

## Cross-Border Discipline Agreement

**T**HIS IS AN AGREEMENT between the Canadian Institute of Actuaries (CIA) and the American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries (collectively “the U.S.-based organizations”). The CIA and the U.S.-based organizations agree that it is in the best interests of their members to reduce the risk that their members will be subjected to multiple disciplinary investigations arising out of a single complaint, inquiry, or incident involving an alleged breach of the professional standards of the CIA and/or the U.S.-based organizations. Consequently, with regard to their members practicing in the United States and Canada, the CIA and the U.S.-based organizations agree as follows:

**1** Members of the U.S.-based organizations practicing in Canada are required by the U.S.-based organizations to comply with the Rules of Professional Conduct, Standards of Practice, and eligibility requirements of the CIA. Members of the CIA practicing in the United States are required by the CIA to comply with the Codes of Professional Conduct, Qualification Standards, and Actuarial Standards of Practice of the U.S.-based organizations. The location(s) of the member’s practice in each case is determined by the ultimate purpose(s) of the member’s work, as determined by the facts and circumstances of the case. As between the United States and Canada, the ultimate purpose(s) of a member’s work is determined by whether the work is performed pursuant to the legal or regulatory requirements of the United States or Canada, or whether it is intended for use in the United States or Canada. (Thus, for example, an actuary who performed work to be filed with a United States governmental body would be deemed to have practiced in the United States when performing that work; similarly, an actuary

who performed work to be filed with a Canadian governmental body would be deemed to have practiced in Canada when performing that work.) The residence or physical location of the actuary is irrelevant to the determination of whether the actuary has practiced in the United States or Canada.

**2** Questions concerning members’ practice in Canada are investigated by the CIA in accordance with its rules and bylaws. Questions concerning members’ practice in the United States are investigated by the Actuarial Board for Counseling and Discipline and acted upon by the U.S.-based organizations in accordance with their rules and bylaws.

**3** If a question arises concerning a CIA member’s practice in the United States and the CIA member is not also a member of one or more of the U.S.-based organizations, the question will be investigated by the Actuarial Board for Counseling and Discipline and reviewed by the Academy in accordance with its rules and bylaws as if the CIA member were a member of the Academy.

**4** The parties hereby agree that, in instances where it is unclear whether a complaint, inquiry, or incident involving a member should be investigated by the CIA or by the ABCD, the CIA’s executive director and legal counsel to the ABCD will initiate discussions between the CIA and ABCD to determine which organization will undertake the investigation.

**5** A determination by the CIA that a member of one or more of the U.S.-based organizations breached the applicable Rules of Professional Conduct, Standards of Practice, or eligibility requirements of the CIA when practicing in Canada will be made solely by the CIA, and will be deemed final by all the parties to this agreement when the appeal process of the CIA

has been exhausted. A determination by one or more of the U.S.-based organizations that a member of the CIA breached the applicable rules of the U.S.-based organization(s) when practicing in the United States will be made solely by the U.S.-based organizations pursuant to findings and recommendation of the ABCD, and will be deemed final by all the parties to this agreement as to each U.S.-based organization when the appeal process of that U.S.-based organization has been exhausted.

**6** The CIA will retain sole authority to determine the penalty to be imposed by the CIA upon one of its members based upon a finding by one or more of the U.S.-based organizations that a CIA member breached applicable rules when practicing in the United States. Each of the U.S.-based organizations will retain sole authority to determine the penalty to be imposed by that organization upon one of its members based upon a finding by the CIA that the member breached applicable rules when practicing in Canada.

**7** The CIA agrees to communicate to the relevant U.S.-based organizations any public finding that a member of the U.S.-based organizations breached applicable rules when practicing in Canada, regardless of whether the member is also a member of the CIA, and to provide each of the relevant U.S.-based organizations with a copy of the Appeal Tribunal transcript, if any, or the transcript of the Disciplinary Tribunal and the findings of the Appeal Tribunal, if any, or the findings of the Disciplinary Tribunal. The CIA will also provide to the U.S.-based organizations upon request any and all additional documents and evidence considered by the tribunal in rendering its decision not subject to the solicitor-client or litigation privileges. Each of the U.S.-based organizations agrees to communicate to the CIA any public finding that a member of that U.S.-based organization who is also a member of the CIA breached applicable rules when practicing in the U.S., and to provide a copy of the ABCD's

findings and conclusions and a summary of the U.S.-based organization's conclusions, as well as other documents not subject to the attorney-client or attorney work product privileges, upon request from the CIA. The Academy agrees to communicate to the CIA any finding that a CIA member who is not also a member of any U.S.-based organization breached applicable rules when practicing in the United States, and to provide a copy of the ABCD's findings and conclusions and a summary of the Academy's conclusions, as well as other documents not subject to the attorney-client or attorney work product privileges upon request from the CIA. The parties will communicate to each other any finding of breach of applicable rules that results in public discipline, but will not communicate or provide copies of documents generated through investigation of a complaint or question concerning an actuary's conduct that did not result in public discipline.

**8** The CIA and each of the U.S.-based organizations will not recommend to each other that any specific penalty be imposed upon a member based upon a finding that a member breached applicable rules of conduct, qualification, or practice, but they will recommend that public disciplinary action be considered against a member if that member has been found to have breached applicable rules of conduct, qualification, or practice.

**9** Where, in accordance with this agreement, the CIA communicates to the relevant U.S.-based organization(s) a public finding that a member of one or more of the U.S.-based organizations has breached applicable rules of conduct, qualification, or practice when practicing in Canada, or the U.S.-based organization communicates to the CIA a public finding that a CIA member has breached applicable rules of conduct, qualification, or practice when practicing in the United States, the parties hereby agree that each of the recommending organization(s) designates the following representative to assist in answering any ques-

tions that the penalizing organization(s) may have with respect to the recommendation(s):

- Academy: Executive Director
- ASPPA: Executive Director
- CAS: Executive Director
- CCA: Executive Director
- CIA: Executive Director
- SOA: Executive Director

Nothing in this agreement prevents a penalizing organization, when it receives a recommendation for discipline pursuant to this agreement, from undertaking whatever action it deems necessary, consistent with its own disciplinary procedures, for the limited purpose of determining whether a material breach of its own Code of Professional Conduct or Rules of Professional Conduct warranting discipline occurred.

**10** The parties will each take any necessary steps to amend their rules and bylaws to implement this agreement.

This agreement took effect for all complaints, inquiries or incidents involving members' practice as between the United States and Canada that are under consideration by the parties on November 1, 2006.

- American Academy of Actuaries (Academy)
- American Society of Pension Professionals and Actuaries (ASPPA)
- Canadian Institute of Actuaries (CIA)
- Casualty Actuarial Society (CAS)
- Conference of Consulting Actuaries (CCA)
- Society of Actuaries (SOA)