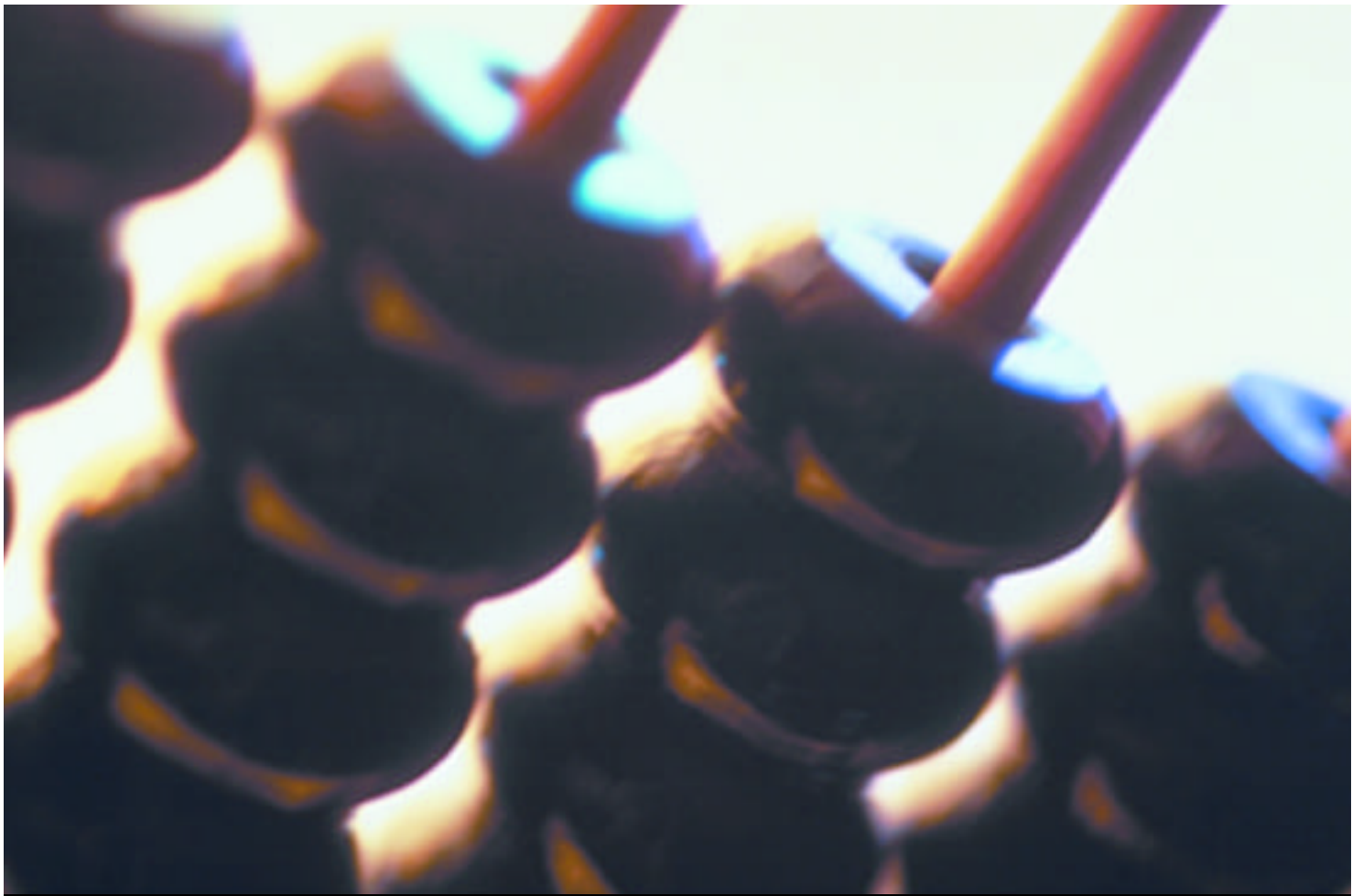
³⁵; for violations of this Code arising out of practice in Mexico, the actuary should follow the procedures established by the Colegio Nacional de Actuarios (ASPA, SOA)

³⁶ *This annotation was approved by the Board of Governors of the

Society of Actuaries on October 17, 1993. (SOA)

³⁷ †This annotation was approved by the Board of Governors of the Society of Actuaries on January 9, 1996. (SOA)





American Academy of Actuaries



AMERICAN ACADEMY *of* ACTUARIES

1100 Seventeenth Street NW

Seventh Floor

Washington, DC 20036

www.actuary.org

www.abcdboard.org

Tel 202 223 8196 Fax 202 872 1948