



AMERICAN ACADEMY
of ACTUARIES

Immediate Release

NEWS RELEASE

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American Academy of Actuaries Issues Discipline Notice

WASHINGTON – 21 Nov. 2012 – The American Academy of Actuaries announced that the following discipline action became effective on Nov. 14, 2012.

Disciplinary Notice

The Disciplinary Committee of the American Academy of Actuaries (Academy), acting in accordance with the Academy's bylaws and with findings from the Actuarial Board for Counseling and Discipline (ABCD), hereby suspends Robert M. Reynolds from membership for a period of three years for materially failing to comply with Precepts 1 and 3 of the *Code of Professional Conduct*.

Mr. Reynolds materially violated Precept 1 by signing two actuarial valuation reports in 2004 regarding various retirement systems, despite knowing that the reports contained coding errors, such that the liabilities were materially understated. Mr. Reynolds materially violated Precept 3 by failing to disclose, in accordance with Actuarial Standard of Practice No. 23, his reliance on data supplied by others, despite that data reflecting material actuarial analysis performed by a third party.

Mr. Reynolds also materially violated Precept 3 by using a single age band for pre-65 and a single age band for post-65 beneficiaries in estimating probable claim rates in preparing the reports. Probable claim rates for participants between ages 65 and 69 vary significantly from probable claim rates for participants between age 85 and 90. Mr. Reynolds' use of a single probable claim rate for participants over 64 could lead to significant

misstatements of liabilities. Such use violated Actuarial Standard of Practice No. 6.

Based on the foregoing, Mr. Reynolds' membership with the Academy is suspended for the next three years. At the end of those three years, if Mr. Reynolds wishes to resume membership in the Academy, he must first complete a professionalism course relevant to his area of actuarial practice and undergo professionalism counseling with the ABCD resulting in a recommendation from the ABCD for reinstatement.

For more information, please contact Keith Jones, general counsel and director of professionalism for the American Academy of Actuaries, at 202.785.7885. For more information on the American Academy of Actuaries, please visit www.actuary.org

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The [American Academy of Actuaries](http://www.actuary.org) is a 17,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.