

2009 YEARBOOK AND LEADERSHIP MANUAL



AMERICAN ACADEMY OF ACTUARIES

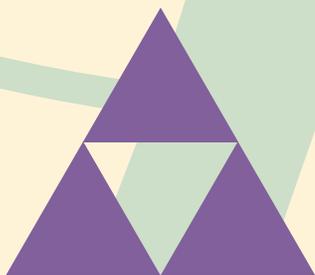


TABLE OF CONTENTS

SECTION 1. ACADEMY LEADERSHIP AND VOLUNTEERS

This is the Academy.....	1
Academy Mission.....	2
Academy Vision	2
Academy Structure and Governance	3
Academy Board of Directors.....	3
Public Policy Practice Councils.....	7
Council on Professionalism	14
Academy History	15
Academy Staff	26

SECTION 2. ACADEMY POLICIES AND GUIDELINES

Bylaws.....	27
Academy Mission and Strategic Plan	37
Use of Academy Titles and Designations	42
Board and Committee Meetings.....	43
Nominating Committee Guidelines	43
Antitrust Policy.....	45
Conflict of Interest Policy	45
Equal Opportunity Policy	46
Committee Appointment Rules.....	47
Guidelines for Making Public Statements.....	48
Guidelines for Developing Practice Notes.....	52
Meeting Procedures and Guidelines.....	54
Document Retention Policy.....	55

SECTION 3. INTERNATIONAL AGREEMENTS

NAAC Working Agreement.....	56
Cross-Border Discipline Agreement.....	58
Development and Submission of Academy Comments to International Bodies	60

SECTION 4. MEMBERSHIP SERVICES

Membership Requirements.....	62
Resources, Services, and Benefits.....	66
Your Member Profile and Preferences	69

SECTION 5. PROFESSIONALISM

Code of Professional Conduct.....	70
Qualification Standards.....	74
Actuarial Standards Board	74

Actuarial Board for Counseling and Discipline.....	75
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SECTION 6. MANAGEMENT

Roles and Responsibilities.....	76
Planning Council Activities	80
Developing Council Budgets and Monitoring Budget Compliance	81
Committee Planning and Reporting	86
Professionalism Considerations.....	86
Internet Tools for Leadership Groups	88
Public Policy Decision Model Application Guide.....	89
External Relations.....	91

SECTION 7. LEGAL CONSIDERATIONS

Scope of Authority.....	92
Liability Insurance.....	92
Consultation with Academy Legal Council.....	92

SECTION 8. COMMUNICATIONS

Publications and Electronic Media.....	94
Public Affairs.....	97
Proactive Media Campaigns	99
Crisis Communications	100
Marketing of Academy Events and Products	103

SECTION 1. Academy Leadership and Volunteers

This Is the Academy

THE AMERICAN ACADEMY OF ACTUARIES is the voice of U.S. actuaries on public policy and professionalism issues. It represents the U.S. profession both domestically and internationally.

The Academy provides reliable, independent actuarial expertise on public policy issues to Congress, state legislatures, other policymakers, regulators, and the public. The Academy also develops and maintains standards of qualification to practice as an actuary.

In addition, the Actuarial Standards Board (ASB) and the Actuarial Board for Counseling and Discipline

(ABCD) are entities established within and supported by the Academy. They operate independently in establishing standards, providing counseling, and/or recommending discipline.

The Academy's work is governed by three primary groups: the Board of Directors, the Executive Committee, and the Council of U.S. Presidents.

Academy committees and task forces are appointed annually, the period running from the close of one annual meeting to the opening of the next.

2009 Membership Statistics

ACADEMY MEMBERSHIP

Membership as of November 30, 2008 **16,486**

Membership as of November 30, 2007 **15,778**

ACADEMY MEMBERSHIP BY EMPLOYMENT

(As of November 30, 2008)

MEMBERSHIP BY PRACTICE AREA 2008*

Casualty.....	3,106
Health.....	3,167
Life.....	3,622
Pension.....	3,512
Risk Management and Financial Reporting....	1,012
Other	250
TOTAL*	14,669

*Not all members indicated a practice area

Employment	2006	2007	2008
Insurance and related organizations	7,149	7,688	8,597
Consulting practice	5,257	5,100	5,552
Government	268	268	274
Academic institutions	50	52	51
Other	716	688	558
Retired and over 70	1,306	1,635	1,127
Unaffiliated	384	347	309
Total	15,130	15,778	16,486

American Academy of Actuaries Mission Statement

THE ACADEMY'S MISSION is to serve the public on behalf of the United States actuarial profession.

To accomplish this, the Academy:

- Provides independent and objective actuarial information, analysis, and education for the formation of sound public policy;
- Proactively identifies and addresses issues on behalf of the public in matters where actuarial science provides a unique understanding;
- Increases the public's understanding and recognition of the value of the actuarial profession;
- Facilitates and coordinates issues of common interest among the U.S.-based actuarial associations;
- Provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; and
- Coordinates the representation of the U.S. profession globally.

American Academy of Actuaries Vision Statement

ACTUARIES ARE RECOGNIZED as preeminent experts in risk and financial security. As the public voice for the United States actuarial profession, the Academy has been the focal point for the realization of this vision.

Visions for the Core Functional Areas

- **Professionalism Vision** – The profession's publics acknowledge and respect the exceptionally high level of integrity and competence demonstrated by actuaries.
- **Public Policy Vision** – National, international, and other public policymakers look to the Academy for leadership, objective expertise, and practical advice on risk and financial security issues.
- **Communications Vision** – All key audiences recognize the value of the actuarial profession, the Academy's activities, and the M.A.A.A. designation. Employers see actuaries as experts in risk, and seek actuaries as members of their management teams.
- **Member Services Vision** – The Academy achieves high levels of member satisfaction.

Academy Structure and Governance

THE AMERICAN ACADEMY OF ACTUARIES is a national organization formed in 1965 to bring together, in a single entity, actuaries of all specializations within the United States. A major purpose of the Academy is to act as a public information organization for the profession. Academy committees regularly prepare testimony for Congress, provide information to congressional staff and senior federal policymakers, comment on proposed federal and state regulations, and work closely with the National Association of Insur-

ance Commissioners and state officials on issues related to insurance and other forms of risk financing. The Academy establishes qualification standards for the actuarial profession in the United States and houses two operationally independent boards: The Actuarial Standards Board promulgates standards of practice for the profession, and the Actuarial Board for Counseling and Discipline helps to ensure that high standards of professional conduct are met.

Board of Directors

THE BOARD OF DIRECTORS has 29 members: the Academy's nine officers; the immediate past and past presidents; 10 regular elected directors; and eight special directors consisting of the presidents and presidents-elect of the American Society of Pension Professionals and Actuaries (ASPPA), the Casualty Actuarial Society (CAS), the Conference of Consulting Actuaries (CCA), and the Society of Actuaries (SOA).

The board establishes the Academy's goals and priorities. It elects Academy officers and approves the budgets for the Academy. It considers profession-wide policy issues relevant to the Academy's mission and the profession's goals. It reviews and, when appropriate, approves interim policy and administrative actions made by the Executive Committee. It also initiates bylaw changes.

Years indicate the year that directors' terms expire.

<https://www.actuary.org/yearbook/board2.asp>

Committees of the Board

EXECUTIVE COMMITTEE

Between meetings of the Board of Directors, this committee oversees the operations of the Academy and particularly its councils. This committee has the same powers as the board except for those listed in Article IV

of the bylaws. The Executive Committee develops Academy policy subject to board approval and makes recommendations to the board regarding budget, policy, and other important issues.

<https://www.actuary.org/yearbook/board3.asp>

AUDIT COMMITTEE

The Audit Committee is charged with overseeing the annual audit of Academy funds, meeting with the Academy's outside auditor, and reporting on the audit to the president and Board of Directors. It will operate in form and under policies approved from time to time by the Board of Directors.

<https://www.actuary.org/yearbook/audit.asp>

PERSONNEL AND COMPENSATION COMMITTEE

This committee provides broad-based policy oversight of the Academy's personnel function, including both direct and indirect compensation. This committee develops, monitors and maintains the Academy's policies concerning compensation and personnel with input from the President's Advisory Committee and executive staff. The Personnel and Compensation Committee has the responsibility to ensure that the Academy's personnel policies and programs comply with all applicable laws and regulations. The Personnel and Compensation

Committee reports to the board at least annually.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=personnel>

Presidential Committees

PRESIDENT'S ADVISORY COMMITTEE

This committee oversees Academy management and prepares recommendations for the Executive Committee on policy issues.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pac>

COUNCIL OF U.S. PRESIDENTS

CUSP was established in January 2007 to oversee the Actuarial Standards Board and the Actuarial Board for Counseling and Discipline. CUSP is also tasked with facilitating collaboration and, where appropriate, coordinating cross-discipline and cross-organizational issues for the U.S. actuarial profession. It is composed of the Academy's president and president-elect, and the Academy's special directors (the presidents and presidents-elect of ASPPA, CAS, CCA, and SOA).

<https://www.actuary.org/yearbook/cusp.asp>

CUSP JOINT TASK FORCE ON A COMMON DISCIPLINE PROCESS

The CUSP Joint Task Force on a Common Discipline Process was formed to explore the feasibility of using a joint committee to determine uniform discipline of a member following an ABCD or CIA recommendation for discipline. The joint committee is composed of representatives from each of the U.S. actuarial organizations to which the member belongs.

<https://www.actuary.org/yearbook/cusp.asp#3>

FEDERAL AGENDA TASK FORCE

The Federal Agenda Task Force is organized to coordinate the Academy's responses to issues coming before the Congress, whether they originate with Congress or the administration. In order to accomplish this, the task force shall: identify and track issues falling under this charge; exchange information with the practice councils about developments relating to these issues; coordinate efforts when an issue involves more than one practice council; identify and be familiar with Academy statements and publications that may be helpful in forming

responses from the Academy; be prepared to provide a spokesperson on short notice on any of these issues, if necessary; take the lead in issues within the scope of this charge regarding personal security, including but not limited to Social Security, Medicare/Medicaid, employee benefits/retirement security (including individual accounts, funding and taxation), and federal reforms of insurance regulation.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=fatf>

NOMINATING COMMITTEE

This committee nominates a slate of candidates for the Board of Directors for presentation at the annual meeting and nominates a slate of candidates for Academy officers for presentation to the Board of Directors.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=nominating>

LITIGATION REVIEW COMMITTEE

This committee provides broad-based oversight of briefs the Academy submits as amicus curiae to ensure that the subject matter is appropriate for Academy comment, that statements contained therein do not contradict Academy positions, and that the briefs have been prepared in accordance with Academy guidelines. It authorizes submission of the briefs to the appropriate courts.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=litreview>

PUBLIC INTEREST COMMITTEE

The purpose of this committee is to identify areas in which the Academy should be speaking out in the public interest. The committee is charged with: developing and recommending to the board for approval, the process and criteria the board should use to choose advocacy positions; managing the process of choosing and overseeing advocacy positions; developing processes and criteria to ensure that the public interest is appropriately addressed in every area of the Academy's functions.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pic>

GOVERNANCE TASK FORCE

The Governance Task Force was established to review and improve the governance structure of the Academy

to fulfill the Academy's mission and strategic plan.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=governance%20TF>

VOLUNTEER RESOURCE COMMITTEE

The purpose of the VRC is to facilitate the identification and committee (or other) placement of Academy members who are willing to serve the Academy in a volunteer capacity. In addition, the VRC will assist Academy leadership in developing programs for the recruitment, management, and development of volunteers.

The primary means of identifying willing volunteers, and their specific interest areas, are the volunteer form on the Academy website, a similar form in the packet of materials that is supplied to each new Academy member, and an annual survey of all members. Volunteer information gathered by VRC from these sources is compiled, analyzed, and forwarded for action by the relevant Vice President, Chairman, and Analyst for each committee.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=vrc>

President-Elect Committees

COMMITTEE ON STRATEGIC PLANNING

This committee is responsible for monitoring the implementation of and suggesting revisions to the strategic plan. This involves working with the Academy staff, various committees, and the Board of Directors in administering an annual planning cycle. This committee is also responsible for identifying new strategic issues for consideration by the Board of Directors and for participating appropriately in professionwide long-term planning.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=strategicplanning>

Secretary-Treasurer Committees

Andrea Sweeny, Secretary-Treasurer

BUDGET AND FINANCE COMMITTEE

This committee prepares financial projections and the annual budget, and recommends the dues structure to the Board of Directors. It also develops and maintains the investment policy for Academy funds, such policy to

be implemented by the Secretary-Treasurer.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=budget>

COMMUNICATION REVIEW COMMITTEE

This Academy Committee is charged with reviewing all Academy communications programs. It provides broad oversight of all Academy external communications and publications intended for Academy members and other audiences. The committee assesses the timeliness and effectiveness of Academy communications. It reviews Academy-only communications efforts and communications programs conducted jointly with other organizations representing actuaries. Its focus is on policies governing the use of communication tools and the roles of staff and volunteers, rather than on the technical content of communications.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=crc>

CONTINGENCIES EDITORIAL ADVISORY BOARD

The editorial advisory board provides policy guidance, technical advice, and oversight to staff editors in the production of *Contingencies*, the magazine of the actuarial profession.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=contingencies>

ACTUARIAL UPDATE EDITORIAL ADVISORY BOARD

The editorial advisory board for the *Actuarial Update* provides policy guidance, technical review, and oversight for the Academy newsletter, which focuses on major professional issues, public policy developments, and Academy activities.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=update>

ENROLLED ACTUARIES REPORT ADVISORY BOARD

The editor of the *Enrolled Actuaries Report* provides policy guidance, technical review, and editorial content for the *Enrolled Actuaries Report*, the quarterly Academy newsletter that examines pension issues and Academy initiatives that are important to enrolled actuaries. The contributing editors of the *Enrolled Actuaries Report* provide editorial content for the newsletter.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=ear>

COMMITTEE ON MEMBERSHIP

This committee is responsible for ongoing relations with existing and prospective Academy members. It periodically reviews Academy membership and dues policies and recommends changes to the Board of Directors and Executive Committee. In fulfilling its charges, the committee is to ensure that member affiliations and new-member recruitment activities are included as a vital part of the Academy communications plan.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=membership>

COMMITTEE ON TECHNOLOGY

The Technology Committee monitors and evaluates current and emerging technology to determine whether and how specific technologies can be used to communicate various Academy messages to members and non-members, and to increase the Academy's effectiveness. In addition, the committee uses information from the Academy archives and other sources to provide a complete database of actuarial and related resources for members to make the Academy a preeminent source of information on public policy affecting its constituencies. The committee also researches and recommends

future technological innovations for the Academy and, as appropriate, coordinates with the Communications Review Committee as well as other North American actuarial organizations on matters related to technology.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=technology>

International Committees

NORTH AMERICAN ACTUARIAL COUNCIL

The North American Actuarial Council (NAAC) provides a business and social forum to promote coordination, cooperation, and trust among the leadership of the organizations representing actuaries in Canada, Mexico, and the United States.

<https://www.actuary.org/yearbook/committees.asp#11>

JOINT COMMITTEE ON IAA COORDINATION

The Joint Committee on IAA Coordination was created to coordinate the Academy's votes on IAA matters with those of the other U.S. actuarial organizations.

<https://www.actuary.org/yearbook/committees.asp#11>

Public Policy Practice Councils

AS THE PUBLIC POLICY ARM of the U.S. actuarial profession, the Academy provides independent, objective analysis to policymakers and regulators. Academy members use their actuarial expertise to contribute to the public debate on major issues ranging from Social Security solvency to terrorism insurance.

The Academy's public policy efforts—papers and testifying before Congress and state legislatures to actuarial analysis of the impact of regulations and working with the National Association of Insurance Commissioners (NAIC)—are supported by the Casualty Practice Council, Health Practice Council, Life Practice Council, Pension Practice Council, and Risk Management and Financial Reporting Council. The Academy's senior health fellow and senior pension fellow help represent the Academy on public policy issues.

The Academy also provides an actuarial perspective on key issues by sponsoring Capitol Hill briefings for congressional staff and policymakers. The Hill briefings have covered such varied topics as Social Security reform, asbestos liability, retirement security, and the Medicare prescription drug benefit. The Hill briefings reflect an increased emphasis on the public policy debate at the national level. Similarly, members have been called upon to testify on numerous occasions about pension funding and medical liability reform issues. At the same time, Academy volunteers continue to work extensively on state insurance issues with the NAIC, the National Conference of Insurance Legislators, rule-making bodies such as the Federal Accounting Standards Board and the Governmental Accounting Standards Board, and interested parties such as the American Institute of Certified Public Accountants and the AARP. International issues have also moved into the foreground in recent years.

To assist Academy members and staff involved in public policy activities, the Board of Directors adopted the "Guidelines for Making Public Statements" in 1982. The guidelines were updated most recently in 2007 to cover public statements made in an international context. The Academy's public statements include issue briefs, monographs, and comment letters, as well as other types of comment and analysis.

Vision and Strategic Direction

The Academy is the primary source of impartial expertise and practical advice on public policy issues regarding financial security and management of risk.

STRATEGIC DIRECTIONS

- 1** Educate public policymakers and the general public on aspects of issues relating to financial security and actuarial soundness to promote the public good.
- 2** Advocate for public policy outcomes that are actuarially sound.
- 3** Advocate on behalf of the actuarial profession in order to promote and protect the profession and to increase the influence of the Academy and the actuarial profession in the creation of public policy that affects the profession.
- 4** Advocate on behalf of the actuarial profession for sound public policy outcomes to increase the recognition, appreciation, and use of actuaries in new areas of practice.

Casualty Practice Council

2008 HIGHLIGHTS

<http://www.actuary.org/record/casualty.asp>

CASUALTY PRACTICE COUNCIL—2009

The Casualty Practice Council oversees the Academy's public policy work on property/casualty issues. The Academy vice president for casualty issues heads the council and serves on the Academy Executive Committee and Board of Directors.

The council manages the work of its committees, task forces, and work groups, which are listed here.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeeid=casualtycouncil>

COMMITTEE ON PROPERTY AND LIABILITY FINANCIAL REPORTING

This committee monitors activities regarding financial reporting related to property and liability risks, reviews

proposals made by various organizations affecting the actuarial aspects of financial reporting and auditing issues related to property and liability risks, and evaluates property and liability insurance and self-insurance accounting issues.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=coplfr>

P/C EXTREME EVENTS COMMITTEE

This committee has been charged with identifying possible extreme events (low frequency-high severity events that could generate extremely large property/casualty losses). Furthermore, the committee identifies issues relevant to the treatment of such risks including sizing, insurability, pricing, funding, reserving, capital management, and loss mitigation. Included in the committee's charge will be monitoring of federal and state catastrophe legislation and interaction with the NAIC on these issues.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=extreme>

Mass Torts Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=masstort>

Flood Insurance Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=floodsubcte>

Natural Catastrophe Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=catsubcte>

Terrorism Risk Insurance Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=tria%20subgroup>

P/C FINANCIAL SOUNDNESS/RISK MANAGEMENT COMMITTEE

The committee proactively provides actuarial support, advice, and communications on topics that involve the soundness and risk management of property and liability insurance. This includes seeking out additional audiences and topics to address so that the committee can coordinate and respond to issues at the state, federal, and international levels. The committee actively interfaces with the NAIC and the Financial Reporting Council's Solvency and Risk Management Task Force.

The committee also communicates and provides information to the membership of the Academy regarding these issues.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=soundness>

P/C PRODUCTS, PRICING, AND MARKET COMMITTEE

This committee is involved with proactively seeking to provide actuarial support, advice, and communications on issues related to property and liability products. Their work focuses on product features and their design and may bring together issues that are financial and solvency based. The committee communicates and provides information to the Academy membership. It also responds to regulatory requests about such product areas. The committee engages in the development of public policy at the state, federal, and international levels.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pcproducts>

Automobile Insurance Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=aaaauto>

Medical Malpractice Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=aaamedmal>

Property and All Other Lines Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=propallother>

Workers' Compensation Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=aaawc>

PROPERTY AND CASUALTY RISK-BASED CAPITAL COMMITTEE

This committee works primarily with the NAIC. At the request of the NAIC, the committee analyzes issues of concern to the NAIC's Property Risk-Based Capital Working Group and provides recommendations on ways to clarify and improve the risk-based capital formulas.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pcrbcte>

CASUALTY LOSS RESERVE SEMINAR PLANNING COMMITTEE

This committee develops the program for the Casualty Loss Reserve Seminar, cosponsored by the Academy, the Casualty Actuarial Society, and the Conference of Consulting Actuaries.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=clrs>

Health Practice Council

2008 HIGHLIGHTS

<http://www.actuary.org/record/health.asp>

HEALTH PRACTICE COUNCIL—2009

The Health Practice Council oversees the Academy's public policy work on health care issues, including Medicare and Medicaid. The council manages the work of its committees, work groups, and task forces, which are listed below.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=healthcouncil>

SENIOR HEALTH FELLOW

Cori Uccello

The Academy established the senior health fellow program in 1998 to strengthen the public policy role of health actuaries. In coordination with the Health Practice Council, the senior health fellow provides independent actuarial expertise to health policymakers at both the federal and state levels. The fellow develops and maintains close working relationships with members and staff of congressional committees, executive branch officials, and state insurance regulators. The senior health fellow also acts as the Academy's chief spokesperson on health policy issues to the news media and other external audiences.

COMMITTEE ON FEDERAL HEALTH ISSUES

This committee furthers the actuarial profession's involvement in policy issues related to the design, cost and financing of the nation's health care. The committee monitors federal legislative and regulatory activities and prepares congressional testimony, position papers, and other public statements on key health issues. It also meets formally and informally with senior federal health

policymakers and their staffs.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=federalhealth>

Federal Long-Term Care Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=ltctf>

Individual Medical Market Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=individmedtf>

Small-Group Market Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=smallgrpmedtf>

Consumer-Driven Health Plans Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=dchealthplans>

Emerging Data Subgroup

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=cdhpemergingdata>

Disease Management Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=diseasemgmt>

Health Care Quality Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=healthquality>

HPC Extreme Events Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=hpcextremeevents>

Uninsured Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=uninsured>

COMMITTEE ON STATE HEALTH ISSUES

This committee furthers the actuarial profession's involvement in policy issues related to state regulation of health insurance, as well as other health actuarial issues at the state level. The committee works primarily through interstate associations, such as the National Association of Insurance Commissioners (NAIC), and also provides assistance directly to the states when appropriate. Composed of work group and task force chairmen and vice-chairmen, special liaisons, and key interested parties, the committee serves as the central

conduit of information between the states and the actuarial profession. Coordinating with the Federal Health Committee, the committee ensures appropriate Academy involvement in health-related issues at all levels of government.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=statehealth>

State Long-Term Care Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=stateltc>

State Long-Term Care Principles-Based Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=ltcpb>

Medicare Supplement Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=medsupwg>

Medicaid Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=medicaid>

Stop-Loss Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=stoploss>

Medicare Part D RBC Subgroup

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=hrbcsubgroup>

Health Principles-Based Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=healthpb>

State Mandated Coverage Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=mandatecover>

HEALTH PRACTICE FINANCIAL REPORTING COMMITTEE

This committee monitors financial reporting activities related to all areas of the health actuarial practice, reviews proposals made by various organizations affecting the accounting and auditing issues related to health practice, and generally is responsible for analysis and recommendations on health practice accounting issues. The committee has primary responsibility in the creation and updating of all health practice notes. Acting as

the primary point of collaboration with the Risk Management and Financial Reporting Council, the committee works in conjunction with the Health Practice International Task Force in monitoring international issues with U.S. health care implications.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=hpfrc>

Small Group Certification Practice Note Subgroup

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=smgrpcert>

MEDICARE STEERING COMMITTEE

This committee provides actuarial reviews and analyses of the Medicare program and its solvency, overseeing the Academy's work on both the health insurance and social insurance aspects of the program. It also provides an oversight role for task forces and work groups established to address Medicare reform initiatives on behalf of the Health Practice Council.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=medicaresteering>

JOINT HP/PPC COMMITTEE ON RETIREE HEALTH

This committee addresses the actuarial profession's involvement in public policy issues related to health care benefits for retirees. The committee monitors federal activities and prepares public statements in the retiree health area. The committee also serves as a resource for Academy committees involved with Medicare, financial reporting, and retirement benefit issues. It may coordinate issues involving retiree health benefits with other actuarial organizations.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=retireehealthcom>

HEALTH PRACTICE INTERNATIONAL TASK FORCE

The task force assists in maintaining awareness and communication between U.S.-based health actuaries and the international actuarial community. Its primary responsibilities include creating, maintaining, and disseminating information about international health care system trends and implications of international activities on the work of U.S. health actuaries.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=health%20international>

Life Practice Council

2008 HIGHLIGHTS

<http://www.actuary.org/record/life.asp>

LIFE PRACTICE COUNCIL—2009

The Life Practice Council oversees the Academy's public policy work on life insurance issues. The council manages the work for its committees, subcommittees, and work groups, which are listed here. As the Academy's vice president for life insurance issues, Tom Campbell heads the council and serves on the Academy Executive Committee and Board of Directors.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lpc>

LIFE FINANCIAL REPORTING COMMITTEE

The Life Financial Reporting Committee proactively provides actuarial advice, advocacy, and communication on life insurance topics that involve financial reporting matters, with an emphasis on GAAP and international issues. It also coordinates its activities, as appropriate, with the Life Valuation Subcommittee and the Financial Reporting Council.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lfrc>

LIFE PRODUCTS COMMITTEE

The Life Products Committee proactively provides actuarial support, advice, and communications on life and annuity products. The committee focuses on product features and their design, and may act as a coordinator with other committees on financial and solvency-based issues. The committee communicates and provides information to the membership base of the Academy when there are actuarial developments of interest to the membership body and that warrant additional communications. The committee also stands to respond to regulatory requests on product issues, and the group also proactively seeks areas where the Academy ought to be provided regulatory input. The committee engages in the development of public policy at the state, federal, and international levels.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lprc>

Nonforfeiture Improvement Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=nfiwg>

Illustrations Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=iwg>

LIFE FINANCIAL SOUNDNESS/RISK MANAGEMENT COMMITTEE

The Life Financial Soundness/Risk Management Committee proactively provides actuarial support, advice, and communication on the soundness and risk management of life insurance and annuities. This includes seeking out additional audiences and topics that should be addressed by this committee so it can coordinate and respond to issues at a state, federal, and international level. The committee also communicates and provides information to the membership of the Academy regarding these issues. More recently, the committee is coordinating Life Practice Council efforts to develop principles-based reserve and risk-based capital requirements.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=svl2>

Tax Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=taxwg>

PBA Website Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pbawebwg>

Life Governance Team

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=govsg>

Valuation Law and Manual Team

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=vlmt>

Valuation Law Manual Team Subgroup 1

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=vlmtsg1>

Valuation Law Manual Team Subgroup 2

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=vlmtsg2>

Valuation Law Manual Team Subgroup 3

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=vlmtsg3>

Valuation Law Manual Team Subgroup 4

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=vlmtsg4>

Accounting Practices Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=apwg>

Consistency: Principles, Summary, Definitions and Report Format Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=cpsdrfwg>

Life Reinsurance Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=reinsurance%20wg>

Modeling Efficiency Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=mewg>

Life Principle-based Approach Practice Note Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lpbapn>

Group Life Waiver of Premium Valuation Table Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=gtlwtwg>

Pre-Need Mortality Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pmwg>

LIFE CAPITAL ADEQUACY SUBCOMMITTEE

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lcas>

Economic Scenario Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=egwg>

Life Capital Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lcwg>

Annuity Capital Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=acwg>

Closed Block Dividend Liability Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=cdbldwg>

Invested Asset Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=iawg>

LIFE VALUATION SUBCOMMITTEE

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lvs>

Variable Annuity Reserve Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=varwg>

Life Reserves Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=ulwg>

Modeling Subgroup

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=modelsg>

Variable Universal Life Subgroup

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=vulsg>

Asset Subgroup

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=assetsg>

Tax Advisory Subgroup

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=ulwgtasg>

Annuity Reserves Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=arwg>

Credibility Work Group

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=credwg>

LIFE EXPERIENCE SUBCOMMITTEE

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lifexperience>

Pension Practice Council

2008 HIGHLIGHTS

<http://www.actuary.org/record/pension.asp>

PENSION PRACTICE COUNCIL—2009

The Pension Practice Council oversees the Academy's public policy work on pension and Social Security issues. The council manages the work of its committees, task forces, and work groups, which are listed here.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pensioncouncil>

SENIOR PENSION FELLOW

Frank Todisco

The Academy established its senior pension fellow program in 1995 to build the credibility of pension actuaries on Capitol Hill and to promote constructive debate on national retirement income policy. Through regular interaction with federal regulators, legislators and Academy volunteers, the senior pension fellow educates Washington legislators and encourages other policy-makers to rely on the Academy as the objective resource for the actuarial profession.

The senior pension fellow works with the Pension Practice Council and serves as the profession's primary policy liaison on pension issues. He establishes and develops close relationships with the congressional tax-writing and pension staff and regulators within the executive branch.

PENSION ACCOUNTING COMMITTEE

This committee monitors activities and reviews proposals regarding financial reporting related to pension plans. The committee is generally responsible for analysis and recommendations on pension accounting issues.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pensionacct>

SOCIAL INSURANCE COMMITTEE

This committee provides and promotes actuarial reviews and analyses of U.S. social insurance systems. The committee prepares comments on pending legislation regarding federal social insurance programs and government reports on these programs.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=socianins>

PENSION COMMITTEE

This committee addresses actuarial issues affecting public and private pension plans, excluding financial reporting. The committee monitors federal tax, PBGC, and other ERISA-related developments. It consults with Congress and relevant regulatory agencies on the effect of regulation on employer pensions and retirement security, and comments on pending legislation and regulations.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=pensioncom>

Multiemployer Plans Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=multiemp>

Public Plans Subcommittee

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=publicplans>

Retirement Security Principles Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=retage>

Stock Options Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=stockoptions>

Joint AAA/SOA Pension Finance Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=JOINTAAASOAPEN>

JOINT PROGRAM COMMITTEE FOR THE ENROLLED ACTUARIES MEETING

This committee develops a program for the Enrolled Actuaries Meeting, cosponsored by the Academy and the Conference of Consulting Actuaries.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=jointeameeting>

JOINT COMMITTEE ON RETIREE HEALTH

This committee addresses the actuarial profession's involvement in public policy issues related to health care benefits for retirees. The committee monitors federal activities and prepares public statements in the retiree health area. The committee also serves as a resource for Academy committees involved with Medicare, financial reporting, and retirement benefit issues. It may coordinate issues involving retiree

health benefits with other actuarial organizations.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=retireehealthcom>

Risk Management and Financial Reporting Practice Council

2008 HIGHLIGHTS

<http://www.actuary.org/record/risk.asp>

RISK MANAGEMENT AND FINANCIAL REPORTING PRACTICE COUNCIL—2009

The Risk Management and Financial Reporting Council oversees the Academy's work on domestic and international financial reporting and risk management issues. It also coordinates Academy work affecting multiple areas of actuarial practice and serves as a liaison to public policymakers, the financial community, and insurance industry representatives on these issues.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=frcouncil>

FINANCIAL REPORTING COMMITTEE

This committee coordinates and develops Academy

work on domestic and international financial reporting issues that affects multiple areas of actuarial practice. The committee also monitors related work within the other practice councils to ensure consistency and avoid conflicts across practice areas.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=freporting>

Financial Regulatory Reform Task Force

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=FINREGTF>

RISK MANAGEMENT AND SOLVENCY COMMITTEE

This committee coordinates and develops Academy work on domestic and international solvency and risk management issues that affect multiple areas of actuarial practice. The committee also monitors related work within the other practice councils to ensure consistency and avoid conflicts across practice areas.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=riskmgtssolvency>

RISK CLASSIFICATION WORK GROUP

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=RISKCLASSIFICATIONPW>

Council on Professionalism

Council on Professionalism

2008 HIGHLIGHTS

<http://www.actuary.org/record/professionalism.asp>

COUNCIL ON PROFESSIONALISM—2009

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=profcouncil>

COMMITTEE ON ACTUARIAL PUBLIC SERVICE

This committee promotes the contributions of actuaries working in the public sector, develops statements and policies on issues affecting public sector actuaries, and encourages actuarial employment and other participation in public service areas.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=coaps>

COMMITTEE ON PROFESSIONAL RESPONSIBILITY

This committee promotes knowledge of standards of conduct, qualification, and practice within the profession, and suggests ways and means for enforcement, compliance, and monitoring of the effectiveness of those standards.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=copr>

JOINT COMMITTEE ON THE CODE OF PROFESSIONAL CONDUCT

This committee monitors the Code of Professional

Conduct of the U.S.-based organizations representing actuaries and recommends necessary amendments to the code to all of the U.S.-based organizations.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=codecommittee>

LIFE AND HEALTH QUALIFICATIONS SEMINAR TASK FORCE

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=lhseminar>

COMMITTEE ON QUALIFICATIONS

This committee considers issues arising with respect to the minimum requirements necessary to qualify actuaries to issue statements of actuarial opinion. It recommends to the Board of Directors minimum qualification standards, including continuing education requirements, and counsels actuaries on questions relating to individual qualifications. It also develops guidelines for the administration of the U.S. Qualification Standards, including continuing education requirements.

<https://www.actuary.org/cvweb/cgi-bin/committeedll.dll/Info?committeecd=coq>

Academy History

“From the halls of Congress and state capitols to regulatory and professional bodies such as the NAIC, FASB, and the IAA, the Academy represents the interests of all U.S. actuaries. As a member of the Academy, you are demonstrating a personal commitment to responsible actuarial practice, professionalism, and sound public policy.”

— Dan McCarthy, *Academy past president*

FOR MANY YEARS, the actuarial profession in North America consisted of four organizations: the Casualty Actuarial Society (CAS), the Conference of Actuaries in Public Practice, the Fraternal Actuarial Association, and the Society of Actuaries (SOA). In 1964, these organizations recognized the need for a single inclusive body that would represent qualified American actuaries of all specialties. They approved the creation of a new organization.

The American Academy of Actuaries was born Oct. 25, 1965, as an unincorporated association serving the actuarial profession in the United States. In 1966, it became a corporation under the Illinois General Not For Profit Corporation Act. The Academy’s first president was Henry F. Rood — the actuary who had first formally proposed the creation of such an organization in 1958, when he was SOA president. Initially, the Academy shared administrative facilities with the SOA in Chicago; then, in January 1976, the Academy moved to its

headquarters to the nation’s capital, where it remains.

Today, the Academy serves as the voice of American actuaries on public policy and professionalism issues, representing the U.S. actuarial profession at the state, federal, and international levels. It provides independent, objective actuarial expertise on public policy issues to legislators, regulators, policymakers, and others, and it develops and maintains professional standards.

The Academy started out with 1,427 charter members, automatically offering membership to all U.S. residents who were fellows (or the equivalent) of the four existing American actuarial organizations. Today, the Academy has nearly 16,000 members — most of the actuaries in North America. They include consultants, corporate executives, regulators, university professors, government officials, and retirees. Their areas of practice range from pensions and financial reporting to casualty, life, and health insurance.

Mission

The mission statement articulates the main purposes of the Academy's work:

The Academy's mission is to serve the public on behalf of the United States actuarial profession.

To accomplish this, the Academy:

- ▶ *Provides independent and objective actuarial information, analysis, and education for the formation of sound public policy;*
- ▶ *Proactively identifies and addresses issues on behalf of the public in matters where actuarial science provides a unique understanding;*
- ▶ *Increases the public's understanding and recognition of the value of the actuarial profession;*
- ▶ *Facilitates and coordinates issues of common interest among the U.S.-based actuarial associations;*
- ▶ *Provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; and*
- ▶ *Coordinates the representation of the U.S. profession globally.*

The mission statement was last updated in 2007, as part of a new strategic plan for the Academy. The strategic plan aims to reverse the historic splintering of the U.S. actuarial profession among different professional organizations, and it asserts the importance of the Academy's advocating in the public interest on important issues.

Leadership

The Academy's work is primarily governed by three groups: the Board of Directors, the Executive Committee (the president, president-elect, immediate past president, secretary-treasurer, and the six vice presidents), and the President's Advisory Committee (the current president, immediate past president, and president-elect).

In 2007, the Board created a new leadership group: The Council of U.S. Presidents. Its 10 members consist of the Academy president and president-elect and the Academy's special directors (the presidents and presidents-elect of the other four national actuarial associations). CUSP has a dual role: to help the five organizations' leaders find ways to make the profession more efficient and more effective, and to manage most of the Academy's interactions with the ASB and ABCD.

COUNCILS

The vice presidents head the Academy's six councils for public policy and professionalism issues. Each council has broad authority to set its own agenda, and specific initiatives are carried out by Academy committees that report to it.

One multidisciplinary council and four practice councils focus on public policy. In 1990, the Board of Directors established four councils to represent the major areas of actuarial practice—casualty, health, life, and pensions—in public policy activities. The Risk Management and Financial Reporting Council (originally the Financial Reporting Council) was added in 1996. On the professionalism side, the Council on Professionalism was created in 1992; it oversees the Academy's efforts in setting and maintaining professional standards and in advancing professionalism through educational offerings, publications, and other activities.

Legal Recognition

Academy membership is the hallmark of a qualified actuary in the United States.

In December 1966, the National Association of Insurance Commissioners (NAIC) adopted a resolution supporting recognized standards of actuarial competence and conduct and urging commissioners to support the Academy's efforts to gain official recognition. Today, every state has regulations that recognize Academy membership as a qualification for signing insurance company annual statements. Some states also have corresponding recognition for public employee retirement systems.

Indiana was the first state to act; in a 1968 law, it provided for actuarial certification by a state board. In other states, the general pattern has been to issue administrative orders or regulations. In 1975, the responsibility expected of actuaries was spelled out by a new requirement that an actuary who signed a life insurance company annual statement must express an opinion on the actuarial elements, including an opinion on the adequacy of reserves. The Academy responded with recommendations to the profession on how that responsibility should be met (as it did again in 1983 when a comparable actuarial opinion began to be required for health service corporation and HMO annual statements). In 1980, a similar requirement was added to the property and liability insurance company annual statement; this

requirement, however, was at the discretion of the domiciliary insurance commissioner. Again, the Academy responded with appropriate recommendations to the profession.

In 1990, at the Academy's urging, the NAIC eliminated the discretion of individual states. As a result, virtually all annual statements from property/casualty companies in the United States must be accompanied by a loss reserve opinion from a "qualified actuary," which is defined as either an Academy member approved by the Casualty Practice Council, a member of the Casualty Actuarial Society, or an individual approved by the domiciliary commissioner. (In the pension field, the Employee Retirement Income Security Act of 1974 [ERISA] established extensive and specific standards for actuarial reports, for disclosure and fiduciary relationships, and for the qualifications of actuaries in pension work.)

In 2006, Academy membership also became a legal requirement for actuaries filing actuarial equivalence attestations for retiree health plans seeking a Medicare Part D subsidy.

Membership Requirements

Initially, the Academy required applicants who were ineligible for charter membership to demonstrate appropriate knowledge and skills before they were admitted as members. Many were admitted by this route, some after passing special proctored exams. A requirement was imposed of seven years of responsible actuarial experience (five years for fellows by examination of the existing bodies).

From 1970 until 1976, the educational requirements gradually increased. In January 1976, a bylaw amendment created a new nonvoting class of membership, the designated affiliate, for enrolled actuaries. In 1979, the bylaws were changed to eliminate the distinction between affiliates and members and to set the experience requirement at three years of responsible work.

Subsequently, the Academy board set the basic educational requirement as follows: associate in the Casualty Actuarial Society or Society of Actuaries; or qualified member or fellow in the American Society of Pension Professionals and Actuaries; or member in the Conference of Consulting Actuaries; or status as an enrolled actuary under ERISA; or fellow in the Institute of Actuaries, the Faculty of Actuaries, or the Institute of Actuar-

ies of Australia; or member in the Colegio Nacional de Actuarios.

U.S. residents and nonresidents alike can be admitted if they meet the Academy's educational and experience standards, can demonstrate familiarity with U.S. actuarial practices and, in the case of nonresidents, have a need to perform actuarial duties in the United States.

Code of Conduct

The Code of Professional Conduct includes precepts and annotations that require a high standard of ethics and responsible performance expected of professionals. The precepts require actuaries to abide by standards of practice, as promulgated by the Actuarial Standards Board, and to abide by Qualification Standards adopted by the Academy.

As a predecessor of the code, the Guides to Professional Conduct were first issued in 1965, and they were revised over time. Together, the guides and the interpretative opinions that supplemented them formed a core of ethical guidance for Academy members in all phases of their professional lives. In 1991, the Board of Directors approved a new set of ethical precepts recommended by the Council of Presidents Task Force on the Code of Professional Conduct. These precepts were intended to be a common code of ethical tenets for all organizations representing actuaries in North America.

The Academy was the first to adopt the Code of Professional Conduct, which took effect Jan. 1, 1992. The code has been periodically updated, and the current version has been in effect since Jan. 1, 2001. The code has been adopted in substantially similar form by every professional society representing actuaries in the United States and Canada.

Qualification Standards

U.S. actuarial standards of conduct have always required that an actuary provide advice or services only when he or she is qualified to do so. To help actuaries make that determination, the Academy established Qualification Standards with specific experience and education requirements for certain types of actuarial assignments and services.

The first Qualification Standards, which were adopted by the Academy in 1981, consisted of education and experience requirements for actuaries signing the

actuarial opinions in life and casualty insurers' annual statements. Over the years, as actuarial specialization, new areas of actuarial practice, regulatory complexities, and advances in actuarial theory and technology have all continued to grow, the Qualification Standards have been updated and expanded.

Mandatory continuing education requirements were first included in the 1991 standards, which applied to public statements of actuarial opinion (PSAOs). Later, the "P" in PSAO was changed to "prescribed" to help clarify the nature of those statements.

In 2004, the Board of Directors approved an exposure draft that would significantly expand the standards. The Committee on Qualifications' draft was based on the recognition that while Precept 2 of the 2001 Code of Professional Conduct requires that all actuaries be qualified "on the basis of basic and continuing education and experience" when performing actuarial services, the Qualification Standards then in effect applied only to actuaries who issued PSAOs. The exposure draft broadened the scope of the standards to include all statements of actuarial opinion (SAOs), not just statutory and regulatory work. After additional debate and a second exposure draft in 2006, the final draft was approved by the Board of Directors in 2007. The newly revised standards took effect on Jan. 1, 2008. They include significantly increased continuing education requirements and, for the first time, apply to most practicing actuaries in the United States.

Standards of Practice

The Academy began issuing standards of practice — initially called recommendations — in 1973. They were supplemented by interpretations. A major advance in the development and management of standards of practice came in 1985 with the creation of the Interim Actuarial Standards Board. It was the prototype for the permanent Actuarial Standards Board (ASB), which was created in July 1988 after a bylaw amendment vote.

Like the Actuarial Board for Counseling and Discipline, the ASB is a separate entity supported by Academy staff and housed at the Academy. It has sole responsibility to initiate, develop, and adopt new actuarial standards of practice (ASOPs). ASOPs include statements on the techniques, applications, procedures, and methods that have been generally accepted by the profession. The

Code of Professional Conduct requires actuaries to be knowledgeable about and to abide by these standards.

Counseling and Discipline

From the start, the Academy recognized the need for a disciplinary procedure to enforce standards of conduct and provide an avenue to express grievances regarding the professional activities of Academy members. For many years, the Committee on Discipline was responsible for handling complaints, investigating charges, and proposing disciplinary measures. Because duplications of effort by disciplinary committees of the various actuarial organizations frustrated effective discipline, and because a common Code of Professional Conduct was being adopted, Academy members voted in 1991 to create the Actuarial Board for Counseling and Discipline (ABCD).

The ABCD serves the profession and the public by investigating complaints against individual actuaries, by providing confidential guidance to actuaries requesting it, and, to a limited extent, by mediating professional disputes.

A separate entity supported by Academy staff and housed at the Academy, the ABCD investigates apparent violations of the Code of Conduct by members of any organization that represents actuaries and that has delegated investigative authority to the ABCD. (The Academy and other organizations have delegated such authority.) For activities that in the ABCD's opinion do not merit public discipline, or in response to actuaries' requests for guidance, actuaries are counseled privately and are provided guidance in complying with the requirements of the code, Qualification Standards, and standards of practice.

Public Policy

As the public policy arm of the American actuarial profession, the Academy provides independent, objective analysis to policymakers and regulators. Academy members use their actuarial expertise to contribute to the public debate on major issues—ranging from Social Security solvency to terrorism insurance—and on important regulatory efforts, such as principle-based reserving and capital requirements.

For many years, Academy groups have worked extensively with the National Association of Insurance Commissioners on state insurance issues. While close work

with the NAIC has continued, the Academy has broadened its efforts in recent years, working on state insurance issues with, for example, the National Conference of Insurance Legislators, the Federal Accounting Standards Board, the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, and AARP. To provide an actuarial perspective on key federal issues, the Academy sponsors Capitol Hill briefings, testifies at congressional hearings, publishes comments and analyses, makes annual Capitol Hill visits, and provides informal assistance to policymaking and regulatory officials, among other efforts. The Academy has also significantly expanded its international activities in recent years. It is working to give the U.S. profession a greater voice on a variety of international issues, including proposed regulatory changes that could affect U.S. actuarial practice.

The Academy's public policy efforts are supported by the Casualty Practice Council, Health Practice Council, Life Practice Council, Pension Practice Council, and the Risk Management and Financial Reporting Council. The Academy's senior health fellow and senior pension fellow play a major role in representing the Academy on public policy issues, as do other Academy members.

Joint Activities

The U.S. actuarial organizations cooperate in ways large and small. Their members are all governed by a single Code of Professional Conduct, they facilitate joint research and public policy projects, and they jointly sponsor a number of professionalism seminars and webcasts, to name a few examples.

Also, the Academy's Board of Directors includes the presidents and presidents-elect of all national U.S. actuarial organizations, ensuring that the Board represents actuaries in all types of practice. Those presidents and presidents-elect also make up the Council of U.S. Presidents (CUSP), an Academy committee that was established in 2007 to help make the U.S. profession more efficient and more effective.

In 1972, the Academy was instrumental in creating an informal body, the Council of Presidents, to foster greater understanding and common purpose in the North American actuarial community. The council was renamed in 2004 and is now the North American Actuarial Council. It is composed of the members of CUSP and their counterparts in Canada and Mexico.

Past Officers

1965–66

PRESIDENT	Henry Rood
PRESIDENT-ELECT	Thomas Murrin
SECRETARY	George Bryce
TREASURER	Robert Bruce
VICE PRESIDENTS	Frank Gadiant, Laurence Longley-Cook John Miller H. Raymond Strong

1966–67

PRESIDENT	Thomas Murrin
PRESIDENT-ELECT	John Miller
SECRETARY	Norton Masterson
TREASURER	Robert Bruce
VICE PRESIDENTS	Frank Gadiant Laurence Longley-Cook H. Raymond Strong Andrew Webster

1967–68

PRESIDENT	John Miller
PRESIDENT-ELECT	Wendell Milliman
SECRETARY	Norton Masterson
TREASURER	Robert Bruce
VICE PRESIDENTS	Edward Brown Jr. Frank Gadiant William Leslie Jr. Allen Mayerson

1968–69

PRESIDENT	Wendell Milliman
PRESIDENT-ELECT	Walter Rugland
SECRETARY	Norton Masterson
TREASURER	Robert Bruce
VICE PRESIDENTS	Edward Brown Jr. William Leslie Jr. Paul Rotter Harold Schloss

1969–70

PRESIDENT	Walter Rugland
PRESIDENT-ELECT	H. Raymond Strong
SECRETARY	Norton Masterson
TREASURER	Robert Bruce
VICE PRESIDENTS	Donald Campbell Robert Myers Paul Rotter Harold Schloss

1970–71

PRESIDENT	H. Raymond Strong
PRESIDENT-ELECT	Robert Myers
SECRETARY	William Halvorson
TREASURER	Robert Bruce
VICE PRESIDENTS	Donald Campbell Harold Curry John Dyer Morton Miller

1971–72

PRESIDENT	Robert Myers
PRESIDENT-ELECT	Morton Miller
SECRETARY	William Halvorson
TREASURER	Dale Gustafson
VICE PRESIDENTS	Robert Bruce Harold Curry Ernest Moorhead Julius Vogel

1972–73

PRESIDENT	Morton Miller
PRESIDENT-ELECT	Ernest Moorhead
SECRETARY	William Halvorson
TREASURER	Dale Gustafson
VICE PRESIDENTS	Robert Bruce Reuben Jacobson Daniel McNamara Julius Vogel

1973–74

PRESIDENT	Ernest Moorhead
PRESIDENT-ELECT	Daniel McNamara
SECRETARY	Walter Rugland
TREASURER	Dale Gustafson
VICE PRESIDENTS	Thomas Bowles Jr. Reuben Jacobson Richard Johe William Halvorson

1974–75

PRESIDENT	Daniel McNamara
PRESIDENT-ELECT	Thomas Bowles Jr.
SECRETARY	Walter Rugland
TREASURER	Dale Gustafson
VICE PRESIDENTS	Edwin Boynton Richard Johe Kenneth Ross Robert Winters

1975–76

PRESIDENT	Thomas Bowles Jr.
PRESIDENT-ELECT	Robert Winters
SECRETARY	Walter Rugland
TREASURER	James Webb
VICE PRESIDENTS	Edwin Boynton Dale Gustafson M. Stanley Hughey Kenneth Ross

1976–77

PRESIDENT	Robert Winters
PRESIDENT-ELECT	Edwin Boynton
SECRETARY	Ralph Edwards
TREASURER	James Webb
VICE PRESIDENTS	Ronald Bornhuetter Louis Garfin Dale Gustafson M. Stanley Hughey

1977-78

PRESIDENT Edwin Boynton
 PRESIDENT-ELECT Dale Gustafson
 SECRETARY Dwight Bartlett III
 TREASURER James Webb
 VICE PRESIDENTS Preston Bassett
 Ronald Bornhuetter
 Louis Garfin
 Charles Hewitt Jr.

1978-79

PRESIDENT Dale Gustafson
 PRESIDENT-ELECT Ronald Bornhuetter
 SECRETARY Dwight Bartlett III
 TREASURER Kevin Ryan
 VICE PRESIDENTS Preston Bassett
 Herbert DePrenger
 Walter Grace
 Charles Hewitt Jr.

1979-80

PRESIDENT Ronald Bornhuetter
 PRESIDENT-ELECT Walter Grace
 SECRETARY Charles Barry Watson
 TREASURER Kevin Ryan
 VICE PRESIDENTS Mary Adams
 Herbert DePrenger
 Richard Robertson
 P. Adger Williams

1980-81

PRESIDENT Walter Grace
 PRESIDENT-ELECT William Halvorson
 SECRETARY Charles Barry Watson
 TREASURER Kevin Ryan
 VICE PRESIDENTS A. Norman Crowder III
 Bartley Munson
 Richard Robertson
 P. Adger Williams

1981-82

PRESIDENT William Halvorson
 PRESIDENT-ELECT P. Adger Williams
 SECRETARY Carl Ohman
 TREASURER W. James MacGinnitie
 VICE PRESIDENTS David Carpenter
 A. Norman Crowder III
 William Ferguson
 Bartley Munson

1982-83

PRESIDENT P. Adger Williams
 PRESIDENT-ELECT A. Norman Crowder III
 SECRETARY Carl Ohman
 TREASURER W. James MacGinnitie
 VICE PRESIDENTS David Carpenter
 William Ferguson
 John Fibiger
 Walter Rugland

1983-84

PRESIDENT A. Norman Crowder III
 PRESIDENT-ELECT M. Stanley Hughey
 SECRETARY Carl Ohman
 TREASURER Burton Jay
 VICE PRESIDENTS John Fibiger
 David Hartman
 David Reade
 Walter Rugland

1984-85

PRESIDENT M. Stanley Hughey
 PRESIDENT-ELECT Bartley Munson
 SECRETARY Robert Dobson
 TREASURER Burton Jay
 VICE PRESIDENTS Harold Brownlee
 David Hartman
 Carl Ohman
 David Reade

1985–86

PRESIDENT Bartley Munson
 PRESIDENT-ELECT Preston Bassett
 SECRETARY Robert Dobson
 TREASURER Burton Jay
 VICE PRESIDENTS Harold Brownlee
 Edward Friend
 W. James MacGinnitie
 Carl Ohman

1986–87

PRESIDENT Preston Bassett
 PRESIDENT-ELECT John Fibiger
 SECRETARY Robert Dobson
 TREASURER Daniel McCarthy
 VICE PRESIDENTS Edward Friend
 Burton Jay
 W. James MacGinnitie
 Mavis Walters

1987–88

PRESIDENT John Fibiger
 PRESIDENT-ELECT W. James MacGinnitie
 SECRETARY Virgil Wagner
 TREASURER Daniel McCarthy
 VICE PRESIDENTS Phillip Ben-Zvi
 Burton Jay
 Joseph Stahl II
 Mavis Walters

1988–89

PRESIDENT W. James MacGinnitie
 PRESIDENT-ELECT Harold Brownlee
 SECRETARY Virgil Wagner
 TREASURER Daniel McCarthy
 VICE PRESIDENTS Phillip Ben-Zvi
 Harper Garrett Jr.
 John Harding
 Joseph Stahl II

1989–90

PRESIDENT Harold Brownlee
 PRESIDENT-ELECT Mavis Walters
 SECRETARY Virgil Wagner
 TREASURER Thomas Levy
 VICE PRESIDENTS Harry Garber
 Harper Garrett Jr.
 John Harding
 Daniel McCarthy

1990–91

PRESIDENT Mavis Walters
 PRESIDENT-ELECT Harry Garber
 SECRETARY Richard Snader
 TREASURER Thomas Levy
 VICE PRESIDENTS Robert Dobson
 Charles Farr
 Daniel McCarthy
 Michael Walters

1991–92

PRESIDENT Harry Garber
 PRESIDENT-ELECT John Harding
 SECRETARY-TREASURER Thomas Levy
 VICE PRESIDENTS Robert Dobson
 R. Stephen Radcliffe
 Richard Snader
 Michael Walters
 Larry Zimpleman

1992–93

PRESIDENT John Harding
 PRESIDENT-ELECT David Hartman
 SECRETARY-TREASURER James Swenson
 VICE PRESIDENTS Howard Bolnick
 Stephen Lowe
 Walter Miller
 Richard Snader
 Larry Zimpleman

1993–94

PRESIDENT David Hartman
 PRESIDENT-ELECT Charles Bryan
 SECRETARY-TREASURER James Swenson
 VICE PRESIDENTS Howard Bolnick
 Howard Fluhr
 Paul Kolkman
 Stephen Lowe
 Jack Turnquist

1994–95

PRESIDENT Charles Bryan
 PRESIDENT-ELECT Jack Turnquist
 SECRETARY-TREASURER James Swenson
 VICE PRESIDENTS John Bertko
 Howard Fluhr
 David Flynn
 Paul Kolkman
 Charles Barry Watson

1995–96

PRESIDENT Jack Turnquist
 PRESIDENT-ELECT Larry Zimpleman
 SECRETARY-TREASURER Stephen Kern
 VICE PRESIDENTS Vince Amoroso
 John Bertko
 Arnold Dicke
 David Flynn
 Charles Barry Watson

1996–97

PRESIDENT Larry Zimpleman
 PRESIDENT-ELECT Allan Kaufman
 SECRETARY-TREASURER Stephen Kern
 VICE PRESIDENTS Vince Amoroso
 William Bluhm
 Arnold Dicke
 Ken Hartwell
 Barbara Snyder
 Michael Toothman

1997–98

PRESIDENT Allan Kaufman
 PRESIDENT-ELECT Richard Robertson
 SECRETARY-TREASURER Stephen Kern
 VICE PRESIDENTS William Bluhm
 Ken Hartwell
 Lawrence Johansen
 Kenneth Steiner
 Michael Toothman
 Robert Wilcox

1998–99

PRESIDENT Richard Robertson
 PRESIDENT-ELECT Stephen Kern
 SECRETARY-TREASURER James ReiskytI
 VICE PRESIDENTS Robert Anker
 Lawrence Johansen
 Daniel McCarthy
 James Murphy
 Kenneth A. Steiner
 Robert E. Wilcox

1999–2000

PRESIDENT Stephen Kern
 PRESIDENT-ELECT Lawrence Johansen
 SECRETARY-TREASURER James ReiskytI
 VICE PRESIDENTS Robert Anker
 Barbara Lautzenheiser
 Daniel McCarthy
 James Murphy
 Donna Novak
 James Turpin

2000–2001

PRESIDENT Lawrence Johansen
 PRESIDENT-ELECT Daniel McCarthy
 SECRETARY-TREASURER James ReiskytI
 VICE PRESIDENTS Henry Knowlton
 Barbara Lautzenheiser
 Steven Lehmann
 Donna Novak
 Geoffrey Sandler
 James Turpin

2001-2002

PRESIDENT	Daniel McCarthy
PRESIDENT-ELECT	Robert Anker
SECRETARY-TREASURER	Peter Perkins
VICE PRESIDENTS	Steven Lehmann John Parks Stephen Preston Robert Rietz Geoffrey Sandler Patricia Teufel

2002-2003

PRESIDENT	Robert Anker
PRESIDENT-ELECT	Barbara Lautzenheiser
SECRETARY-TREASURER	Peter Perkins
VICE PRESIDENTS	Janet Carstens Jan Lommele John Parks Stephen Preston Robert Rietz Patricia Teufel

2003-2004

PRESIDENT	Barbara Lautzenheiser
PRESIDENT-ELECT	Robert Wilcox
SECRETARY-TREASURER	Peter Perkins
VICE PRESIDENTS	Janet Carstens Donna Claire Burton Jay Kenneth Kent Jan Lommele Robert Rietz

2004-2005

PRESIDENT	Robert Wilcox
PRESIDENT-ELECT	Peter Perkins
SECRETARY-TREASURER	John Parks
VICE PRESIDENTS	Michael Abroe Donna Claire Burton Jay Kenneth Kent Mary D. Miller Geoffrey Sandler

2005-2006

PRESIDENT	Peter Perkins
PRESIDENT-ELECT	Steven Lehmann
SECRETARY-TREASURER	John Parks
VICE PRESIDENTS	Michael Abroe Mary D. Miller David Sandberg Geoffrey Sandler Donald J. Segal Timothy Tongson

2006-2007

PRESIDENT	Steven Lehmann
PRESIDENT-ELECT	Bill Bluhm
SECRETARY-TREASURER	John Parks
VICE PRESIDENTS	Robert Miccolis Allan Ryan David Sandberg John Schobert Donald Segal Timothy Tongson

2007-2008

PRESIDENT	Bill Bluhm
PRESIDENT-ELECT	Johns Parks
SECRETARY-TREASURER	Andrea Sweeny
VICE PRESIDENTS	Robert Miccolis Kathy Riley Thomas Campbell John Schobert Thomas Terry James Rech

Jarvis Farley Service Award

In 1991, the Academy established a perpetual award to honor the memory of one of its long-time, indefatigable volunteers. Jarvis Farley was a charter member of the Academy and an invaluable resource for the Academy staff and the entire actuarial profession. His untiring volunteer work for the Academy epitomized the caliber of service to be honored by this award. He began serving on Academy committees in 1972 and continued until his death in 1991.

Each honoree receives an engraved pewter Paul Revere bowl. A larger, permanent bowl, engraved with the name of each recipient, is displayed at the Academy

office in Washington. While honoring individual recipients, the award also calls attention to the significant benefits the actuarial profession receives from members' service in the Academy.

Recipients of the Jarvis Farley Service Award are selected by the Academy's Executive Committee based on nominations from the Academy's membership and committees. Eligible candidates are members of the Academy who have:

- ▶ demonstrated their commitment to professionalism,
- ▶ made an extraordinary contribution to the actuarial profession through long-time service as Academy volunteers,
- ▶ been an inspiration to practicing actuaries, and
- ▶ commanded respect within and without the profession.

All members of the Academy are eligible to receive the award, except former presidents' past service to the profession is the only service to be considered during the selection process.

JARVIS FARLEY SERVICE AWARD RECIPIENTS

1992	Mary Hardiman Adams
1993	Jerome A. Scheibl
1994	Douglas C. Borton
1995	Harry L. Sutton Jr.
1996	Charles Barry H. Watson
1997	James C. Hickman
1998	Edward E. Burrows
1999	Henry K. Knowlton
2000	Daphne D. Bartlett
2001	Jack M. Turnquist
2002	Burton D. Jay
2003	Walter S. Rugland
2004	W. H. Odell
2005	Donna Claire
2006	Frank Irish
2007	Frederick Kilbourne
2008	Henry Siegel

Robert J. Myers Public Service Award

In 1994, the Academy, through its Committee on Actuarial Public Service, established the Robert J. Myers Public Service Award to recognize the extraordinary public service of Robert J. Myers, who was chief actuary for the Social Security Administration from 1947 to 1970. The exceptional career of Myers was recognized with the public announcement of the award at the Academy's annual meeting in Washington, D.C. on September 28, 1994. Myers was instrumental in the design and funding of the Social Security system and worked for the Social Security Administration for some thirty-five years. Although political pressure often conflicted with his professional responsibilities, Myers never veered from a path of professional integrity. He continues to command respect within and outside the profession, and he remains an inspiration to all practicing actuaries.

A specially designed medal was presented to Myers at the award's inauguration. The permanent medal is mounted on a custom-designed pedestal and displayed at the Academy office in Washington. Recipients receive engraved medals, and their names are engraved on the base of the permanent display at the Academy. While honoring individual recipients, the award also calls attention to the significant benefits the general public receives from the actuarial profession.

Recipients of the Robert J. Myers Public Service Award are selected by the Academy's Executive Committee based on nominations from the Academy's membership and committees, in particular the Committee on Actuarial Public Service. Eligible candidates are members of the Academy who have:

- ▶ demonstrated their commitment to professionalism,
- ▶ made an extraordinary contribution to the public good through service to the government or other organizations in the public sphere, even when conflicted by political pressure,
- ▶ been an inspiration to practicing actuaries, and
- ▶ commanded respect within and without the profession.

All members of the Academy are eligible to receive the award, except former presidents' past service to the public is the only service to be considered during the selection process.

**ROBERT J. MYERS PUBLIC SERVICE AWARD
RECIPIENTS**

1995 John O. Montgomery
1996 Roland E. (Guy) King
1997 James B. Gardiner
1998 Dwight K. Bartlett III
1999 Robert A. Bailey
2000 Harry C. Ballantyne

2001 Robert J. Callahan
2002 Ted Becker
2003 Larry M. Gorski
2004 A. Haeworth Robertson
2005 Paulette Tino
2006 Richard Foster
2007 Frank Dino
2008 Nancy Kichak

Academy Staff

The staff of the American Academy of Actuaries is divided into five main departments: public policy,

finance and administration, communications, legal and professionalism, and membership services.

<https://www.actuary.org/contactus.asp>

SECTION 2. Academy Policies and Guidelines

Bylaws

A Corporation Organized Under the Illinois General Not For Profit Corporation Act (Adopted April 29, 1966, and last amended as noted within)

Article I—Membership

SECTION 1. Members. Individuals having membership in the Academy shall be called “members.”

Members shall be entitled to attend meetings of the Academy, vote, hold office, serve as elected Directors, make nominations, serve on committees, and generally exercise the rights of full membership. They are authorized to designate themselves as “members” of the American Academy of Actuaries and to append to their names the initials M.A.A.A.

SECTION 2. Admission to Membership. Any person may apply for membership and shall become a member by meeting the requirements contained in this section.

A Application. Each candidate for admission must submit a written application that shall include such additional information as the Executive Committee may request.

B Education. Each candidate shall have passed or have received credit for the examinations, and/or achieved membership in a non-U.S.-based actuarial organization, as prescribed from time to time by the Board of Directors, hereinafter called the “Board.”

C Resident Aliens and Nonresidents. A candidate who is a resident alien or a nonresident of the United States must meet such other requirements as are prescribed by the Board.

D Approval. Each application shall be acted upon by the Executive Committee. A candidate’s application is approved if accepted by a majority of the whole Executive Committee. If refused for any reason, including a rejection on the basis of evidence of lack of character or professional integrity, the applicant may request review by the Board, pursuant to such procedures as may be adopted by the Board.

(Section 2 amended September 18, 2008)

Article II—Meetings of the Members

There shall be an annual meeting of the members at such time and place as the Board shall designate.

Special meetings may be called by the Board. Upon request of not less than 5 percent of the members, the President shall call a meeting of the members. Notice of a meeting, specifying the place, date, and hour of the meeting, shall be given to the membership at least 50 days before each meeting. At all meetings, the number of members present at an annual or special meeting of the membership shall constitute a quorum for purposes of any member vote.

(Article 2 amended May 21, 2008)

Article III—Board of Directors

SECTION 1. Composition. The Board shall consist of 29 Directors, comprising the nine Officers, the two immediate Past Presidents, and 18 elected Directors.

SECTION 2. Election and Term of Office.

A Special Directors. The Board shall designate a number of seats on the Board, not to exceed eight, to be filled by a class of special Directors consisting of representatives of other U.S. actuarial organizations whose presence on the Board is deemed helpful to the Academy. Special Directors shall be elected by majority vote of the whole Board and shall serve for a period of two years. If a vacancy occurs among the special Directors, the vacancy may be filled for the remainder of the unexpired term by majority vote of the whole Board. The term of office of a special Director shall begin at the close of the annual meeting of the Academy in the calendar year of the election and shall continue until the close of the annual meeting at the end of the term for which the special Director was elected.

B Regular Directors. Elected Directors who are not special Directors shall be regular Directors. Each

year the members shall elect a number of regular Directors to bring the total number of elected Directors to 18. Candidates receiving the greatest number of votes shall be elected. Such regular Directors shall serve for a period of three years. A retiring regular Director, other than one who was elected to fill a vacancy whose term as a regular Director expires, shall not be eligible for re-election as a regular Director at that time. A Past President whose ex officio membership on the Board as Past President expires shall not be eligible for election as a regular Director at that time. If a vacancy occurs among the regular Directors, including a vacancy created by the election of a regular Director to an office or to the position of special Director, the vacancy may be filled for the remainder of the unexpired term by majority vote of the whole Board. The term of office of a regular Director shall begin at the close of the annual meeting of the Academy in the calendar year of the election and shall continue until the close of the annual meeting at the end of the term for which the regular Director was elected.

SECTION 3. Meetings. There shall be an annual meeting of the Board prior to the annual meeting of the Academy. Special meetings of the Board shall be called whenever the President or at least five members of the Board so request.

Meetings of the Board may be held either within or outside the state of Illinois. Notice of the meetings of the Board shall be given not less than 10 days nor more than 30 days before the meeting, except in the event of a meeting of the Board following the annual meeting of the Academy, in which event newly elected Directors shall be given notice of such meeting of the Board as promptly as possible. Such notice to newly elected Directors may be given personally, by telephone, by mail, or by facsimile transmission.

Any action required to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board.

SECTION 4. Quorum. At meetings of the Board, a majority of the members of the Board shall constitute a quorum.

SECTION 5. Duties and Powers. The Board shall have,

in addition to the powers and authority expressly conferred upon it by these Bylaws, the right, power, and authority to exercise all such powers and to do all such acts and things as may be appropriate to carry out the purposes of the Academy. Without prejudice to the general powers so conferred, the Board shall have the following specific powers:

- A** To act in accordance with the provisions of the Articles of Incorporation of the Academy and the laws of the state of Illinois.
- B** To establish the location of the offices of the Academy.
- C** To invest and administer the funds of the Academy.
- D** To arrange an annual audit of the accounts of the Secretary-Treasurer.
- E** To prescribe examinations and other requirements for admission, as provided in Article I, Section 2, of the Bylaws.
- F** To elect the Officers of the Academy.
- G** To authorize such committees as it may deem necessary for the conduct of the affairs of the Academy.

(Article 3 amended May 21, 2008)

Article IV—Executive Committee

During any interim between meetings of the Board, the business of the Academy shall be conducted by an Executive Committee comprising the Officers and the immediate Past President. The Executive Committee shall have such powers as may be provided by these Bylaws or as may be delegated to it by the Board, except the specific powers enumerated (b), (d), (e), (f), and (g) in Section 5 of Article III.

Article V—Officers

SECTION 1. Officers. The Officers of the Academy, all of whom shall be members, shall consist of a President, a President-Elect, six Vice Presidents, and a Secretary-Treasurer.

SECTION 2. Election and Term of Office. At each annual meeting of the Board, the Directors present, by a vote of a majority of the whole Board, shall elect, separately and in the order named, a President-Elect, three or more Vice Presidents, and a Secretary-Treasurer.

At the annual meeting of the Board, if either (a) the

President-Elect has succeeded the President and has served in that capacity for six months or more by reason of the office of President becoming vacant or (b) the office of the President-Elect is vacant, except in the case where the President-Elect has succeeded to the office of the President and has served in that capacity for less than six months, the Directors, by a vote of a majority of the whole Board, shall, prior to the election of the President-Elect, elect a President to serve from the close of the first subsequent annual meeting of the Academy until the close of the second subsequent annual meeting of the Academy.

Except as hereinafter provided, the President-Elect, having been so elected at an annual meeting of the Board, shall commence the term as President-Elect at the close of the first subsequent annual meeting of the Academy and shall automatically succeed the President at the close of the second subsequent annual meeting of the Academy, and shall serve as the President until the close of the third subsequent annual meeting of the Academy. In the event the office of President becomes vacant, the President-Elect shall automatically succeed to fill the vacancy for the unexpired term. A President-Elect who so succeeds the President and serves in that capacity for less than six months prior to the close of the first subsequent annual meeting of the Academy following succession to the Presidency shall further serve as President until the close of the second subsequent annual meeting of the Academy.

The term of Vice President shall be two years. The term of each Vice President elected at each annual meeting of the Board shall be from the close of the first subsequent annual meeting of the Academy until the close of the third subsequent annual meeting of the Academy. In the event of a vacancy in the office of Vice President, the Board may elect a replacement for the remainder of the vacancy of that office. Said replacement may thereafter be eligible for re-election as a Vice President at the meeting at which the term expires.

A retiring Vice President is not otherwise eligible for re-election as a Vice President at the meeting at which the term expires.

Except as provided above, a retiring President shall thereafter be permanently ineligible for election for another term as President or President-Elect.

A retiring Vice President shall not be eligible for re-

election as a Vice President at the meeting at which the term expires.

Each Officer shall hold office for the term elected and until a successor shall have been elected.

In the event of vacancy in the office of both the President and President-Elect, the Board shall by majority vote of the whole Board elect a member to fill the vacancy for the unexpired term of the President.

In the event a vacancy occurs among the Vice Presidents, or in the office of Secretary-Treasurer, the Board shall by majority vote of the whole Board elect a member to fill the vacancy for the unexpired term.

Article VI—Duties of Officers

SECTION 1. President. The President shall preside at the meetings of the Board and of the Academy, shall appoint committees authorized by the Board, and may sign contracts or other instruments that the Board has authorized to be executed.

SECTION 2. President-Elect. The President-Elect shall have such duties as may be assigned by the President or by the Board. In the absence of the President, or in the event of the President's inability or refusal to act, the President-Elect shall perform the duties of the President's office.

SECTION 3. Vice Presidents. Each of the Vice Presidents shall have such duties as may be assigned by the President or by the Board.

SECTION 4. Secretary-Treasurer. The Secretary-Treasurer shall record and file minutes of all meetings of the Board, give all notices, be custodian of the corporate records of the Academy, and in general shall perform all customary duties incident to the office of Secretary-Treasurer. If the President is absent or unavailable, the Secretary-Treasurer may sign, with any other person authorized by the Board, contracts or other instruments that the Board has authorized to be executed.

The Secretary-Treasurer shall also keep a register of the members, have charge of the preparation and publication of any yearbook that may be published, have general supervision of any arrangements for holding examinations, have charge and custody of all funds and securities, collect dues, pay bills, prepare financial statements, and in general perform all customary duties incident to the office of Secretary-Treasurer. The Secretary-Treasurer shall

give a bond for the faithful discharge of all such duties, the cost of which shall be paid by the Academy.

Article VII—Finances and Contracts

SECTION 1. Dues. Except as hereinafter provided, each member shall pay such dues for each calendar year as may be established by the Board. Such dues shall be payable as of January 1 of the calendar year.

It shall be the duty of the Secretary-Treasurer to cause to be notified by mail any member whose dues may be six months in arrears and to accompany such notice by a copy of this Section. If dues remain unpaid, such person shall, on the date that falls three months after the date of mailing such notice, cease to be a member of the Academy for all purposes other than with respect to any penalty or other action determined under disciplinary procedures as provided in Article IX, relating to conduct prior to such date. Reinstatement as a member shall be subject to such conditions as the Board may prescribe.

(Section 1 amended September 18, 2008)

SECTION 2. Publications. The Board shall determine the extent of distribution of publications of the Academy and the fees or prices to be charged any classes of recipients.

SECTION 3. Contracts. The Board may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Academy.

SECTION 4. Checks. All checks, drafts, or other orders for a payment of money, notes, or other evidences of indebtedness shall be signed by such Officer or agent of the Academy as shall from time to time be determined by the Board.

SECTION 5. Deposits. All funds of the Academy not otherwise employed or invested shall be deposited to the credit of the Academy in such banks, trust companies, or other depositories as the Board may select.

Article VIII—Resignation of Members

Any member may at any time file a resignation in writing with the Secretary-Treasurer, and, unless it is rejected by the Executive Committee, it shall become effective as of the date it was filed. The Executive Committee

may reject a resignation only if a complaint or charge is pending against the member or if a complaint or charge is filed within 60 days after the date that the member's attempted resignation is filed. A member whose resignation is rejected by the Executive Committee may appeal in writing to the Board. The Board may affirm or set aside an Executive Committee decision to reject a member's resignation by a majority vote of the members of the whole Board.

Notwithstanding the foregoing, the Board may in its discretion permit the resignation of a member against whom a complaint or charge is pending. The Board, on written application of any member who has resigned, may reinstate such member subject to such conditions as it may prescribe.

Article IX—Public Discipline

SECTION 1. Complaints and Referrals.

A Complaints concerning alleged violations of the Academy's Code of Professional Conduct, and all questions that may arise as to the conduct of a member, in the member's relationship to the Academy or its members, or in the member's professional practice, or affecting the interests of the actuarial profession, constitute matters for serious consideration.

B Such complaints and questions shall be referred to the national organization responsible for professionwide counseling and discipline in the nation where the action occurred: the Actuarial Board for Counseling and Discipline (ABCD) in the United States and in any other country where the Academy has not executed a cross-border discipline agreement with a foreign national actuarial organization, and the appropriate foreign national actuarial organization with which the Academy has executed a cross-border discipline agreement (for example, the Canadian Institute of Actuaries in Canada). The Academy will publish annually in its Yearbook a list of foreign national actuarial organizations with which it has executed a cross-border discipline agreement.

SECTION 2. Consideration of Public Disciplinary Action.

A The President shall appoint a six-person Disciplinary

ary Committee from among the current or former members of the Board who, at the time of their appointment, have served on the Board within the past five years to consider and act upon a recommendation from the ABCD or the appropriate foreign national actuarial organization for public discipline of an Academy member.

- B** Public disciplinary action includes a public reprimand, suspension of Academy membership, or expulsion from the Academy.
- C** The member who is the subject of a public disciplinary recommendation from the ABCD or the appropriate foreign national actuarial organization shall have the right to appear personally and by counsel (at the member's expense) before the Disciplinary Committee to explain why that recommendation should not be followed. The role of the member's counsel shall be limited to advising the member and articulating appropriate legal objections; the role of the Disciplinary Committee's counsel shall be similarly limited.
- D** The member involved shall be notified not less than 45 days in advance as to the time, date, and place where the Disciplinary Committee will consider the matter. The notification may be made by certified mail or in such other manner as the Disciplinary Committee Chairperson may direct. The time limit may be waived by mutual agreement of the parties.
- E** An action of the Disciplinary Committee to publicly reprimand, suspend, or expel a member requires an affirmative vote of two-thirds of the whole membership of the Disciplinary Committee.
- F** An action by the Disciplinary Committee to publicly reprimand, suspend the membership of, or expel a member is effective 45 days after the date of the action, if the member does not appeal the action to the Appeal Panel as provided in Section 3 below, and, in the event of such an appeal, the action is effective on the date when the appeal is decided by the Appeal Panel.

SECTION 3. Appeals.

A member against whom an order of public reprimand, suspension, or expulsion has been rendered shall, upon application to the President within 45 days after the action of the Disciplinary Committee, be entitled to appeal under the following conditions:

- A** The President shall appoint a six-person Appeal Panel from among the members of the Board of Directors (except as provided in Subsection 2 below) to consider and act upon the member's appeal. The Appeal Panel shall consist of:
 - 1** A chairperson who is the President, the President-Elect, the immediate Past President, or the Secretary-Treasurer;
 - 2** The chairperson of the Disciplinary Committee (even if that person is no longer a member of the Board of Directors) as a non-voting member; and
 - 3** Four members of the Board of Directors who did not participate on the Disciplinary Committee. Officers identified in Section 3(A)(1) who do not chair the Appeal Panel may participate as members of the Appeal Panel.
- B** The notice of appeal shall be in writing and shall stipulate that the appealing member consents to the mailing to the members of the Appeal Panel of a transcript and all applicable evidence in a form approved by the Disciplinary Committee.
- C** All rights and privileges of membership shall be retained during the pendency of the appeal.
- D** The member may appear personally and by counsel (at the member's expense) before the Appeal Panel to explain why the action of the Disciplinary Committee should be reduced or set aside. The role of the member's counsel shall be limited to advising the member and articulating appropriate legal objections; the role of the Appeal Panel's counsel shall be similarly limited.
- E** The decision of the Disciplinary Committee may be affirmed, reduced, or set aside by a majority of the Appeal Panel.
- F** The member involved shall be notified not less than 45 days in advance as to the time, date, and place where the Appeal Panel will consider the matter. The notification may be made by certified mail or in such other manner as the chairperson of the Appeal Panel may direct. The time limit may be waived by mutual agreement of the parties.

SECTION 4. Reinstatement.

An individual who has been expelled or suspended from the Academy may be reinstated only through an action of the Board of Directors.

SECTION 5. Confidentiality of Proceedings.

Except as otherwise provided in these Bylaws or by waiver of the person under investigation, all proceedings under this Article shall be confidential and kept secret. If the person discloses any aspect of these confidential proceedings, the Academy may research the source and manner of the disclosure, and reserves the right to respond to such disclosure by providing factual information about the proceedings.

SECTION 6. Notifications.

A The Academy shall notify Academy members in all instances in which a member is subject to public discipline. At the same time notification is given to the members, the Academy shall also give notice of the public discipline to all other actuarial organizations of which the individual is a member and to other organizations, including government entities, that, in the opinion of the Disciplinary Committee or the Appeal Panel, should also receive notice of the action. The Academy may also give notice of public discipline to such newspapers or journals as it may select.

B If the case arises from a written complaint, notice of the disposition of the case shall be furnished to the complainant.

C In the case of an action to publicly reprimand, suspend, or expel a member, the notification should take place within a reasonable period of time after the action has taken effect as described in Section 2(F) above.

D In the event of subsequent reinstatement of an expelled or suspended member, the Academy shall give notice of such action to all members and also to entities previously advised by the Academy of the expulsion or suspension.

SECTION 7. Procedures.

The Board of Directors may establish procedures for implementation of this Article that are not inconsistent with this Article.

(Article 9 amended May 21, 2008)

Article X—Actuarial Board for Counseling and Discipline

SECTION 1. Establishment and Purposes.

A There shall be established within the Academy

an entity to be known as the Actuarial Board for Counseling and Discipline (ABCD). Upon delegation of appropriate authority from a participating actuarial organization and acceptance of that delegation by the ABCD, the ABCD will be authorized:

- 1** To consider all complaints concerning alleged violations or information suggesting possible violations of the applicable Code(s) of Professional Conduct and all questions that may arise as to the conduct of a member of a participating actuarial organization in the member's relationship to the organization or its members, in the member's professional practice, or affecting the interests of the actuarial profession.
- 2** To counsel actuaries concerning their professional activities related to the applicable Code(s) of Professional Conduct in situations where the ABCD deems counseling appropriate.
- 3** To recommend a disciplinary action with respect to an actuary to any participating organization of which that actuary is a member.
- 4** To mediate issues between members of participating actuarial organizations, or between such members and the public, for the purpose of informally resolving issues concerning the professional conduct of such members.
- 5** To respond to requests for guidance regarding professionalism from members of the participating organizations.

B The ABCD is authorized to establish Rules of Procedure and operating guidelines not inconsistent with the requirements of this Article. Such Rules of Procedure shall provide that the subject of an inquiry will be given the following:

- 1** Notice of the inquiry along with the factual basis for the inquiry and an opportunity to comment on the matter before the ABCD determines whether an investigation should be initiated.
- 2** Notice of the ABCD's decision to refer the inquiry to Investigators, their names, and an opportunity to object for cause in writing to any of them.
- 3** The opportunity to comment on an Investigative Report before the ABCD uses the Report to vote on disposition of the inquiry.
- 4** Reasonable notice of a hearing to be conducted regarding the actuary's work and/or conduct, in-

cluding the issues for inquiry and the date, time, and place of the hearing.

- 5 Within a reasonable period of time prior to a hearing, the names of any witnesses whose testimony the ABCD expects to consider and copies of case-specific documents not previously provided to the subject of the inquiry that the ABCD expects to consider.
- 6 Notice and a reasonable opportunity to respond to additional relevant, material case-specific documents and witnesses that the ABCD first learns of during a hearing, if the ABCD intends to consider such. The notice shall include a copy of such documents and the names and last known addresses of witnesses.
- 7 The right to assistance of counsel during a hearing, including the right to seek and receive advice from counsel and to have counsel articulate appropriate legal objections.
- 8 Prompt notification of the results of an ABCD hearing after they have been determined and formulated. The ABCD shall expose, for comment, proposed revisions of its Rules of Procedure to the profession or to membership organizations for publication to their members.

SECTION 2. Members and Appointments.

- A** The ABCD shall consist of nine persons appointed from the membership of the participating organizations, each of whom shall be appointed for a three-year term. No individual may serve no more than two consecutive terms on the ABCD, except that a member appointed to complete an unexpired term may be reappointed to two full consecutive three-year terms. Terms of membership shall be staggered, so that one-third of the members are appointed annually.
- B** Members of the ABCD shall be broadly representative of all areas of actuarial practice. They shall be appointed by, and serve at the pleasure of, the Council of U.S. Presidents (CUSP), composed of the Presidents and Presidents-Elect of the participating organizations. The President of the Academy shall serve as Chairperson of CUSP. CUSP shall annually appoint the chairperson of the ABCD. An individual appointed Chairperson may not serve

more than two consecutive terms as Chairperson.

- C** If a vacancy arises among the members of the ABCD, CUSP shall designate a replacement to fill out the remainder of the term. The replacement will complete that term, and may be reappointed for two additional consecutive three-year terms. When a full-term or replacement member has attended a hearing as an ABCD member, such member may serve beyond his or her term of appointment solely for the purpose of participating in the ABCD's disposition of that matter.
- D** Where three or more members of the ABCD have an actual or apparent conflict of interest with regard to a particular matter, with the result that a quorum of the ABCD cannot practicably be convened to consider the matter, CUSP may, in response to a request from the ABCD, appoint enough special members to the ABCD to form a quorum to consider that matter. The special members shall consider only the matter(s) for which appointed, and the term of each such special member shall end at the conclusion of the ABCD's consideration of such matter(s).

SECTION 3. Officers. The Officers of the ABCD shall consist of the Chairperson and two Vice Chairpersons, who shall be appointed annually from among the members of the ABCD by CUSP.

SECTION 4. Meetings and Conduct of Business. The ABCD shall meet at least once each year. Meetings may be called by the Chairperson or at the request of at least three members. Six members of the ABCD shall constitute a quorum. Meetings may be conducted in person or via telephone. In the event that neither the Chairperson nor a Vice Chairperson is able to participate at a duly called meeting where a quorum is present, the members may, by a majority of those participating, select a Chairperson Pro Tem for that meeting.

SECTION 5. Procedures.

- A** For any matter described in Section 1.A.1 that comes to the attention of the ABCD, the Chairperson and the two Vice Chairpersons may by majority vote agree to: (1) dismiss the matter, (2) authorize a mediator to attempt to resolve the matter, or (3) authorize a review of the matter.

B An actuary whose activities are the subject of ABCD inquiry is referred to as a “subject actuary.”

C To review a matter, the Chairperson shall appoint a primary Investigator and may appoint additional Investigators. ABCD members shall not be Investigators.

1 The Investigator(s) shall investigate activities which may involve violations of the applicable Code(s) of Professional Conduct. The Investigator(s) shall then prepare an Investigative Report for the ABCD, which contains the results of the investigation.

2 The Investigator(s) shall follow applicable Rules of Procedure and operating guidelines established by the ABCD, which shall not be inconsistent with the provisions of this Article.

D The Chairperson may designate individuals with special expertise in various specialty areas to serve as Advisers to the ABCD. Investigator(s) and the ABCD may consult confidentially with such Advisers who have information or experience relevant to a matter under consideration.

E Following receipt of the Investigative Report, the ABCD shall determine by majority vote whether to (1) dismiss the matter; (2) counsel the actuary; or (3) schedule, in accordance with the Rules of Procedure described in Section 1.B of this Article, a fact-finding hearing before the ABCD.

F In any hearing before the ABCD:

1 The subject actuary shall have the right to appear personally, to examine the evidence to be considered by the ABCD, to question witnesses appearing at the hearing, and to present witnesses and evidence.

2 The subject actuary may be accompanied by counsel, at no expense to the ABCD. The counsel’s role in such instance shall be defined by the Rules of Procedure adopted by the ABCD, subject to the requirements of Section 1.B.7 of this Article. The role of counsel for the ABCD shall be similarly defined.

3 The ABCD shall decide all questions of evidence at the hearing.

4 A written transcript shall be made of the proceedings and a copy made available to the subject actuary.

G Following the conclusion of the hearing and based on the evidence (including testimony), only those ABCD members participating in the hearing shall, by affirmative vote of five or more members, determine to (1) dismiss the matter; (2) counsel the actuary; or (3) recommend discipline to the subject actuary’s membership organization(s), including the form of such discipline: private reprimand (if permitted by the membership organization’s bylaws or rules), public reprimand, suspension, or expulsion. If the ABCD believes it would be beneficial, it may also counsel an actuary for whom discipline is recommended.

If the ABCD recommends discipline, the ABCD shall prepare a written report addressed to each participating organization of which the subject actuary is a member. The report shall identify the precepts of the applicable Code(s) of Professional Conduct that the ABCD believes to have been violated, state the nature of the violations, and make a recommendation as to the form of discipline. The report shall be accompanied by a transcript of the hearing and copies of all documents considered at the hearing. A copy of the report and accompanying material shall be provided to the subject actuary.

SECTION 6. Counseling. The ABCD shall counsel a subject actuary when the ABCD determines counseling to be more appropriate than dismissal of a matter. The ABCD may also counsel a subject actuary for whom it recommends discipline. Counseling shall not be considered a disciplinary action.

SECTION 7. Staff. The ABCD will utilize the staff of the Academy for necessary legal, logistical, and technical support and may retain outside counsel for assistance, as needed.

SECTION 8. Finances.

A The finances of the ABCD will be accounted for separately within the Academy system of accounts. The ABCD will submit a budget request to the Secretary-Treasurer, listing all planned income sources and potential expenses, in such form and in such detail as is mutually determined by the Secretary-Treasurer and the ABCD. The Board of the Academy will consider this request when adopting its annual budget and will make provision within such

budget for the operating expenses of the ABCD.

- B** The ABCD will have discretion with regard to the expenditure of all funds allocated to it, subject only to such accounting and audit requirements as may be mutually determined by the Secretary-Treasurer and the ABCD.

SECTION 9. Confidentiality. Except as otherwise provided in these Bylaws, all proceedings under this Article shall be kept confidential by the ABCD, its staff, investigators, and advisers. This requirement as to confidentiality shall not preclude the ABCD from:

- A** Advising complainants and subject actuaries about the progress and outcome of matters under consideration;
- B** Reviewing previously closed files as they may relate, in any manner, to the consideration of a new matter before it;
- C** Accepting a bona fide waiver of confidentiality from a subject actuary and disclosing information pursuant to that waiver that would otherwise be kept confidential under this section, subject to such terms and conditions as the ABCD deems necessary to protect the confidentiality rights of other parties and the integrity of the ABCD process.

SECTION 10. Communications. The ABCD shall issue an annual report that will include a description of its activities for the prior fiscal year, including commentary on the types of cases pending, resolved, and dismissed. The ABCD may also disseminate educational materials to assist actuaries in understanding the application of the Code(s) of Professional Conduct in various situations that may arise. These reports and educational materials shall not reveal any confidential information. The ABCD shall also report quarterly to the President of each participating organization concerning inquiries, issues, and counseling activities related to members of that organization.

(Article 10 amended May 21, 2008)

Article XI—Actuarial Standards Board

SECTION 1. Establishment and Purposes. There shall be established within the Academy an entity to be known as the Actuarial Standards Board (ASB), whose purposes shall be to:

- A** (i) Expose, (ii) promulgate or adopt, and (iii) publish actuarial Standards of Practice, within its sole discretion and pursuant to such procedures as it deems appropriate, in all areas of actuarial practice, subject to the specific requirements of this article.
- B** Provide continuous review of existing Standards of Practice and determine whether they are in need of amendment, alteration, expansion, or elimination.
- C** Direct and manage the development of actuarial Standards of Practice by its operating committees in all areas of actuarial practice.

SECTION 2. Members and Appointments.

- A** The ASB shall consist of nine members, each of whom shall be appointed for three-year terms. No individual may serve more than two consecutive terms on the ASB, except that a member appointed to complete an unexpired term may be reappointed to two full consecutive three-year terms. Terms of membership shall be staggered, so that one-third of the members are appointed annually.
- B** Members of the ASB shall be broadly representative of all areas of actuarial practice. They shall be appointed by, and serve at the pleasure of, the Council of U.S. Presidents (CUSP), composed of the Presidents and the Presidents-Elect of the participating organizations. The President of the Academy shall serve as Chairperson of CUSP. CUSP shall annually appoint the Chairperson of the ASB. An individual appointed Chairperson may not serve more than two consecutive terms as Chairperson.
- C** If a vacancy arises among the members of the ASB, CUSP shall designate a replacement to fill out the remainder of the term. The replacement will complete that term, and may be reappointed for two additional consecutive three-year terms.

SECTION 3. Meetings. The ASB shall meet at least four times annually. Additional meetings of the ASB shall be called whenever the Chairperson or at least four members of the ASB so request. At meetings of the ASB, two-thirds of the members of the ASB shall constitute a quorum. At least six affirmative votes are required for the ASB to expose, promulgate, or adopt actuarial Standards of Practice.

SECTION 4. Officers.

A Officers of the ASB shall consist of a Chairperson and two Vice Chairpersons, who shall be appointed annually from among the members of the ASB by CUSP.

- 1** One Vice Chairperson shall be the presiding officer in the absence of the Chairperson and shall have such other duties as may be assigned by the Chairperson.
- 2** The other Vice Chairperson shall monitor the disposition and be responsible for the authorization of expenditure of all funds associated with the ASB.

B The Chairperson of the ASB shall preside at meetings of the ASB and shall designate operating committee Chairpersons with the consent of the ASB. Members of the operating committees shall be appointed by each operating committee Chairperson with the consent of the ASB.

SECTION 5. Committees. The ASB shall establish operating committees to prepare and draft Standards of Practice for consideration by the ASB. The number and membership of such committees shall be determined by the ASB. The ASB may establish additional committees, subcommittees, or task forces as it deems appropriate to carry out administrative or advisory functions in support of its operations.

SECTION 6. Finance.

A Financial activities pertaining to the ASB will be accounted for separately within the Academy system of accounts. The ASB will submit a budget request to the Secretary-Treasurer, listing all planned income sources and potential expenses, in such form and in such detail as are mutually determined by the Secretary-Treasurer and the ASB. The Academy Board will consider this request when adopting the Academy annual budget and will make provision within such budget for ASB operating expenses.

B The ASB will have discretion with regard to the expenditure of all funds allocated to it, subject only to such accounting and audit requirements as are mutually determined by the Secretary-Treasurer and the ASB.

SECTION 7. Staff. The ASB will utilize the staff of the Academy for all support, within the budgetary con-

straints of the ASB, and the Academy will make available to the ASB such staff support as may be requested. Costs for such staff support, including overhead expenses ascertained pursuant to a formula mutually determined by the Secretary-Treasurer and the ASB, will be included in the ASB budget.

SECTION 8. Communications with the Actuarial Profession. The ASB shall issue an annual report that will include a description of its activities for the prior fiscal year, including commentary on its standards activities, administrative matters, and finances. The ASB shall cooperate with duly constituted actuarial authorities charged with enforcing standards of professional practice, and respond to inquiries regarding actions of the ASB, including the interpretation of standards promulgated or adopted by the ASB.

(Article 11 amended May 21, 2008)

Article XII—Notice

The requirement that notice be given to members or other persons shall be satisfied when a letter has been deposited in a U.S. Postal Service mailbox addressed to the last known address of such person.

Article XIII—Indemnification

Each person who at any time shall serve or shall have served as an Officer, member of the Board, committee member, or member of any disciplinary board of the Academy (and any such person's heirs, executors, administrators, and personal representatives) shall be indemnified by the Academy against all costs and expenses (including but not limited to legal fees, amounts of judgments paid, and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative, or other, in which one or more of them may be involved by virtue of such person being or having been an Officer, member of the Board, committee member, or member of any disciplinary board of the Academy, or in connection with any appeal therein; provided, however, that in the event of a settlement the indemnification herein provided shall apply only when the Board approves such settlement; and provided further that such indemnity shall not be operative with respect to any matter as to which such person shall have

been finally adjudged liable in such claim, action, suit, or proceeding on account of willful misconduct.

The rights accruing to any person under this Article shall be without prejudice to any rights or benefits given by the Board inconsistent therewith in special cases and shall not exclude any other rights or benefits to which the individual may be lawfully entitled.

Article XIV—Use of Financial Resources: Dissolution

The funds of the Academy shall be devoted exclusively to the purposes stated in paragraph 5 of the Articles of Incorporation. No part of the net earnings of the Academy shall ever inure in whole or in part to the benefit of any member or individual. If the Academy is dissolved, all of its remaining assets shall be transferred to one or more organizations organized and operated exclusively for purposes similar to those of the Academy.

Article XV—Amendments

Administrative, editorial, and technical amendments to the Bylaws that do not involve questions of policy or affect the substantive rights of the Academy's members may be made by a vote of two-thirds of the Directors present at a duly convened meeting of the Board. Otherwise, amendments to the Bylaws may be proposed either by a vote of two-thirds of the Directors present at a duly convened meeting of the Board or by written request of not less than 3 percent of the members. The Board shall specify a reasonable period of time within which the proposed amendment shall be transmitted by the Secretary-Treasurer to the members by mail, which includes electronic means, and the time for votes to be mailed by the members to the Secretary-Treasurer. Such proposed amendment shall be accompanied by an appropriate discussion of the issues, and it shall become effective 10 days following the end of the voting period upon the affirmative vote of two-thirds of the members voting.

(Article 15 amended May 21, 2008)

Academy Mission and Strategic Plan

A. Introduction

*There is a river flowing now very fast.
It is so great and swift, that there are those who will be afraid.
They will try to hold on to the shore.
They will feel they are being torn apart and will suffer greatly.
Know the river has its destination.*

*The elders say we must let go of the shore, push off into the middle of the river,
keep our eyes open, and our heads above the water.*

And I say, see who is in there with you and celebrate.

*At this time in history, we are to take nothing personally, least of all, ourselves.
For the moment that we do, our spiritual growth and journey comes to a halt.
The time of the lone wolf is over.
Gather yourselves!
Banish the word struggle from your attitude and your vocabulary.
All that we do now must be done in a sacred manner and in celebration.*

We are the ones we've been waiting for.

— A Hopi Elder
Oraibi, Arizona

This contains the recommendations of the Strategic Planning Committee to the Board of Directors.

BACKGROUND

The Academy's Committee for Strategic Planning reports to the President, and has the following charge in the yearbook:

This committee is responsible for monitoring the implementation of and suggesting revisions to the strategic plan. This involves working with the Academy staff, various committees, and the Board of Directors in administering an annual planning cycle. This committee is also responsible for identifying new strategic issues for consideration by the Board of Directors and for participating appropriately in profession-wide long-term planning.

The strategic planning process was begun in earnest with a teleconference on August 15, 2006, followed by a two day leadership meeting, held in Washington DC on September 26–7, 2006. The Strategic Planning Committee met again by conference call on October 19, in person on November 1–2, by conference call December 4, in person on December 20, and by phone on January 22. The Board considered the work as of its January 31, 2007 meeting, and provided guidance to the SPC. This document was made final at the Committee's May 8th meeting.

The Board discussed the document and informally approved portions of it at its May 22, 2007 meeting, and the Executive Committee discussed the complete plan (including the one section not addressed by the Board) at its August, 2007 meeting. The Strategic Planning Committee met again by conference call on September 12, 2007. The Board adopted the Strategic Plan's original draft at its October 2, 2007 meeting.

In May of 2008, the Strategic Planning Committee requested that Academy leadership re-prioritize 50 percent of the initiatives to a Priority 2 or 3. This draft incorporates changes to the Strategic Plan the Board approved on October 7, 2008.

B. Strategic Plan

MISSION

The Academy's mission is to serve the public on behalf of the United States actuarial profession.

To accomplish this, the Academy:

- ▶ Provides independent and objective actuarial infor-

mation, analysis, and education for the formation of sound public policy;

- ▶ Proactively identifies and addresses issues on behalf of the public in matters where actuarial science provides a unique understanding;
- ▶ Increases the public's understanding and recognition of the value of the actuarial profession;
- ▶ Facilitates and coordinates issues of common interest among the U.S.-based actuarial associations;
- ▶ Provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; and
- ▶ Coordinates the representation of the U.S. profession globally.

VISION

Actuaries are recognized as preeminent experts in risk and financial security. As the public voice for the United States actuarial profession, the Academy has been the focal point for the realization of this vision.

Visions for the Core Functional Areas

1. Professionalism

The profession's publics acknowledge and respect the exceptionally high level of integrity and competence demonstrated by actuaries.

2. Public Policy Advising Policymakers

National, international, and other public policy makers look to the Academy for leadership, objective expertise, and practical advice on risk and financial security issues.

3. Advocacy in the Public and the Profession's Interest

The Academy identifies and advocates on appropriate issues in the public interest. The public and policymakers value the Academy's role. U.S. actuaries are recognized by legislation and regulation as experts in a growing number of areas.

4. Recognition and Communication

All key audiences recognize the value of the actuarial profession, the Academy's activities, and the MAAA designation. Employers see actuaries as experts in risk and seek actuaries as members of their management teams.

5. Coordination and Representation

All actuaries in the United States recognize the value of

the Academy and are members. The Academy leads an effective and cooperative coalition of U.S.-based actuarial organizations.

6. International Representation

The Academy effectively coordinates representation of the U.S. actuarial profession in the international arena.

7. Member Services

The Academy achieves high levels of member satisfaction.

8. Governance and Management

The Academy works effectively and efficiently, both internally and with other actuarial organizations, to manage resources. The Academy meets high performance standards.

STRATEGIC GOALS AND INITIATIVES

Annotation Notes

Notational convention:

Level 1 (n.): Core Functional Area

Level 2 (n.n): Strategic Goals

Level 3 (n.n.n): Initiatives

Priority indicators:

(1)=Highest priority, needs action this year

(2)=High priority, act if resources exist

(3)=Not immediate priority; to be revisited

1 Professionalism

1.1. Collaboratively lead the professionalism activities of the U.S. actuarial profession.

1.1.1. ASB and ABCD: Work with CUSP to clarify accountability and independence (1)

1.1.2. Explore feasibility of expanded peer review guidance, including possible requirements (3)

1.1.3. Strengthen the connection of Council on Professionalism to CUSP (1)

1.2. Build and maintain standards of qualification, practice, and conduct for the profession.

1.2.1. ASB: Communication initiative (1)

1.2.2. ASB: CUSP initiative to work with ASB to articulate and communicate an appropriate philosophy and process to improve actuarial practice (1)

1.2.3. Have CUSP involved in orientation of new ASB members (1)

1.2.4. Support ASB operations (1)

1.2.5. Support CoQ operations (1)

1.3. Ensure compliance with the profession's standards through a fair and rigorous counseling and discipline process.

1.3.1. Disciplinary consistency initiative (changing the model) (2)

1.3.2. ABCD: Communication initiative (1)

1.3.3. Support ABCD operations (1)

1.3.4. JBEA/ABCD initiative. Exploration of potential reporting by JBEA to ABCD (2)

1.4. Inspire and enable our members to attain and keep a high level of professionalism in their work.

1.4.1. Develop an initiative on whistleblower protection, precept 13, and the public interest (CRUSAP issue) (3)

1.5. Advocate the profession's professionalism standards and discipline process to our publics and regulators, both within and outside of the U.S.

1.5.1. Develop and implement a communication plan (1)

1.6. Promote and coordinate a consistent and evolving Continuing Education standard in the U.S.

1.6.1. CUSP Initiative (1)

1.7. Facilitate coordination of profession-wide professionalism education.

1.7.1. Explicit roles for the Academy at SOA and CAS professionalism courses (2)

1.7.2. Coordinate professionalism CE availability for all organizations (1)

2 Public Policy; Advising Policymakers

2.1. Strengthen our reputation as the major source of unbiased technical advice to Congress and the executive branch, on matters within our expertise.

2.1.1. Practice Council Focusing Initiative (1)

2.1.2. Fellow Program (1)

2.1.3. Objectivity and quality process review (1)

2.2. Be recognized by certain governmental and non-governmental bodies at the state, national, and international level as the major source of unbiased advice on matters within actuarial expertise.

2.2.1. NAIC working and strategic relationship management (1)

2.2.2. Identify key bodies with whom the Academy should establish meaningful relationships and establish priorities (2)

2.3 Promote awareness of and participation in public policy issues by our members.

2.3.1. Members as target audience (2)

2.3.2. “Qualified Spokesperson” Initiative (2)

2.3.3. Creating increased interest through regional clubs in public policy issues (3)

3 Advocacy in the Public and the Profession’s Interest

3.1. Be an effective voice advocating for the public on appropriate topics in the public interest.

3.1.1. Create the Public Interest Committee (1) — Completed

3.1.2. Develop a communication plan

3.2. Pursue laws and regulations that recognize the MAAA credential as the sole credential, in both state and federal laws and regulations, needed to practice in our areas of expertise.

3.2.1. Expand “qualification recognition” initiative (2)

3.2.2. Collaboration in setting educational standards for EA, ASA, and ACAS (and therefore MAAA) (1)

3.2.3. Organize a standing committee to communicate with legislators and regulators so that they recognize the value of the MAAA credential in legislation and regulation (1)

4 Recognition and Communication:

4.1. Facilitate, develop, implement, and monitor a profession-wide comprehensive communication plan that is both efficient and consistent with this strategic plan.

4.1.1. Comprehensive review of the Academy’s (the profession’s?) communications (CRUSAP recommendation) (1)

4.1.2. Taking our brand to policymakers and other key audiences initiative (1)

4.1.3. Taking our brand to employers initiative (1)

4.1.4. Develop and annually update a Board-approved “message to the profession,” articulated in a speech for use by all board members (1)

4.2. Build a collaborative, profession-wide process and

structure that will take appropriate advantage of all media opportunities, including public communication crises.

4.2.1. Prepared Statement Initiative. Prepare and update initial responses on major issues to be used in crises or breaking news stories (1)

4.3. Continually assess, improve, and report on communications with key audiences, for the Academy and, in coordination with other actuarial organizations, the profession.

4.3.1. Academy leader speeches initiative (2)

4.3.2. Actuarial Profession Website (CRUSAP recommendation) (3)

4.3.3. Website improvement initiative (1)

5 Coordination and Representation

5.1. Make Academy membership universal for U.S. practicing actuaries.

5.1.1. Make membership automatic with membership in other organizations (1)

5.2. Promote the value and relevance of actuarial expertise.

5.2.1. Provide amicus briefs in support of the profession when relevant (2)

5.2.2. Represent the profession to other national and international organizations with respect to areas in our mission (1)

5.3. Create additional value for membership.

5.3.1. Regular market research initiative—members, employers, public (1)

5.3.2. Communication of value program (1)

5.4. Explore and pursue appropriate opportunities for expanding the boundaries of membership in the profession.

5.4.1. Explore equivalent education from other organizations’ initiatives. (Such as ERMII) (2)

5.5. Promote an efficient and effective U.S. actuarial profession, and a heightened spirit of collaboration among all U.S.-based actuarial organizations to achieve that.

5.5.1. Create CUSP as an Academy committee of special directors (1) — Completed

5.5.2. Host and facilitate CUSP process, including: (1) U.S. profession-wide issues, (2) elimination of unnecessary duplication of services, and (3) communication of CUSP with the profession (1)

5.5.3. Ensure appropriate responses to recommendations in the CRUSAP report (1) — Completed

5.5.4. Pursuit of coordinated profession-wide meetings calendar (1)

5.5.5. Joint meetings, Webcasts, etc. (1)

5.5.6. Have Academy board members appointed as official representatives to member organizations' board meetings (1) — Completed

5.5.7. The Academy generally looks to the other U.S.-based organizations for logistical administration of CE programs (not considering the Annual Meeting and Leadership Mtg as CE) (1)

6 International Representation

6.1. Facilitate development of U.S. and North American coalitions with respect to international matters. Pursue, coordinate, and communicate on those objectives.

6.1.1. Provide administrative support to NAAC (1)

6.1.2. Develop, pursue, and manage an appropriate international strategy (1)

6.1.3. Coordinate and support IAA representation for the Academy and the U.S. actuarial profession (1)

6.1.4. Take leading role in professionalism matters internationally (2) — Removed

6.1.5. Explore feasibility of developing a relationship with IAIS (1)

6.1.6. Explore feasibility of developing relationships with other international organizations (IASB, World Bank...) (2)

6.1.7. Pursue international mutual recognition initiative (3)

6.1.8. Initiative on communication with members about international activities (1)

6.1.9. Create strong linkages between Practice Councils and IAA

6.2. Achieve full (un-asterisked) membership in IAA (1)

7 Member Services

7.1. Promote and facilitate member volunteer participation in the Academy's work.

7.1.1. Volunteer Resources Initiative (1)

7.2. Vigorously pursue 100% penetration of our markets.

7.2.1. Membership recruitment initiatives (2)

7.2.2. Member value equation initiative (2)

7.2.3. Have dedicated membership services staff (1)

7.3. Improve inter-organizational cooperation and sharing of infrastructure.

7.3.1. Member database initiative (1)

7.3.2. Meetings policy initiative (1)

8 Governance and Management

8.1. Develop performance standards for the operations of the Academy, and use as part of a continuing quality improvement program.

8.1.1. All areas have measurable "metrics of success" (1)

8.1.2. Attract and retain dedicated staff (1)

8.1.3. Build internal and external feedback loops to improve the Academy's practices (1)

8.2. Review and improve the board's operations.

8.2.1. Board and EC management initiative (1) — Completed

8.2.2. Creation of CUSP — Completed

8.2.3. Examine the governance structure of the Academy (1)

8.3. Institutionalize the strategic and operational planning process.

8.4. Implement and Monitor the Strategic and Operational Plans.

8.4.1. Tie Practice Council plans to strategic plan (1)

8.5. Increase Institutional Memory for CUSP Processes.

8.5.1. CUSP Manual (1)

8.5.2. At NAAC: Incoming PE education — Completed

8.6. Conflict of Interest statements signed by board members, chairs, and committee members. (1)

8.6.1. Accountability: VP of Professionalism

8.6.2. Milestones: Board decision in May or October on all volunteers; implement Board and chairs in October

8.7. Review and improve the board's (and its committees') communications.

8.7.1. Election transparency, operations, and communication initiative (1)

8.7.2. Legal support of academy and its entities as needed (1)

Use of Academy Titles and Designations

PRECEPT 12 OF THE CODE of Professional Conduct of the American Academy of Actuaries provides that “[an Actuary shall make use of membership titles and designations of a Recognized Actuarial Organization only in a manner that conforms to the practices authorized by that organization.” Annotation 12-1 of the Code defines “title” as “any title conferred by a Recognized Actuarial Organization related to a specific position within that organization,” and “designation” as “a specific reference to membership status within such organization.” The Academy’s Board of Directors has authorized only the following practices for use of membership titles and designations:

I. MEMBERSHIP DESIGNATIONS

A member of the Academy may sign or otherwise identify himself or herself orally or in writing by using any of the following designations:

- A** Member of the American Academy of Actuaries
- B** Member, American Academy of Actuaries
- C** Member, A.A.A.
- D** M.A.A.A.

An individual who is not a member of the Academy, or who has ceased to be a member of the Academy through resignation, suspension, expulsion, nonpayment of dues, or for any other reason, may not use any Academy designation unless and until that individual becomes or resumes being an Academy member.

II. TITLES

A Except as provided in Sections II (B) and (C) below, a member may include in written communications only references to titles held within the Academy when engaged in Academy business or speaking on

the Academy’s behalf. A member may never speak or act on behalf of the Academy without authorization to do so from the Board of Directors, Executive Committee, or other appropriate authority.

- B** Academy members who have been duly elected or appointed to the following roles may identify themselves as follows when engaged in Academy business or speaking on behalf of the Academy:
- 1** [Officer: (specify office)], American Academy of Actuaries
 - 2** Member of the Board of Directors, American Academy of Actuaries
 - 3** [Chairperson/Vice Chairperson/ Member], [(topic) Practice Council/Council on Professionalism], American Academy of Actuaries
 - 4** [Chairperson/Vice Chairperson/ Member], [Committee/Task Force/ Work Group] on [topic], American Academy of Actuaries
 - 5** [Staff member: (specify title)], American Academy of Actuaries
- C** A member who holds or has held one or more of the titles identified in Section II(B) above may refer to Academy offices or titles held in the following settings, but only if it is clear that the member is not purporting to speak or act on the Academy’s behalf:
- 1** Biographical material, such as résumés or material included in a book or article written by or about the member;
 - 2** Testimony in a court of law or before a legislative or regulatory body;
 - 3** An announcement or publication of a member’s change of employment or promotion.

Board and Committee Meetings

THE BOARD OF DIRECTORS has adopted the following policy with respect to attendance at, and participation in, Academy meetings.

A The Academy's meetings (including conference calls) are open to its members, and to guests invited by the committee or task force chair, with the exceptions of the Nominating Committee, the Budget and Finance Committee, Personnel and Compensation Committee, and the Committee on Discipline, whose meetings are closed. However, portions of the Executive Committee and Board of Directors meetings may be closed for executive sessions, as well as portions of committee and task force meetings when necessary to consider confidential information where such consideration is essential to accomplish tasks assigned to the committees or task forces by the Board of Directors, the Executive Committee, or the appropriate Vice President. Committee or task force meetings may be closed to members only for the purpose of considering

confidential information with the prior consent of the appropriate Vice President or the President, and subject to any terms, conditions, or restrictions that the Vice President or President may impose. The decision to permit a committee or task force to close its meetings shall be reported to the Board of Directors at its next regularly scheduled meeting.

- B** Academy staff attends meetings and conference calls as appropriate.
- C** Members attending Academy meetings (including conference calls) should inform the committee chairperson of their presence (in person or on a conference call), and are free to observe the conduct of those meetings. They may participate in discussions only with the consent of the chairperson.
- D** The Academy reserves the right to reschedule, cancel or postpone meetings and conference calls at the request of committee members. Reasonable efforts will be made to update meeting and conference call schedules on a timely basis.

Nominating Committee Guidelines

I. The Nominating Committee shall present a slate of candidates for Academy officers from among the members of the Academy and for elected (regular) members of the Board of Directors from among members of the Academy in accordance with the guidelines listed below. It should be emphasized that these are guidelines, not mandates, to assist the Nominating Committee, but not to usurp its ultimate responsibility to exercise its independent judgment and discretion in the selection of candidates.

A President-Elect: one candidate
The candidate should have previously served as a Vice President or Secretary-Treasurer of the Academy, or have served on the Board of the Academy

in the capacity of President-Elect and President of one of the U.S. organizations representing actuaries (ASPPA, CAS, CCA & SOA) or have served as Chairperson of the ASB or ABCD. At least one year of such service should have occurred during the last seven years.

- B** Vice President: enough candidates, when added to existing Vice Presidents whose terms are not due to expire, to fill six Vice President positions.
Each candidate should have previously served as Secretary-Treasurer, Secretary or Treasurer, or two years as an elected member of the Board of Directors with at least one year of such service during the last ten years; or in Vice President or higher posi-

tion for ASPPA, CAS, CCA or SOA and also as a member of the Academy's Councils, both within the last three years; as an Academy Committee Chair within the last three years; or as an ASB member or Committee chair within the last three years; or as an ABCD member within the last three years. Former Vice Presidents with an extended period of absence from the Board may also be considered.

In order to provide appropriate leadership for the Practice, Professionalism, and Financial Reporting Councils, there should be a Vice President for each Council. In choosing a candidate, emphasis should be placed on the candidate's ability and willingness to serve the Academy, with the expectation that the candidate would be a possible future candidate for President-Elect. The Vice Presidents and Practice/Professionalism/Financial Reporting Councils need to work very closely with the leadership of the other U.S. organizations representing actuaries. It is therefore imperative that the Nominating Committee members seek to get the input of their organizations regarding potential Vice President candidates prior to the Nominating Committee's deliberations. This should be done for all Academy Vice President slots every year so as to keep an up-to-date list for each of the Councils.

C Secretary-Treasurer: one candidate
The candidate, although elected annually, should normally be expected to serve three years.

D Regular Directors: enough candidates, when added to existing Directors whose terms are not due to expire and special Directors who are appointed by virtue of being President or President-Elect of one of the other U.S. organizations representing actuaries, to fill 29 Board of Director positions, including officers and the two immediate Past Presidents.

Candidates for regular Directorships will normally have served the Academy or the actuarial profession by:

1. Serving on Academy committees or task forces;
2. Serving on the ABCD, or on the ASB or an ASB Committee;
3. Serving on the Boards or committees of other actuarial bodies;
4. Attainment of important stature in the insurance business, in actuarial consulting or in some other field of actuarial work, such as teaching.

In selecting the slate of candidates, emphasis should be placed on the candidates' ability and willingness to serve the Academy. In this respect, most of the candidates should be possible future candidates for officers of the Academy.

II. The slate of candidates should be selected so as to result in a Board of Directors which, when members serving unexpired terms are taken into account, will produce a balanced distribution by:

- A** Specialty: casualty, health, life and pension, with elected Board members divided roughly equally between these specialties.
- B** Business affiliation: roughly equal representation by type of employer (e.g., insurance companies, consultants), with some representation from government and/or academia, if possible.
- C** Employer: Avoid overrepresentation from a single organization.

III. The Nominating Committee will not unlawfully discriminate on the basis of race, color, national origin, ancestry, age, personal appearance, gender, pregnancy, marital status, sexual orientation, family responsibilities, religious affiliation, matriculation, political affiliation, physical, mental or emotional disability, source of income, place of residence, or unfavorable discharge from military service, as those terms are defined by applicable state and federal law.

(As amended February 5, 1999)

Antitrust Policy

IT IS THE POLICY OF THE AMERICAN ACADEMY OF ACTUARIES (the “Academy”) to operate in compliance with the requirements of applicable law, including federal antitrust laws. Individuals participating in Academy activities are authorized to do so only in accordance with antitrust and other applicable laws and in furtherance of the Academy’s lawful fulfillment of its mission and objectives. In particular, individuals participating in Academy activities must refrain from engaging in conduct that unreasonably restrains commerce or trade or that constitutes a concerted action significantly diminishing competition between actual or prospective competitors. Per se violations (i.e., practices that are presumed to violate antitrust laws regardless of intent) include: agreements to fix or stabilize prices, agreements to divide markets, agreements to restrict product production or distribution, or group boycott.

At public meetings and seminars sponsored by the Academy, the Academy will publish a statement on antitrust compliance in the meeting or seminar program and refer to the statement at the beginning of each meeting or seminar. Individuals participating in the meeting or seminar will be required to comply with the Academy’s antitrust policy. However, individuals participating in Academy activities are permitted to discuss business activities for purposes of influencing legislation, regulation or court decisions, so long as such discussions are not conducted as a pretext for otherwise unlawful concerted

action of the sort described above.

Questions concerning the application of antitrust law to an individual’s participation in an Academy activity may be directed to the Academy’s General Counsel. The following are always prohibited:

- ▶ Agreeing with competitors on the price to be charged for particular goods or services (including salary levels for in-house work), or whether a fee should be charged for a particular activity or service.
- ▶ Agreeing with competitors to divide up a particular market by geographic area or by field of actuarial expertise.
- ▶ Agreeing with competitors to limit the availability of particular goods or services, or to make certain goods and services available only to customers who contract for an additional level or type of goods or services.
- ▶ Agreeing with competitors to refuse to provide a particular service, or to work for a particular client or employer.
- ▶ Agreeing with competitors to refuse to purchase goods or services from a particular vendor.

Please also note that, in circumstances where the Academy and other organizations representing actuaries may be deemed to be in competition for members, students, or meeting attendees, antitrust issues may arise. When dealing with situations in which antitrust issues may arise, please contact the Academy’s general counsel for specific guidance.

Conflict of Interest Policy

The Academy has adopted the following policy to guide its activities on behalf of the actuarial profession and the public:

THE ACADEMY’S MISSION is to serve the public on behalf of the United States actuarial profession.

To accomplish this, the Academy:

- Provides independent and objective actuarial

information, analysis, and education for the formation of sound public policy;

- Proactively identifies and addresses issues on behalf of the public in matters where actuarial science provides a unique understanding;
- Increases the public’s understanding and recognition of the value of the actuarial profession;

- Facilitates and coordinates issues of common interest among the U.S.-based actuarial associations;
- Provides for the establishment, maintenance, and enforcement of high professional standards of actuarial qualification, practice, and conduct; and
- Coordinates the representation of the U.S. profession globally.

These fundamental purposes of the Academy require it to maintain a high level of professional objectivity and independence from any specific interests of the employers of its members. Therefore, members who work on the Academy's behalf must carefully consider and address any situation that may arise with respect to the members' activity, or the activity of any member working with them, which may call into question their professional objectivity.

Members should comply with the Code of Professional Conduct whenever they provide services to the Academy. Members should familiarize themselves with Precept 7 of the Code, which provides specific guidance on dealing with conflicts of interest. Any actual or potential conflict, real or apparent, with this objective must be dealt with using the guidance provided in Precept 7, treating Academy work like "Actuarial Services" as defined in the Code of Professional Conduct. Disclosures required under Precept 7 should be made to the member supervising the activity in question.

Any question or concern about the possibility of a conflict of interest with respect to any work a member may perform on behalf of the Academy should be addressed to the member supervising the activity or to the Academy's general counsel.

Equal Opportunity Policy

Adopted by the executive committee of the American Academy of Actuaries, August 18, 1993

THE AMERICAN ACADEMY OF ACTUARIES ("the Academy") is an equal opportunity employer. It also offers services, membership benefits, and opportunities to its present and prospective members (referred to hereinafter collectively as "members") on a nondiscriminatory basis. It is the Academy's policy to refrain from unlawful discrimination against employees and members on the basis of race, color, national origin, ancestry, personal appearance, age, gender, pregnancy, marital status, sexual orientation, family responsibilities, religious affiliation, matriculation, political affiliation, physical, mental, or emotional disability, source of income, place of residence, or unfavorable discharge from military service, as those terms are defined by ap-

plicable state and federal law. These characteristics are referred to hereinafter as "protected characteristics."*

Further, it is the Academy's policy to provide its employees and members with a working environment that is free from unlawful discrimination based upon any of the protected characteristics described above. No Academy employee or member should be subjected to such discrimination while working for, or engaging in activities conducted by, the Academy.

It is also a violation of this policy for an Academy employee or member to seek to retaliate against any individual for complaining of a violation of the Academy's anti-discrimination policy.**

* The list of protected characteristics is compiled from applicable District of Columbia, Illinois, and federal laws.

** This statement is not intended to preclude the good-faith exercise of an individual's legal rights.

Committee Appointment Rules

In accordance with the Bylaws of the American Academy of Actuaries, the president appoints committees authorized by the Board of Directors (Board). To aid the president in making such appointments, the Board adopts the following rules, with this preamble, on 10/07/2008.

These rules reflect the Board's intention to involve as many members as possible in committee activities without sacrificing continuity, and to continually promote the introduction of new members to the volunteer experience. These rules have been drafted to be lenient enough to allow for a balancing of experience and inexperience.

The Board recognizes that there may be specific, rare instances where exceptions may need to occur, so there is provision for approval of such exceptions by the Executive Committee. Committees for which specific appointment rules are established by the Board (such as the Nominating Committee, Actuarial Standards Board, or ABCD) or committees designated by the President's Advisory Committee (PAC) are exempt from these rules. Appointments to joint committees and liaison appointments are subject to the rules applicable to standing committees, except for appointments to the Board.

- A** All members of the Academy are eligible to serve on committees.
- B** An officer of the Academy should not serve on any committee except in an ex officio capacity.
- C** A person should be chairperson of a standing committee for no more than three years, and should retire from the committee after serving as chairperson.
- D** The committee composition should result in an average tenure of no more than three years, subject to transition rules described below.
- E** Starting in 2010–2011, no committee member except for the Chair may serve longer than six years. For this purpose, such term will be deemed to restart at zero following a two-year continual period being off the committee.
- F** In general, a person should not serve concurrently on more than two standing committees, other than a practice council or in an ex officio position.
- G** In general, a person appointed to a task force or a

special committee is expected to serve until the task force or special committee is discharged.

Because the enforcement of these new rules would be a significant cultural shift, and might hamper some committees' ability to perform their duties, the Board recognizes the need to make this transition over a few years. For that reason, it adopts these:

H Transition Rules

- A.** Each committee's average tenure at the beginning of Academy year 2007–8 will be a baseline.
- B.** Each committee will achieve the target average tenure of three years by Academy year 2010–11. The required target for years 2008–9 and 2009–10 will be linearly interpolated 1/3 and 2/3 of the way from the baseline to the 2010–11 target. For example, an average tenure of 6.00 years in 2007–8 will result in targets of 5.00, 4.00, and 3.00 in subsequent years.

Maximum tenure for any committee member for 2008–9 and 2009–10 will be 10 and eight years, respectively.

I **Exception Policy**—the vice presidents will identify proposed exceptions to this policy and must present justification therefore to the Executive Committee for approval.

J Staff fellows are exempt from this policy.

APPOINTMENT CONSIDERATIONS

The staffing of committees is important to ensuring quality work that is accepted throughout the profession. The following are items to consider:

- ▶ Obtaining volunteers who are willing to work.
- ▶ Balancing such factors as specialty, employment, and geography.
- ▶ Representing an opinion where diversity is known to exist.
- ▶ Finding potential future chairpersons.
- ▶ Involving members with no previous Academy committee experience.

APPOINTMENT PROCEDURES

Committee chairpersons recommend committee membership to the vice president for approval in time for the

new members' names to be published in the *Yearbook*. As an aid to committee staffing, the Academy staff will keep and up-to-date tabulation of the membership of each committee. This listing is intended to help committee chairpersons and supervisory officers comply with the committee appointment rules.

Notifying the Academy

Each committee chairperson should submit the committee roster to its Academy staff liaison as soon as it is available. Any subsequent changes in committee membership are to be reported as they occur. It is essential that the Academy have a current membership roster for all committees at all times, since the office is responsible for numerous committee mailings.

Other Actuarial Organization Liaisons

In the staffing of certain committees, the input of ASPPA, the CAS, the CCA, and the SOA must be sought. Because committee chairpersons may not be aware of the need for this input, it is the responsibility of the appropriate supervisory officer of the Academy to notify any committee chairperson of those instances in which such

input should be solicited before staffing the committee in question.

Appointing a Committee Vice Chairperson

In order to ensure continuity, committee chairpersons should consider appointing vice chairpersons. The appointment of each vice chairperson is approved by the supervisory officer (the vice president of the practice council). Vice chairpersons generally should be individuals who may be in a position to step up to the position of committee chairperson. Although appointment as vice chairperson is not a pledge that the individual will become a chairperson at a future date, it does provide the committee with additional leadership.

Courtesy Letters

Every new committee member should receive a welcoming letter from the committee at the beginning of the Academy year. Every retiring committee member should receive an appreciation letter from the chairperson. Copies of these letters, as with all other communications on Academy letterhead, should be sent to the appropriate Academy staff liaison.

Guidelines for Making Public Statements

Adopted by the Board of Directors January 26, 2006

I. What Constitutes an Academy Public Statement

For purposes of these Guidelines, an Academy "public statement" is a written or oral statement made on behalf of any Academy entity (i.e., board, committee, task force or work group) to any other entity. Statements of opinion representing the views of an individual member are not Academy public statements under these Guidelines. Examples of Academy public statements include:

A Statements to governmental entities such as regulatory comment letters, testimony, amicus curiae briefs, or formal comments submitted to legislative,

executive, judiciary, regulatory, and investigative bodies at the federal, state and local levels;

B Statements to professional and other interest groups such as letters, oral presentations, or other submissions to non-governmental organizations (e.g., the American Bar Association, Financial Accounting Standards Board, the Government Accounting Standards Board, the International Accounting Standards Board, the National Association of Insurance Commissioners).

C Statements to the media such as articles, letters to the editor, press releases, interviews, and other expository submissions to newspapers, periodicals, television, radio and cable stations and other mass media.

II. The Scope of Academy Public Statements

Academy public statements should be consistent with the mission and purpose of the Academy and grounded in actuarial science. However, the actuarial profession's expertise is broader than what normally would be considered "pure" actuarial science. Consequently, it is appropriate for the Academy to issue a public statement that goes beyond the narrow areas where the actuary's knowledge is unique if that statement will contribute to discourse on an issue that is of interest to the Academy, its members, and the public.

The scope, tone and nature of an Academy public statement should reflect the dignity and professionalism of the actuarial profession. Statements should contain a clear, concise, and balanced presentation of significant facts, including relevant benefits and costs. An Academy public statement need not, however, limit itself solely to statements of fact, but may also draw valid inferences from statements of fact, express opinions, and advocate consistent with the Academy's mission, vision, and purpose in order to provide the public with the benefit of the full range of the profession's capabilities.

III. Development and Delivery of Public Statements

Academy members and staff should generally follow these Guidelines in the development and delivery of Academy public statements, although these procedures may be modified from time to time to ensure the timeliness and effectiveness of certain statements. In particular, media communications are considered to be a special form of public communication because media deadlines frequently prevent the utilization of the review processes described in these Guidelines. When letters to the editor, radio or television interviews, or other media submissions are expected, the member who chairs the Academy entity that prepared the public statement or who is expected to act as the Academy's spokesperson should contact the Academy's director of communications for special guidance.

A Identification of Issues. In deciding whether to issue a public statement and what the content of the statement will be, Academy entities should comply with the Public Policy Decision Model Applica-

tion Guide published in the Academy's Leadership Manual.

B Authority to Proceed. Academy public statements should only be issued if authorized by one or more Academy officers (i.e., President, President-Elect, Vice President, Secretary-Treasurer, or Past President) with supervisory authority over the public statement. If an Academy committee, task force, or work group identifies a matter that may warrant a public statement, it may develop the public statement if authorized to do so by the relevant Academy supervisory officer and subject to applicable peer, legal, and policy review and approval procedures. If staff or supervisory officers identify a matter that may warrant an Academy public statement, they will assign it to an appropriate Academy entity (i.e., committee, task force, or work group) to develop. If a committee, task force, or work group identifies an issue that is significant for more than one practice area, staff and the interested supervisory officers will discuss the matter, consulting other Academy members if desired, determine which Academy entity will develop the statement, and then arrange for proper coordination among interested Academy entities through the use of joint task forces, committee liaisons, dual practice council reviews, or other appropriate means. Supervisory officers may, at their discretion, seek advice from their practice councils to resolve "jurisdictional" issues and achieve proper coordination.

C Notice of Public Statement Preparation. Members will be notified of the preparation of public statements and, more generally, of issues and matters of concern to the Academy, on the Academy's website and through articles and announcements in the *Actuarial Update*, *Inside the Academy*, *Media Update*, and *Contingencies*. As appropriate, member input will be solicited. Reports summarizing Academy activities during the previous 12 months are published annually in the *Academy Record*.

D Development of Public Statements. Academy committees, task forces, and work groups will prepare Academy public statements and supporting materials as follows:

1 An Academy public statement generally reflects

the opinions of the Academy entity that prepared it, but it is always appropriate for the entity to involve other Academy members who are considered by the entity to have pertinent expertise. In some instances, the chairperson of the entity preparing the public statement may decide, with the approval of the supervisory officer, that it would be beneficial to involve non-Academy members, including non-actuaries.

- 2 When addressing issues that are expected to be controversial within the profession, the chairperson and supervisory officer should seek broader input from Academy members and leaders of the profession by, e.g., inviting member comments in Academy publications or on the website, discussing the issues with Academy leadership and the leadership of other actuarial organizations, solicitations and special sessions at actuarial meetings, special seminars on the issues, discussions with Academy committees, task forces, or work groups or, if time permits, circulation of exposure drafts. The supervisory officer will select the means used to obtain member input in appropriate consultation with the Academy president, the chairperson of the entity preparing the public statement and staff. Academy staff and the supervisory officer are initially responsible for determining whether an issue is expected to be controversial.
- 3 Staff is available to facilitate the preparation and distribution of Academy public statements, and members are strongly encouraged to work collaboratively with staff to produce statements under these guidelines that are consistent with the Academy's mission, purposes, and previous public statements.
- 4 Staff may also develop Academy public statements (e.g., amicus curiae briefs) from time to time. Such statements may be developed with the approval of the appropriate chairperson and supervisory officer and should be circulated to the members of an appropriate Academy committee, task force, or work group for comment prior to release, absent extraordinary time constraints.
- 5 The chairperson should seek a consensus of the group that prepares the public statement. If there is a substantial lack of consensus, the chairperson

may elect to: incorporate the majority and minority perspectives into the statement; refer the issue to the supervisory officer; or not issue the public statement. In some cases, time constraints may prevent the entire committee, task force, or work group from participating in the completion of a particular statement, and the task of drafting the statement may be left to the chairperson or the chairperson's designee(s). In such cases, the drafters should seek maximum input from available committee, task force, or work group members to the extent it is practical to do so.

- 6 A supervisory officer and staff may agree to release a statement before completion of peer review only under extraordinary circumstances. Otherwise, no Academy public statement should be released or presented without appropriate peer review. The appropriate level of peer review varies, depending upon the level of risk and exposure of the statement. Before release, statements must be approved by the supervisory officer or designee thereof and Academy public policy and legal staff. Peer review usually should include the committee, task force, or work group chair and two senior reviewers in addition to the supervisory officer (or designee) and staff. The senior review persons, to be selected by the chairperson with approval of the supervisory officer, should be knowledgeable and experienced in the subject at hand and should be intended to reflect broadly held views of the profession.
- 7 The decision to issue a final public statement generally rests with the supervisory officer, who may delegate this responsibility to the committee, task force, or work group chairperson or other designee. For issues of major importance or those deemed controversial, the executive director and president also should be consulted before the statement is released to its intended audience.
- 8 When deemed appropriate by the supervisory officer, a recommendation should be made to the president that a proposed statement be submitted to the Board of Directors for review before issuance. The Board may modify or disapprove a public statement if it believes such action is in the best interests of the Academy.

E Presentation of Public Statements. The committee or group issuing an Academy public statement must be identified as responsible for the statement. The group will ordinarily be a practice council committee, task force, or work group, or the Board of Directors. Except when the forum requires it, for example, in court proceedings or international settings (see below), blanket sponsorship by the entire Academy may not be stated or implied. When the audience is familiar with the Academy and its committee structure, a statement such as the following will usually be sufficient: “This statement was prepared by the American Academy of Actuaries’ [XYZ Committee].” In instances when further explanation is appropriate, the committee, task force, or work group should consider including additional language such as the following: “The [committee] is made up of representatives from the entire range of [name of actuarial practice area]. The committee includes actuaries who work as consultants, are employed by insurance companies, are actuaries for government [specify type of government programs, if appropriate] and the National Association of Insurance Commissioners, and are employed by nonprofit [specify type, if appropriate] organizations. The expertise of other senior [practice area] actuaries knowledgeable on [issue] was drawn upon to prepare this statement.”

As a general rule, Academy public statements are not attributed to the individual members of the group that developed them. In some cases, however, identifying members of the group may add to the credibility of the statement or serve some other purpose, such as meeting the requirements of the intended audience. The decision to identify individual authors should be made in consultation with the supervisory officer and Academy staff. Unless there is good reason not to do so, non-actuaries who participated in the formulation of the statement should be identified and their non-Academy-member status and role identified in footnotes or otherwise. Any statement that involves issues of significance to multiple practice areas should clearly identify the practice area to which the statement is intended to apply. All public statements should be dated and submitted in written form, with an oral

presentation as appropriate. Statements should be submitted on Academy letterhead.

If an oral presentation concerning an Academy public statement is to be made, the chairperson of the group that developed the statement and supervisory officer will select the person or persons to make the presentation. When an individual makes an oral presentation of an Academy public statement; for example, when testifying concerning the content of the statement before Congress, the individual should state that he or she has been designated as the representative of the Academy committee, task force, or work group that prepared the public statement, and that the views expressed by the individual represent the consensus views of the Academy group that prepared the public statement. No individual making an oral presentation of an Academy public statement should express the views of his or her client or employer when making the presentation. The individual should state that he or she is not speaking on behalf of the individual’s client or employer. If, through questioning or other means, the individual is required to express a personal opinion concerning the subject of the public statement, the individual should identify the opinion expressed as his or her own and not the opinion of the Academy group that developed the public statement.

Even when statements are responses to technical methodological inquiries, the general issue being addressed should be clearly specified in an initial sentence or two. Except when the Academy is well known to the audience, a formal statement about the Academy (sample below) should be included in the public statement.

It is generally appropriate for a member who participates in a media interview or other media contact to note that the views expressed by that member are not necessarily those of the Academy.

F Distribution of Statements. After an Academy public statement has been completed and, if applicable, formally submitted, the statement will be available for broader distribution. The statement will be posted on the Academy’s website, and members can request a copy of the statement by writing or calling the Academy’s Washington office.

IV. Sample Description of the Academy

The American Academy of Actuaries is a national organization formed in 1965 to bring together, in a single entity, actuaries of all specializations within the United States. A major purpose of the Academy is to act as a public information organization for the profession. Academy committees, task forces and work groups regularly prepare testimony and provide information to Congress and senior federal policymakers, comment on proposed federal and state regulations, and work closely with the National Association of Insurance Commissioners and state officials on issues related to insurance, pensions, and other forms of risk financing. The Academy establishes Qualification Standards for the actuarial profession in the United States and supports two independent boards. The Actuarial Standards Board promulgates standards of practice for the profession, and the Actuarial Board for Counseling and Discipline helps to ensure high standards of professional conduct are met. The Academy also supports the Joint Committee for the Code of Professional Conduct, which develops standards of conduct for the U.S. actuarial profession.

V. International Public Statements

From time to time, the Academy may wish to make public statements in the international context, or to join in public statements made by the International Actuarial Association (IAA) or other international actuarial organization. Statements by the Academy may be developed by the appropriate Academy committee, task force, or work group in accordance with the preceding sections of these guidelines, except that such statements will generally be issued on behalf of the Academy as a whole, and should be reviewed by the president or the president's designee before their release. Final approval to issue or join in an international public statement is generally granted by the president with advice of the vice president(s) for the relevant practice area(s). When deemed appropriate by the president, the proposed statement will be submitted to the Board of Directors, which may modify or disapprove the statement or, in the case of IAA public statements, recommend modifications as appropriate.

The Task Force on IAA Oversight should be notified and included in the review of a proposed IAA public statement before the Academy decides to join in or object to the public statement. The Task Force on IAA Coordination should be notified whenever the Academy decides to join in or object to a public statement issued by the IAA.

Guidelines for the Development of Practice Notes

(As adopted by the Board of Directors September 25, 2006)

THE PURPOSE OF PRACTICE NOTES is to provide information to actuaries on current or emerging practices in which their peers are engaged. They are intended to supplement the available actuarial literature, especially where the practices addressed are subject to evolving technology, recently adopted external requirements, or advances in actuarial science or other applicable disciplines (e.g., economics, statistics, or enterprise risk management). Practice notes are not interpretations

of actuarial standards of practice nor are they meant to be a codification of generally accepted actuarial practice. Actuaries are not in any way bound to comply with practice notes or to conform their work to the practices described in practice notes.

A practice note is usually written by a group of actuaries who have expertise in the type of practice covered by the practice note. The procedural guidelines set forth below are intended to assist Academy officers, committees, and staff in developing and maintaining practice notes that are effective and timely. These guidelines are

designed to promote consistency of quality and style and to ensure that the practices identified in practice notes conform to the actuarial standards of practice and existing legal and regulatory requirements. Nothing in these guidelines is intended to prevent other actuarial organizations from publishing educational materials on current actuarial practices to assist practicing actuaries.

1 Practice Council Oversight: Practice notes are published by the Practice Councils of the Academy with support from Academy officers, staff, committees, task forces and work groups. Committees or task forces of other actuarial organizations and individual actuaries may also assist with the development of practice notes.

2 Initiation of Practice Note Development: Any actuary, other individual or entity may request that the development or revision of a practice note be considered. Such requests may be directed to the appropriate Practice Council for evaluation of need, approval and implementation. The Practice Councils have primary responsibility for monitoring the need for new practice notes and deciding when existing notes should be modified or withdrawn.

3 Authority to Proceed: If a Practice Council determines that a new or revised practice note is desirable in a particular area of practice, the Practice Council Chairperson (“PC Chair”) requests that an appropriate committee or task force within the profession develop the practice note. If no such committee or task force exists, the PC Chair is authorized to establish one, consistent with Academy Bylaws.

4 Development Procedures: Practice notes are generally developed by a committee or task force and are identified as a product of that group. It may be appropriate, however, to involve other actuaries believed by the committee or task force to have pertinent expertise or experience. From time to time, it may also be appropriate to solicit the input of non-actuaries. When and how such additional input is solicited is at the discretion of the committee chair with concurrence of the PC Chair.

5 Content of Practice Notes: A Practice note may describe one or more methodologies within the known or anticipated range of practices. It would clearly indicate, if applicable, that it covers only

certain approaches and that there are, or may be, other methods used in practice. The practice note should not advocate a particular approach, but rather, describe it. To the extent that there are legitimate differences of opinion among practitioners concerning a particular practice, the practice note should describe the practice and indicate the existence of the difference of opinion; however in no event shall a practice note describe practices that the committee knows to be in use but collectively considers to be inappropriate.

6 Required Disclosures: Each practice note should begin with a paragraph as follows:

This practice note is not a promulgation of the Actuarial Standards Board, is not an actuarial standard of practice, is not binding upon any actuary and is not a definitive statement as to what constitutes generally accepted practice in the area under discussion. Events occurring subsequent to this publication of the practice note may make the practices described in this practice note irrelevant or obsolete.

Additionally, the paragraph should identify the committee within the Academy that developed the practice note. Blanket sponsorship by the Academy should not be stated or implied.

7 Consensus: The committee chairperson should seek a general consensus of the committee members concerning the content of the practice note. If there is substantial lack of consensus, the committee chairperson should so advise the PC Chair and seek further instruction on how to proceed.

8 Review Procedures: No practice note may be released without appropriate peer review. At a minimum, the PC Chair and one or more of his or her designees should review practice notes. If the PC Chair is involved in drafting the document, he or she shall designate two Council members who were not part of drafting the document for peer review. All practice notes must receive legal and editorial review by the Academy staff to confirm legality and consistency with standards of practice, other practice notes, and Academy policies.

9 Final Approval: The ultimate decision to issue a practice note rests with the PC Chair. When the de-

velopment of a practice note involves issues of major significance, the PC Chair should consult with the Academy Executive Director or President before releasing the practice note.

10 Production and Distribution: Academy staff handles production and distribution of final practice notes. Distribution may vary depending on the

audience for the notes.

11 Periodic Review: The PC Chair will initiate a Practice Council review of existing practice notes on a regular basis for relevance, purpose, and completeness, and will arrange for the practice notes to be updated or withdrawn as the Practice Council determines is appropriate.

Meeting Procedures and Guidelines

Committee Meetings

Periodic meetings are required to secure the extent and depth of interchange of views necessary for effective committee performance. The frequency of meetings is at the discretion of the committee chairperson. Many committees have found it productive to meet in person at least quarterly to sustain committee momentum and encourage member enthusiasm and commitment. Other chairpersons have found conference calls to be an effective alternative, especially when they are dealing with a single issue or a small number of issues.

Except under unusual circumstances, the Academy staff liaison attends all full committee meetings and, to the extent necessary and possible, attends meetings of committee work groups and subcommittees. The purpose of staff attendance is to ensure appropriate staff support for committee activities.

Planning and Budgeting Meetings

Academy staff work closely with the chairperson in making meeting arrangements. The following procedures are applicable:

- ▶ Chairpersons are requested to supply all pertinent information as soon as it is known. This information includes dates, city, an estimate of expected attendance, starting and ending times, special meal requirements and set-up requirements.
- ▶ All arrangements for a meeting at the Academy, a hotel, or another facility will be handled by Academy staff. Staff will make all meeting room and meal arrangements, send notices to committee members, and tabulate the responses for the committee chairperson.

Board and Committee Meetings

The Board of Directors has adopted the following policy on attendance at and participation in Academy meetings.

- 1** The Academy's meetings (including conference calls) are open to its members, and to guests invited by the committee or task force chair, with the exceptions of the Nominating Committee, the Budget and Finance Committee and the Committee on Discipline, whose meetings are closed. However, portions of the Executive Committee and Board of Directors meetings may be closed for executive sessions, as well as portions of committee and task force meetings when necessary to consider confidential information where such consideration is essential to accomplish tasks assigned to the committees or task forces by the Board of Directors, the Executive Committee, or the appropriate vice president. Committee or task force meetings may be closed to members only for the purpose of considering confidential information with the prior consent of the appropriate vice president or the president, and subject to any terms, conditions, or restrictions that the vice president or president may impose. The decision to permit a committee or task force to close its meetings shall be reported to the Board of Directors at its next regularly scheduled meeting.
- 2** Academy staff attends meetings and conference calls as appropriate.
- 3** Members attending Academy meetings (including conference calls) should inform the committee chairperson of their presence (in-person or on a

conference call), and are free to observe the conduct of those meetings. They may participate in discussions only with the consent of the chairperson

- 4 Conference call schedules will be listed appropriately on the Academy website. However, the Academy

reserves the right to reschedule, cancel, or postpone meetings and conference calls at the request of committee members. Reasonable efforts will be made to update meeting and conference call schedules on a timely basis.

Document Retention Policy

The Academy has adopted a document retention policy that provides for the orderly retention and destruction of documents. A copy of the policy is included below. Please familiarize yourself with the policy and take steps to ensure that you and other members working under your direction conform to the policy in dealing with Academy documents. Questions concerning the document retention policy may be addressed to the general counsel.

Academy Documents

Tax records	To be retained for seven years
Insurance records	Permanent
General ledger	Permanent
Audit materials	To be retained for seven years
Personnel files	Permanent for the duration of employment, retained for five years after termination
Employment applications & resumes	To be destroyed after position is filled; no resumes to be retained on file for potential openings
General files	To be retained for three years after project that is subject of file is completed
Minutes	Permanent
Contracts	Permanent until superseded; retain for one year after termination date
Board & committee agenda materials	To be retained for three years
Committee files	To be retained for three years, except for documents related to pending projects
Public statements	Permanent
Chronological file	To be retained for three years
Discipline files	Permanent
Publications	Permanent until superseded
Drafts	Except as otherwise provided, all drafts of documents should be destroyed as soon as the final document is completed. This applies to all documents produced by the Academy and its committees.

Qualification Standards	Permanent until superseded
Code of Professional Conduct	Permanent until superseded
Exposure drafts	Permanent, with comments to be destroyed when final standard or code adopted

ASB Documents

Standards	Permanent until superseded
Exposure drafts	Permanent, with comments to be destroyed when final standard or code adopted
Correspondence	To be retained for three years
Publications	Permanent until superseded
Committee files	All material related to adopted standards should be destroyed when the standard is adopted; material related to pending projects should be retained.
Drafts	Except as otherwise provided, all drafts of documents should be destroyed as soon as the final document is completed.

ABCD Documents

Discipline files	Permanent
Exposure drafts	Permanent
Correspondence	To be retained for three years
Publications	Permanent until superseded
Committee files	Materials should be retained for one year except as related to pending projects
Drafts	Except as otherwise provided, all drafts of documents should be destroyed as soon as the final document is completed.
“One-copy rule”	Only one file copy of each non-permanent document should be retained in the Academy office and only for the above-stated retention period.

SECTION 3. International Agreements

North American Actuarial Council Working Agreement

THIS WORKING AGREEMENT sets forth the cooperative goals of the American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries (ASPPA), the Asociación Mexicana de Actuarios (AMA), the Asociación Mexicana de Actuarios Consultores (AMAC), the Canadian Institute of Actuaries (CIA), the Casualty Actuarial Society (CAS), the Colegio Nacional de Actuarios (CONAC), the Conference of Consulting Actuaries (Conference), and the Society of Actuaries (SOA), collectively referred to as the Participating Organizations.

In order to: foster cooperation among the Participating Organizations consistent with their individual missions as described below; eliminate unnecessary duplication of effort and activity among the Participating Organizations (thereby maximizing the efficient use of the Participating Organizations' resources); encourage mutual recognition and cross-border discipline; and enhance the image, growth and reputation of the actuarial profession in North America, the Participating Organizations agree to participate in the North American Actuarial Council ("NAAC") as described in this Working Agreement.

The Participating Organizations agree to broadly publicize this Agreement (e.g., publish it in their Yearbooks and on their web sites).

I. Missions of the Participating Organizations

Each of the Participating Organizations operates to further its self-identified mission. The missions of the Participating Organizations may be broadly summarized as follows:

► **Academy:** Nationally and internationally, to represent the entire U.S. actuarial profession in the formulation of public policy and support U.S. actuaries in fulfilling their related responsibilities; to encourage the professionalism of U.S. actuaries by fostering the estab-

lishment, communication, maintenance and enforcement of high professional standards; and to represent and advance the U.S. actuarial profession and increase the public's recognition of the U.S. actuarial profession's value.

► **ASPPA:** To educate all retirement plan professionals and to preserve and enhance the employer-based retirement system as an essential part of a national retirement income policy in the United States.

► **AMA:** To support the Mexican actuarial profession in maintaining high standards of professional integrity and technical expertise and, thereby, promote the dignity of the profession and enhance the public's recognition of the profession's value.

► **AMAC:** To advance the quality of actuarial consulting practice in Mexico by providing continuing education and business support services to Mexican actuaries in consulting practice.

► **CIA:** As the national organization of the Canadian actuarial profession, to serve the public through the provision by the profession of actuarial services and advice of the highest quality by: representing the Canadian actuarial profession in the formulation of public policy; promoting the advancement of actuarial science and sponsoring programs for the education and qualification of CIA members and prospective members; ensuring that actuarial services provided by its members meet accepted professional standards; and assisting actuaries in Canada in the discharge of their professional responsibilities.

► **CAS:** To advance the body of knowledge of actuarial science applied to property, casualty, and similar risk exposures by: providing basic and continuing education; conducting research; establishing and maintaining high standards of conduct and competence for its members; communicating with the publics affected by insurance; and increasing the awareness of actuarial science.

► **CONAC:** To serve as the professional membership

organization for all the actuaries licensed to practice in Mexico, regardless of their specialty area; to advise the Mexican government concerning public policy matters with actuarial implications; and to foster actuarial education and research in Mexico.

► **Conference:** to advance the quality of actuarial consulting practice, support the needs of consulting actuaries, and represent their interests.

► **SOA:** The Society of Actuaries is an educational, research, and professional organization dedicated to serving the public and Society members. Its mission is to advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business, and societal problems involving uncertain future events. The vision of the Society of Actuaries is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events. The Society also works to anticipate future member needs through environmental scanning, strategic planning, and dynamic strategy management.

Each of the Participating Organizations takes whatever measures it deems necessary, appropriate, or desirable to attract, recruit and serve its individual members. This agreement is not intended, nor should it be construed, to restrict in any way the independent business decisions of the Participating Organizations but, rather, to document the Participating Organizations' desire to cooperate in the service of the North American actuarial profession consistent with their own missions and purposes.

II. The North American Actuarial Council

PURPOSE OF NAAC

The Participating Organizations jointly acknowledge that:

- The operating environments in the three North American countries are very different,
- The Participating Organizations' members expect the organizations to leverage resources and take appropriate advantage of synergies, and
- Increased information sharing and dialogue among the Participating Organizations has the potential to yield collective insights valuable to each organization.

Accordingly, the Participating Organizations define

NAAC's purpose as follows:

- 1** NAAC is to be a catalyst for dialogue on key issues facing the North American actuarial profession.
- 2** NAAC is to be a facilitator of opportunities for leveraging of resources across organizations.
- 3** NAAC is to be a source of knowledge in identifying conditions, trends, assumptions, and key issues affecting the North American actuarial profession and benchmarking best practices among member organizations.
- 4** NAAC is to be a forum for information sharing on current and potential activities among the North American actuarial organizations.
- 5** NAAC is to be a forum where networking occurs and camaraderie is built among the leaders of the North American actuarial organizations.

In fulfilling its purpose, NAAC shall abide by the following guiding principles:

- The conditions, cultures and perspectives of each individual country and their member organizations will be respected and valued.
- The autonomy of each member organization to pursue its mission and purpose will be preserved.
- The public interest will always be a primary consideration.
- The best interests of the profession will always be considered.

MEMBERS

The North American Actuarial Council (NAAC) comprises up to two officers of each Participating Organization. One of the two officers shall be the President of the Participating Organization. The other officer shall be the President-Elect of the Participating Organization unless the Participating Organization appoints another officer it deems more appropriate. If a designated officer of a Participating Organization is unable to attend a meeting of NAAC, the Participating Organization may designate another appropriate representative to attend the meeting in that officer's stead. The Executive Directors of the Participating Organizations attend and participate in NAAC meetings, but are not members of NAAC and do not vote.

Additional organizations may participate in NAAC at the invitation of the Participating Organizations.

MEETINGS

NAAC will meet in person up to three times a year. Arrangements for the in-person meetings (e.g., location and chairing the local meeting) shall be the responsibility of the host country. The Participating Organizations shall decide how to coordinate the agenda and provide meeting materials for the following year no later than at their fall meeting each year. The Participating Organizations agree to share equally the costs to perform this support function, with the Mexican organizations counting as one organization.

LEGAL

When appropriate, the Academy also agrees to make its legal counsel available to NAAC; and to coordinate, upon request, with counsel for the CIA and the Mexican organizations.

III. Communications Among the Participating Organizations

A Each Participating Organization shall share items of mutual interest, including items distributed to

the Participating Organization's board members (subject to board approval), with the other members of NAAC as soon as feasible after the items are available (electronically through the NAAC list server if appropriate). This sharing includes the Participating Organization's yearbook, newsletters, and board minutes, in addition to other important documents or significant studies that would be of value to the wider audience. This sharing does not apply to any item that a Participating Organization considers to be confidential.

B Each Participating Organization shall endeavor to inform each of the other Participating Organizations on a timely basis of any of its actions that are expected to have a significant effect on one or more of the other Participating Organizations or their members.

C Each Participating Organization shall invite the members of NAAC to all general membership meetings, with the registration fee waived.

Cross-Border Discipline Agreement

THIS 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 exam-

ple, 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 questions 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)

Development and Submission of Academy Comments to International Bodies

Coordination among U.S.-based Actuarial Organizations

The procedure set forth below was adopted by the Academy's Executive Committee in April, 2008.

BACKGROUND

From time to time, the Academy—consistent with the

public policy-related aspects of its mission—develops and submits statements to international organizations such as, but not limited to, IAA, IASB, and IAIS. In connection with the development of such statements, the Academy has the following goals:

A In keeping with the general goal of CUSP, to assure that all of the U.S.-based actuarial organizations

are aware of the development of such statements and have the opportunity to provide comments on them before they are submitted and/or to participate in their development, and

- B** To the extent possible, and where appropriate, to facilitate common responses by the U.S.-based actuarial organizations, especially on strategically important topics.

PROCEDURES

- 1** A SharePoint site has been established to support the work of the Joint Committee on IAA Coordination, of which representatives of each CUSP organization are members. We will use this SharePoint site to facilitate the communications described in this memo. The Academy's policy analyst for the Risk Management and Financial Reporting Council will serve as the SharePoint contact person for leaders of Academy work groups who are asked to communicate as described below. This responsibility is under the direction of the Academy's director of public policy, who should be contacted with any questions about the procedure.
- 2** When an Academy work group (committee, task force, etc.) decides to develop a statement with the objective of submitting it to an international organization of the type described above, the leader of the work group should provide the policy analyst with a notice for posting on the SharePoint site, describing the probable nature of the statement, the organization to whom it is expected to be submitted, and the anticipated timing (including any deadlines that have been established by the intended recipient). The idea is to post this notice as early in the process as possible, even if the information posted is necessarily fragmentary at that time. If the statement is in response to a request for comments by the international organization, the request should be posted as well.
- 3** Other CUSP organizations who would like to be informed of or participate in the stages of development of the statement are asked to respond (through their delegates to the Joint Committee on IAA Coordination) on the SharePoint site, indicating the name of the person who will serve as the contact point for the organization. The policy analyst will pass this information along to the leader of the affected Academy work group).
- 4** As the statement passes through stages of development, the leader of the Academy work group should provide copies to the policy analyst, who will post them so the SharePoint site will contain the latest stage. If other organizations wish to provide comments as the statement is developed, they are asked to post comments on the SharePoint site. (This is NOT intended to preclude person-to-person contact between the leader of the Academy work group and contact people designated by other organizations; in fact, such contact is specifically encouraged).
- 5** In the end, we expect that the statement will be a statement made by the Academy, although there may be occasions in which statements are jointly authored by two or more organizations. However, the goal in obtaining input from other CUSP organizations is to seek to avoid situations in which the Academy makes a statement with which another organization disagrees, and to produce a statement that—in light of input from all sources—is our best work product.

— Dan McCarthy
International Secretary
06/03/08

SECTION 4. Membership Services

Membership Requirements

THE REQUIREMENTS FOR ADMISSION to membership in the Academy are set forth in Article I of the Bylaws and in these procedures.

Education Requirements

The Academy Board of Directors, in accordance with Article I, Section 2(B) of the Bylaws, prescribes the following educational requirements for prospective members. An applicant who has attained the indicated status in one of the organizations listed below shall be deemed to have met the education requirements for admission to membership:

- A** Associateship in the Casualty Actuarial Society;
- B** Associateship in the Society of Actuaries;
- C** M.S.P.A. or F.S.P.A. in the American Society of Pension Professionals and Actuaries;
- D** Membership in the Conference of Consulting Actuaries;
- E** Enrolled Actuary status under Title III, Section C of the Employee Retirement Income Security Act of 1974;
- F** Fellowship in the Canadian Institute of Actuaries;
- G** Fellowship in the Faculty of Actuaries in Scotland;
- H** Fellowship in the Institute of Actuaries in Great Britain;
- I** Membership in the Colegio Nacional de Actuarios in Mexico;
- J** Fellowship in the Institute of Actuaries of Australia.

An applicant who has attained actuarial educational credentials other than those enumerated above may submit those credentials to the Academy for review and approval by the Membership Committee and the Executive Committee.

Good Moral Character and Professional Integrity

- A** Applicants to the Academy must be of good moral character and have professional integrity. Evidence

of the lack of good moral character or professional integrity shall be grounds for rejection of an application to membership in the Academy.

- B** In those cases where good moral character and professional integrity cannot be assumed, the Membership Committee and Executive Committee are empowered to call for evidence of such good moral character and professional integrity.

ADDITIONAL REQUIREMENTS FOR NONRESIDENTS AND NEW RESIDENTS

A Nonresidents

- 1** Nonresidents must certify their familiarity with U.S. laws and practices in their “actuarial practice area” as that term is used in the Qualification Standards for Prescribed Statements of Actuarial Opinion promulgated by the Academy through its Committee on Qualifications.
- 2** In those cases where familiarity with actuarial practices and principles in the United States cannot be assumed, the Membership Committee and Executive Committee are empowered to call for evidence of such familiarity.
- 3** Nonresidents must state their need for membership in the Academy.

B New Residents

Residents of the United States for fewer than three years must satisfy the requirements to which nonresidents are subject.

CERTIFICATION

Applicants must certify their willingness to comply with the Code of Professional Conduct of the American Academy of Actuaries, the Actuarial Standards of Practice promulgated by the Actuarial Standards Board, and the Qualification Standards for Prescribed Statements of Actuarial Opinion promulgated by the Academy through its Committee on Qualifications. Failure or refusal to provide such a certification is grounds for denial of a membership application.

APPLICATION PROCESS

- A** An application should be submitted on an application form that has been developed and approved by the Membership Committee. An approved application form may be obtained from the Washington office, the Schaumburg office, or the Academy website (www.actuary.org).
- B** Applications should be typewritten or handwritten legibly.
- C** An application fee of \$75 must accompany the application. This is a charge for processing the application and will not be applied toward the payment of dues for applicants who are accepted. Application fees paid by applicants who are not accepted will not be refunded.
- D** Applications should be addressed to: Membership Department, American Academy of Actuaries, 1850 M Street, N.W., Suite 300, Washington, D.C. 20036, (202) 872-1948 (fax).

APPEAL OF REJECTION OF APPLICATION

- A** Applications are reviewed by the Membership Committee of the Academy and approved by the Executive Committee pursuant to recommendation from the Membership Committee. An applicant shall be advised of any rejection of an application, and said rejection shall be accompanied by a statement of the reason(s) for the rejection.
- B** An applicant may appeal any rejection of an application for membership for any reason to the Board of Directors.
 - 1** An appeal of the rejection of an application should be submitted in writing and should specifically state the reason(s) why the determination of the Executive Committee not to grant the application should not be followed. Any evidence that the applicant wishes to submit in support of the appeal should be submitted concurrent with the appeal. Appeals should be postmarked by no later than 60 days after the date of the letter notifying the applicant of the rejection of the membership application.
 - 2** The Board of Directors will consider the appeal at its next regularly scheduled meeting.
 - 3** A decision of the board with respect to an appeal

will be furnished to the applicant in writing with a statement of the board's reason(s) for accepting or rejecting the application.

- 4** Any decision of the Board of Directors with respect to an appeal of the rejection of an application will be final and not subject to further appeal.
- 5** If a rejected applicant's circumstances change such that the board's reason(s) for rejecting the application are no longer pertinent, the applicant may submit a new application for membership.

INQUIRIES

Inquiries with respect to the application process or the status of pending applications should be addressed to: Membership Department, American Academy of Actuaries, 1850 M Street, N.W., Suite 300, Washington, D.C. 20036.

PRESCRIBED EXAMINATIONS

The Academy Board of Directors, in accordance with Article I, Section 2B of the Bylaws, prescribes examinations as follows:

A candidate who has attained by examination the indicated status listed below shall be deemed to have met the education requirements for admission to membership:

- A** Associateship in the Casualty Actuarial Society and the Society of Actuaries.
- B** M.S.P.A. or F.S.P.A. in the American Society of Pension Professionals and Actuaries.
- C** Membership in the Conference of Consulting Actuaries.
- D** Fellowship in the Canadian Institute of Actuaries, the Faculty of Actuaries in Scotland, the Institute of Actuaries of Australia, and the Institute of Actuaries in Great Britain.
- E** Enrolled Actuary status under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974.
- F** Membership in the Colegio Nacional de Actuarios.

In those cases where familiarity with actuarial practices and principles in the United States cannot be assumed, the Executive Committee is empowered to call for evidence of such familiarity.

2009 Dues

Dues as approved by the Board of Directors are \$585 per year for members, payable on January 1. Admission in the first third of the year will require full payment of dues for that year, admission in the second third of the year will require payment of two-thirds of the annual amount, and admission in the last third of the year will require payment of one-third of the annual amount.

Article VII, Section 1 of the Bylaws of the Academy provides that, subject to certain provisions with respect to disability and retirement, each member shall pay such dues for each calendar year as may be established by the Board of Directors of the Academy.

DUES WAIVER POLICY EFFECTIVE WITH 2009 DUES

Article VII, Section I of the Academy's Bylaws authorizes certain classes of members who are eligible for full dues waivers, and further authorizes the Board of Directors to establish a class of members who are eligible for full or partial dues waivers provided such class members "earn no significant income for the calendar year from actuarial activities." With the advice of the Membership Committee, the Board has determined that members who meet the criteria set forth below are eligible for a partial or full dues waiver, subject to the administrative rules set forth herein.

Partial Waiver

Members eligible for a partial dues waiver will pay an amount that will be set by the Executive Committee each year, which is typically in the range of 10 percent to 20 percent of the full dues amount for the year. A member qualifies for a partial dues waiver if he or she meets any of the following criteria:

- A** The member is on temporary leave from the work force for any reason, including unemployment or partial disability, and certifies that he or she anticipates earning "no significant income" (as defined below) from actuarial activities in the forthcoming calendar year. (A member in this category must certify annually that he or she meets the stated criteria, by re-applying each year for a partial dues waiver).
- B** The member is under age 70 and is retired from active employment, and anticipates earning "no significant income" in the forthcoming calendar year. (A member in this category who is under age

55 must certify annually that he or she meets the stated criteria, by re-applying each year for a partial dues waiver. A member in this category who is age 55 or older must so certify only in the first year in which he or she is in this category and need not re-apply in subsequent years; however, if such a member ceases to be in this category prior to age 70, he or she must notify the Academy office and will no longer be eligible for such waiver.)

The term "no significant income" shall mean earning no more than 80 percent of the U.S. per capita income as most recently published by the U.S. government, rounded to the nearest \$1,000. The term "income" for purposes of this policy shall mean and refer to earned income, including the definition of earned income as may appear in various sections of Title 26 of the U.S. Code, as in effect at the time of making such determination, and is not intended to include income from investment activities unrelated to employment or from Social Security, pensions, or comparable sources.

Full Waiver

A member qualifies for a full dues waiver if:

- A** The member is totally disabled and anticipates remaining so for the forthcoming calendar year. (A member in this category who is under age 55 and who has become totally disabled after 2007 must certify annually that he or she meets the stated criteria, by re-applying each year for a full dues waiver. A member in this category who is age 55 or older, or who became totally disabled prior to 2008, must so certify only in the first year in which he or she is in this category and need not re-apply in subsequent years; however, if such a member ceases to be in this category prior to age 70, he or she must notify the Academy office and will no longer be eligible for such full waiver.)
- B** The member is age 70 or older.
- C** The member is serving on active duty in the U.S. military, Peace Corps, or similar volunteer service. (A member in this category must certify annually that he or she meets the stated criteria, by re-applying each year for a full dues waiver.)

Other special circumstances warranting a partial or full waiver of dues will be considered by the Academy's Membership Committee.

NOTE: Members granted full or partial dues waivers will receive a set of publications and other materials that will be determined from time to time by the Membership Committee, but that will in any event include annual meeting notices, voting material for Bylaws amendments, and material from the Actuarial Standards Board. Currently, members granted partial or full waivers also receive the *Actuarial Update* monthly newsletter, *Contingencies* magazine, and the *Academy Yearbook*. Some additional publications will be made available for an additional charge.

To request a full or partial dues waiver form please contact membership@actuary.org or 202-223-8196.

When the circumstances that allow for a full or partial dues waiver no longer apply, the member is expected to pay the full dues for the calendar year for which the waiver applies.

To submit a dues waiver form, please access our website at www.actuary.org or contact:

Manager of Membership Operations
American Academy of Actuaries
1850 M Street, N.W.
Suite 300
Washington, D.C. 20036
202-223-8196

How to...

PAY YOUR MEMBERSHIP DUES

The Academy's online process provides several fast, user-friendly options for paying dues. Just go to www.actuary.org/members/login.asp and follow the instructions to log in and pay online or to print out a copy of the invoice that you can mail or fax with your dues payment. If you prefer to send the dues by mail, send the invoice and your payment to Kasha Shelton, American Academy of Actuaries, 1850 M Street, N.W., Suite 300, Washington, DC 20036.

If you have questions about your dues or your membership status, please contact Kasha Shelton (membership@actuary.org; 202-223-8196).

VERIFY YOUR ACADEMY MEMBERSHIP FOR THE MEDICARE RETIREE DRUG SUBSIDY PROGRAM

Medicare's prescription drug program includes a subsidy for retiree drug plans whose benefits are actuarially

equivalent to Medicare Part D benefits. Go to www.actuary.org/cvweb/attest.shtml. Because the law requires that an actuary be a member of the Academy to make one of these actuarial attestations, the Academy worked with the Centers for Medicare and Medicaid Services to launch a simple online process that actuaries could use to send their Academy membership numbers and other membership information to the Medicare program.

If you do not know your Academy membership number, or if you need help verifying your membership, please contact Kasha Shelton (membership@actuary.org; 202-223-8196).

VOLUNTEER FOR ACADEMY PROJECTS

Academy volunteers lead most of the Academy's public policy and professionalism efforts. Through their involvement in these efforts, actuaries serve the profession in a meaningful way, apply their actuarial expertise to important political questions, expand their professional network, become more knowledgeable about major legislative and regulatory trends that affect the profession, and gain a greater understanding of how government really works.

To learn about current and upcoming opportunities for volunteers at the Academy, log into your member homepage or contact Stephanie Blanding (blanding@actuary.org; 202-223-8196).

CHANGE THE ADDRESS IN YOUR MEMBER RECORD

Academy members may use one of several methods to change their address, phone number, e-mail address, and similar information in their membership record. It's best to inform the Academy in a timely manner, so that issues of *Contingencies* and the *Actuarial Update*, or new ASB exposure drafts and other useful resources, don't get left behind.

► Online — The quickest way to change your membership listing is to log into the members-only section of the Academy website with your user name and password and follow instructions for updating your member profile and Academy preferences. You will also be able to update your listing in the Actuarial Directory.

► E-mail — Send an e-mail with the requested changes to Kasha Shelton at the Academy (membership@actuary.org).

► U.S. mail — Send a letter with the requested changes, being sure to include a phone number and/or e-mail address so the Academy can contact you quickly if necessary. The letter should be addressed to: Kasha Shelton, American Academy of Actuaries, 1850 M Street, N.W., Suite 300, Washington, DC 20036.

If you have questions about your member record or your membership status, please contact Kasha Shelton (membership@actuary.org; 202-223-8196).

REQUEST A MISSING PUBLICATION

Contact Virginia Keene at the Academy and let her know which publications you need. If possible, please specify the month and year when the missing item was published.

Requests for missing publications may be mailed, e-mailed, or made by phone to Virginia Keene (keene@actuary.org; 202-223-8196; American Academy of Actuaries, 1850 M Street, N.W., Suite 300, Washington, DC 20036).

Resources, Services, and Benefits

THE ACADEMY PROVIDES an array of information resources, services, and educational opportunities as a service to its members, the actuarial profession, and, in some cases, the public. The Academy's communications program provides access to virtually all of its materials in an electronic format through the Academy's website (www.actuary.org). Most of the benefits are included as part of a member's dues.

Member Publications and Electronic Media

PERIODICALS

► *Actuarial Update* is the Academy's monthly membership newsletter. It focuses on the Academy's activities in public policy and professionalism. Members are encouraged to submit articles on committee activities, emerging public policy or professionalism issues, or general topics of particular interest to actuaries.

► *Enrolled Actuaries Report (EAR)* is the Academy's quarterly newsletter that covers issues that are important to enrolled actuaries. It is published in March, June, September, and December and is available online.

Contact: Tim Dougherty, managing editor of member publications, 202-785-7870, dougherty@actuary.org.

► *Inside the Academy* is the Academy's members-only electronic newsletter. Designed to be timely, readable, and short, it informs members about noteworthy Academy activities and links them to a few of the Academy's useful online resources.

Contact: Tim Dougherty, managing editor of member publications, 202-785-7870, dougherty@actuary.org.

Contingencies Magazine

Contingencies magazine is the flagship publication of the actuarial profession, providing a large and diverse readership with general interest and technical articles on a wide range of issues related to the actuarial profession. Published bi-monthly, *Contingencies* is mailed to members of the Academy, the Canadian Institute of Actuaries, and select individuals (such as legislators and their staffs, regulators, business executives, and related organizations), for a total circulation of around 29,000. The magazine contains regularly scheduled special sections on consulting and reinsurance, and supplements on actuarial careers and software.

It is the only Academy publication that accepts advertising, generating more than \$500,000 in non-dues revenues annually.

Contact: Linda Mallon, assistant director for publications and *Contingencies* editor, 202-223-8196, mallon@actuary.org.

ACADEMY WEBSITES

The Academy manages a number of websites that serve as primary sources of information for members and the public. All material that is published by the Academy is available on the Academy's websites.

► **Academy website: www.actuary.org** The Academy website is the primary electronic repository of public

policy and professionalism information from the Academy. Recent public statements and print publications are posted on the site, along with additional resources not available elsewhere. The site's notable features include the following:

- 1 Electronic access to Academy public statements, publications, and other Academy material produced since 2000
- 2 A personal secure web page for every Academy member that serves as a portal for a range of services, including online dues payment, subscriptions, and member profile updates
- 3 Expanded members-only content, which now includes free access to the Academy Alerts, timely summaries of major legislative, regulatory, and judicial developments that were previously available to members for an additional charge. When an Alert is issued, subscribers receive an e-mail notification with a link to the online bulletin. (All members may read the Alerts in the members-only section of the website at any time, but only subscribers will be notified when a new Alert comes out.)
- 4 Online registration for Academy meetings, seminars, and webcasts
- 5 An electronic version of the Yearbook, with rosters for Academy councils, committees, task forces, and work groups
- 6 The Social Security Game, an interactive educational tool designed to introduce members of the general public to the Social Security reform issue
- 7 "Actuaries in the news," a Newsroom page that provides links to selected recent news stories in which the Academy or Academy members appear
- 8 The North American Actuarial CE calendar, a searchable online tool with links to CE opportunities provided by the Academy and other national actuarial organizations

As a dynamic resource, not a static publication, the website continues to evolve to meet the needs of Academy members and other key Academy audiences, including members, policymakers, regulators, other actuaries, the news media, and the public.

Contact: Mike Roberts, manager, web operations, 202-223-8196, roberts@actuary.org.

► **Contingencies website: www.contingencies.org.** The website for *Contingencies* magazine includes articles

from the current issue of the print magazine, an archive of previous issues, extra material, and the Academy's free actuarial job bank.

► **Other Sites**

The Academy also maintains and manages the websites for the Actuarial Board for Counseling and Discipline and the Actuarial Standards Board. Links to these sites are prominently featured on the Academy website. Also, as previously mentioned, the Academy site hosts the Actuarial CE Calendar, which is designed to serve all the North American actuarial organizations.

Contacts

If you have a problem using the Academy website or have a suggestion for improving it, please let the Academy know.

► **General Questions:** For questions or comments about website content and/or navigation (including questions about where to find specific documents), contact Mike Roberts, manager, web operations 202-223-8196, roberts@actuary.org.

► **Member Services:** For questions or comments about logging in, paying dues online, or accessing other members-only services on the website, contact Kasha Shelton, manager of membership operations (membership@actuary.org, 202-223-8196).

► **Technical Help:** For help with technical problems on the Academy site, contact Michael Roberts, manager, web operations (roberts@actuary.org; 202-223-8196).

ANNUAL PUBLICATIONS

The *Yearbook and Leadership Manual* is the Academy's annual handbook for volunteers. It provides information on the Academy's purpose, organization, governance, policies, and such topics as Academy management, legal considerations, and communications procedures.

The *Record* is an annual report to Academy members that provides an overview of Academy accomplishments and activities.

The *NAAC Annual Report* provides a record of the major decisions and discussions of the North American Actuarial Council.

PUBLIC POLICY PUBLICATIONS

Providing legislative and regulatory bodies with independent, non-partisan, public policy analysis and advice from an actuarial perspective is a core mission for

the Academy. Public policy documents raise important actuarial issues and are written to be understood by legislators, policymakers, regulators, the news media, and the public. Distribution of the print editions of these documents is generally confined to specific target audiences related to the topic. Members can request printed copies of these documents, and all are available in an electronic format on the Academy's website (www.actuary.org).

► **Monographs** — Reserved for a major analysis of key public policy issues, a monograph is written under the auspices of an Academy council and receives extensive peer, policy, legal, and communications review under the guidelines for public statements.

► **Issue Briefs** — A short discussion paper, an issue brief generally provides either an overview of an issue or focuses on a single aspect of a larger issue. It also conforms to the guidelines for public statements.

► **Fact Sheets** — One- or two-page analyses that provide summary background and actuarial insights on an issue, released as a rapid response to breaking news.

► **Comment Letters** — Sent to legislative and regulatory bodies, comment letters are official statements that provide specific input from an actuarial perspective on an issue.

PUBLIC POLICY SUBSCRIPTIONS

► **Academy Alerts** — Available only to members, these electronic publications provide timely summaries of major legislative, regulatory, and judicial developments affecting actuaries. Beginning in January 2008, Alert subscriptions are free to all Academy members. Members may request free subscriptions to Alerts in five practice areas: health, life, pension, property/casualty insurance, and general insurance issues.

► **Manuals** — The Academy publishes two manuals that are available in a variety of media so that subscribers can choose the one that best meets their needs. Options include individual and group subscriptions for the manual on CD, on the web, or in a softcover book. The *Life and Health Valuation Law Manual* is designed to help appointed actuaries comply with the requirements of the NAIC model Standard Valuation Law and the Model Actuarial Opinion and Memorandum Regulation. The *Property/Casualty Loss Reserve Law Manual* is designed to help appointed actuaries comply with

NAIC annual statement requirements for statements of actuarial opinion.

For more information on the manuals' content and to order, go to the Academy's website at www.actuary.org, or contact Justin Edwards (202-223-8196, edwards@actuary.org).

PROFESSIONALISM PUBLICATIONS

Several types of professionalism guidance are provided to Academy members, including the Qualification Standards, the Code of Professional Conduct, practice notes, and, through the Actuarial Standards Board, the actuarial standards of practice (ASOPs).

The *ASB Boxscore*, the ASB's quarterly newsletter, which updates the progress of individual standards through the exposure and approval process, is mailed to Academy members. Academy members also receive copies of *Contingencies* magazine, which includes a regular column entitled "Up to Code," which is written by ABCD members and highlights the ABCD's work and important professionalism issues.

Academy Meetings

The Academy's annual meeting is held each fall. It includes a business meeting at which the new Academy president is installed, the election of new members of the Board of Directors, and the presentation of the Jarvis Farley Service Award. In past years, it has sometimes also included a continuing education component.

The Academy also presents two annual seminars:

► **The Life and Health Qualifications Seminar** is designed to help actuaries meet the eligibility requirements for issuing annual statement reserve opinions for life and health insurers. Held in November, the seminar also serves as a basic education refresher or a continuing education component for more experienced actuaries.

► **The "P/C Loss Reserve Opinions: Tools for the Appointed Actuary" seminar** is held in October. This one-day seminar informs preparers and signers of P/C loss reserve opinions about regulations, standards, new requirements, and what users of opinions want.

The Academy also works with other actuarial organizations to provide continuing education (CE) to members. For example, the Academy and the Casualty Actuarial Society jointly sponsor an annual seminar on casualty reserve opinions, and the Academy and the

Conference of Consulting Actuaries jointly sponsor the annual Enrolled Actuaries Meeting. Academy volunteers and staff are often presenters at meetings and seminars held by other actuarial organizations.

The Academy has also held numerous webcasts. These have included periodic updates on the Life Practice Council's principle-based project, as well as professionalism webcasts designed to help actuaries prepare for the 2008 implementation of the revised Qualification Standards.

Other Academy meetings, seminars, and webcasts may be held from time to time. Academy members usually receive a significant discount on the registration fees for these events.

Media Relations

The American Academy of Actuaries continues to develop proactive campaigns and programs, while fostering relationships with members of the media. The public affairs staff works with Academy volunteers to create campaigns to increase exposure of Academy work products and promote Academy sponsored-events. Using media relations tools such as news releases and media advisories as well as by hosting press events, Academy public policy publications gained national exposure throughout the past year via the national media and trade press.

Through the Academy's Official Spokesperson Program and Speakers Bureau, the Academy and its spokespersons met numerous reporter inquiries—providing valuable expertise and information. During the past

year, both these proactive measures generated nearly 600 media placements and pickups for the Academy—including more than 50 placements in the top 100 newspapers in the United States by circulation and the inclusion of Academy spokespersons on various radio and television programs. A sample of programs includes the popular National Public Radio shows “Morning Edition” and “Marketplace.”

The Academy also continues to employ various strategies to clarify positions, provide accurate information, and set the record straight. These efforts serve to protect and/or enhance the Academy's public image. Working with leadership and volunteers and by using various public relations tactics such as letters to the editor and op-eds, the Academy's public affairs staff successfully placed commentaries in various publications during the past year, including *Investor's Business Daily*, *Pensions & Investments*, *Fort Worth Star-Telegram*, *The Bond Buyer*, and *BusinessWeek*.

Through all these activities, the Academy demonstrates its credibility as a source of independent and objective policy analysis. This allows the Academy to continue to develop and foster relationships with reporters and editors. To expand its reputation even further, the Academy also organizes media tours and various meetings with members of the press. The meetings allow the actuaries to display their broad expertise and become sources for future reports.

To view Academy news highlights, please visit the “Actuaries in the News” section of the Academy's online Newsroom. www.actuary.org/newsroom/news.asp

Your Member Profile and Preferences

To update your member profile and preferences, you will have to log in using your user name and password. All the links below go to the member log-in page.

- ▶ Review or update your Academy [member profile and Actuarial Directory listing](#). (If you belong to the SOA, you can update your SOA member information at the same time.)
- ▶ [Reset](#) your Academy password

- ▶ [Review or update your contact preferences](#) for receiving announcements and other information from the Academy, the ASB, and the ABCD.
- ▶ [Review or update information](#) about your practice area and/or type of employment. (Note: For your Academy member record only).
- ▶ [Ask to be added to or removed](#) from the RDS Program list.

Code of Professional Conduct

EFFECTIVE JANUARY 1, 2001, the five U.S.-based actuarial organizations adopted this Code of Professional Conduct. It was adopted by the Board of Directors of the American Academy of Actuaries on September 28, 2000, and applies to all members.

The Code of Professional Conduct sets forth what it means for an actuary to act as a professional. It identifies the responsibilities that actuaries have to the public, to their clients and employers, and to the actuarial profession.

The Board of the American Academy of Actuaries thanks the Joint Committee on the Code of Professional Conduct for their hard work and perseverance in drafting the Code and obtaining the approval of all five organizations' boards.

Code of Professional Conduct

The purpose of this Code of Professional Conduct ("Code") is to require Actuaries to adhere to the high standards of conduct, practice, and qualifications of the actuarial profession, thereby supporting the actuarial profession in fulfilling its responsibility to the public. An Actuary shall comply with the Code. An Actuary who commits a material violation of the provisions of the Code shall be subject to the profession's counseling and discipline procedures.

The Precepts of the Code identify the professional and ethical standards with which an Actuary must comply in order to fulfill the Actuary's responsibility to the public and to the actuarial profession. The Annotations provide additional explanatory, educational, and advisory material on how the Precepts are to be interpreted and applied.

In addition to this Code, an Actuary is subject to applicable rules of professional conduct or ethical standards that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services. Actuarial Services are considered to be rendered in the jurisdictions in which the Actuary intends them to be used unless speci-

fied otherwise by an agreement between a Recognized Actuarial Organization for any such jurisdiction and the organizations that have adopted the Code.

Laws may also impose obligations upon an Actuary. Where requirements of Law conflict with the Code, the requirements of Law shall take precedence.

An Actuary must be familiar with, and keep current with, not only the Code, but also applicable Law and rules of professional conduct for the jurisdictions in which the Actuary renders Actuarial Services. An Actuary is responsible for securing translations of such Laws or rules of conduct as may be necessary.

DEFINITIONS

As used throughout the Code, the following terms are capitalized and have the meanings indicated:

- ▶ **Actuarial Communication:** A written, electronic, or oral communication issued by an Actuary with respect to Actuarial Services.
- ▶ **Actuarial Services:** Professional Services provided to a Principal by an individual acting in the capacity of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations.
- ▶ **Actuary:** An individual who has been admitted to a class of membership to which the Code applies by action of any organization having adopted the Code. When the term "actuary" is used without being capitalized, it refers to any individual practicing as an actuary, regardless of organizational membership or classification.
- ▶ **Confidential Information:** Information not in the public domain of which an Actuary becomes aware as a result of providing Actuarial Services to a Principal. It includes information of a proprietary nature and information that is legally restricted from circulation.
- ▶ **Law:** Statutes, regulations, judicial decisions, and other statements having legally binding authority.
- ▶ **Principal:** A client or employer of the Actuary.
- ▶ **Recognized Actuarial Organization:** An organization that has been accepted for full membership in the International Actuarial Association or a standards-set-

ting, counseling, or discipline body to which authority has been delegated by such an organization.

Professional Integrity

PRECEPT 1. An Actuary shall act honestly, with integrity and competence, and in a manner to fulfill the profession's responsibility to the public and to uphold the reputation of the actuarial profession.

ANNOTATION 1-1. An Actuary shall perform Actuarial Services with skill and care.

ANNOTATION 1-2. An Actuary shall not provide Actuarial Services for any Principal if the Actuary has reason to believe that such services may be used to violate or evade the Law or in a manner that would be detrimental to the reputation of the actuarial profession.

ANNOTATION 1-3. An Actuary shall not use a relationship with a third party or with a present or prospective Principal to attempt to obtain illegal or materially improper treatment from one such party on behalf of the other party.

ANNOTATION 1-4. An Actuary shall not engage in any professional conduct involving dishonesty, fraud, deceit, or misrepresentation or commit any act that reflects adversely on the actuarial profession.

Qualification Standards

PRECEPT 2. An Actuary shall perform Actuarial Services only when the Actuary is qualified to do so on the basis of basic and continuing education and experience, and only when the Actuary satisfies applicable qualification standards.

ANNOTATION 2-1. It is the professional responsibility of an Actuary to observe applicable qualification standards that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services and to keep current regarding changes in these standards.

ANNOTATION 2-2. The absence of applicable qualification standards for a particular type of assignment or for the jurisdictions in which an Actuary renders Actuarial Services does not relieve the Actuary of the responsibility to perform such Actuarial Services only when qualified to do so in accordance with this Precept.

Standards of Practice

PRECEPT 3. An Actuary shall ensure that Actuarial Services performed by or under the direction of the Actuary satisfy applicable standards of practice.

ANNOTATION 3-1. It is the professional responsibility of an Actuary to observe applicable standards of practice that have been promulgated by a Recognized Actuarial Organization for the jurisdictions in which the Actuary renders Actuarial Services, and to keep current regarding changes in these standards.

ANNOTATION 3-2. Where a question arises with regard to the applicability of a standard of practice, or where no applicable standard exists, an Actuary shall utilize professional judgment, taking into account generally accepted actuarial principles and practices.

ANNOTATION 3-3. When an Actuary uses procedures that depart materially from those set forth in an applicable standard of practice, the Actuary must be prepared to justify the use of such procedures.

Communications and Disclosure

PRECEPT 4. An Actuary who issues an Actuarial Communication shall take appropriate steps to ensure that the Actuarial Communication is clear and appropriate to the circumstances and its intended audience, and satisfies applicable standards of practice.

ANNOTATION 4-1. An Actuary who issues an Actuarial Communication shall ensure that the Actuarial Communication clearly identifies the Actuary as being responsible for it.

ANNOTATION 4-2. An Actuary who issues an Actuarial Communication should indicate the extent to which the Actuary or other sources are available to provide supplementary information and explanation.

PRECEPT 5. An Actuary who issues an Actuarial Communication shall, as appropriate, identify the Principal(s) for whom the Actuarial Communication is issued and describe the capacity in which the Actuary serves.

PRECEPT 6. An Actuary shall make appropriate and timely disclosure to a present or prospective Principal of the sources of all direct and indirect material compensation that the Actuary or the Actuary's firm has re-

ceived, or may receive, from another party in relation to an assignment for which the Actuary has provided, or will provide, Actuarial Services for that Principal. The disclosure of sources of material compensation that the Actuary's firm has received, or may receive, is limited to those sources known to, or reasonably ascertainable by, the Actuary.

ANNOTATION 6-1. An Actuary who is not financially and organizationally independent concerning any matter related to the performance of Actuarial Services should disclose to the Principal any pertinent relationship that is not apparent.

ANNOTATION 6-2. An Actuary employed by a firm that operates in multiple locations is subject to the requirement of disclosure of sources of compensation that the Actuary's firm may receive in relation to Actuarial Services with respect to a specific assignment for that Principal, regardless of the location in which such compensation is received.

Conflict of Interest

PRECEPT 7. An Actuary shall not knowingly perform Actuarial Services involving an actual or potential conflict of interest unless:

- A** the Actuary's ability to act fairly is unimpaired;
- B** there has been disclosure of the conflict to all present and known prospective Principals whose interests would be affected by the conflict; and
- C** all such Principals have expressly agreed to the performance of the Actuarial Services by the Actuary.

Control of Work Product

PRECEPT 8. An Actuary who performs Actuarial Services shall take reasonable steps to ensure that such services are not used to mislead other parties.

ANNOTATION 8-1. An Actuarial Communication prepared by an Actuary may be used by another party in a way that may influence the actions of a third party. The Actuary should recognize the risks of misquotation, misinterpretation, or other misuse of the Actuarial Communication and should therefore take reasonable steps to present the Actuarial Communication clearly and fairly and to include, as appropriate, limitations on the distribution and utilization of the Actuarial Communication.

Confidentiality

PRECEPT 9. An Actuary shall not disclose to another party any Confidential Information unless authorized to do so by the Principal or required to do so by Law.

Courtesy and Cooperation

PRECEPT 10. An Actuary shall perform Actuarial Services with courtesy and professional respect and shall cooperate with others in the Principal's interest.

ANNOTATION 10-1. Differences of opinion among actuaries may arise, particularly in choices of assumptions and methods. Discussions of such differences between an Actuary and another actuary, or in observations made by an Actuary to a Principal on the work of another actuary, should be conducted objectively and with courtesy and respect.

ANNOTATION 10-2. A Principal has an indisputable right to choose a professional advisor. An Actuary may provide service to any Principal who requests it, even though such Principal is being or has been served by another actuary in the same matter.

ANNOTATION 10-3. 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 that lend support to the alternative opinion. Nothing in the Code should be construed as preventing the Actuary from expressing such an alternative opinion to the Principal.

ANNOTATION 10-4. An Actuary may be requested to advise a Principal for whom the Actuary knows or has reasonable grounds to believe that another actuary has provided, or is providing, Actuarial Services with respect to the same matter. In such event, the Actuary may choose to consult with such other actuary both to prepare adequately for the assignment and to make an informed judgment as to whether there are circumstances involving a potential violation of the Code that might affect acceptance of the assignment. The Actuary should request the Principal's consent prior to such consultation.

ANNOTATION 10-5. When a Principal has given consent for a new or additional actuary to consult

with an Actuary with respect to a matter for which the Actuary is providing or has provided Actuarial Services, the Actuary shall cooperate in furnishing relevant information, subject to receiving reasonable compensation for the work required to assemble and transmit pertinent data and documents. The Actuary shall not refuse to consult or cooperate with the prospective new or additional actuary based upon unresolved compensation issues with the Principal unless such refusal is in accordance with a pre-existing agreement with the Principal. The Actuary need not provide any items of a proprietary nature, such as internal communications or computer programs.

Advertising

PRECEPT 11. An Actuary shall not engage in any advertising or business solicitation activities with respect to Actuarial Services that the Actuary knows or should know are false or misleading.

ANNOTATION 11-1. Advertising and business solicitation activities encompass all communications by whatever medium, including oral communications, that may directly or indirectly influence any person or organization in deciding whether there is a need for Actuarial Services or in selecting a specific Actuary or firm to perform Actuarial Services.

Titles and Designations

PRECEPT 12. An Actuary shall make use of membership titles and designations of a Recognized Actuarial Organization only in a manner that conforms to the practices authorized by that organization.

ANNOTATION 12-1. “Title” refers to any title conferred by a Recognized Actuarial Organization re-

lated to a specific position within that organization. “Designation” refers to a specific reference to membership status within such organization.

Violations of the Code of Professional Conduct

PRECEPT 13. An Actuary with knowledge of an apparent, unresolved, material violation of the Code by another Actuary should consider discussing the situation with the other Actuary and attempt to resolve the apparent violation. If such discussion is not attempted or is not successful, the Actuary shall disclose such violation to the appropriate counseling and discipline body of the profession, except where the disclosure would be contrary to Law or would divulge Confidential Information.

ANNOTATION 13-1. A violation of the Code is deemed to be material if it is important or affects the outcome of a situation, as opposed to a violation that is trivial, does not affect an outcome, or is one merely of form.

ANNOTATION 13-2. An Actuary is not expected to discuss an apparent, unresolved material violation of the Code with the other Actuary if either Actuary is prohibited by Law from doing so or is acting in an adversarial environment involving the other Actuary.

PRECEPT 14. An Actuary shall respond promptly, truthfully, and fully to any request for information by, and cooperate fully with, an appropriate counseling and disciplinary body of the profession in connection with any disciplinary, counseling, or other proceeding of such body relating to the Code. The Actuary’s responsibility to respond shall be subject to applicable restrictions on Confidential Information and those imposed by Law.

Qualification Standards

The American Academy of Actuaries, through Precept 2 of its Code of Professional Conduct, requires its members to perform actuarial services only when they are qualified to do so on the basis of basic and continuing education experience and only when they satisfy applicable qualification standards. Such actuarial services may include the rendering of advice and recommendations or opinions based on actuarial considerations, including the issuance of Statements of Actuarial Opinion.

The Qualification Standards have been revised to broaden their scope and strengthen the CE requirements. The revised standards took effect Jan. 1, 2008, and they apply to most of the actuaries in the United States.

The standards were developed by the Academy Committee on Qualifications and approved by the Board of Directors.

<http://www.actuary.org/qualstandards/qual.pdf>

Actuarial Standards Board

THE ACTUARIAL STANDARDS BOARD (ASB) establishes and improves standards of actuarial practice. These Actuarial Standards of Practice (ASOPs) identify what the actuary should consider, document, and disclose when performing an actuarial assignment. The ASB's goal is to set standards for appropriate practice for the United States.

When creating or revising an ASOP the ASB:

1. reviews and evaluates current and emerging practices;
2. determines appropriate guidance;
3. publishes an exposure draft to obtain input from actuaries and other interested parties;
4. considers all comments received; and publishes a final standard or another exposure draft.

Actuarial Standards Board

<http://www.actuarialstandardsboard.org/aboutasb.asp#members>

GENERAL COMMITTEE OF THE ASB

<http://www.actuarialstandardsboard.org/general.asp>

CASUALTY COMMITTEE OF THE ASB

<http://www.actuarialstandardsboard.org/casualty.asp>

HEALTH COMMITTEE OF THE ASB

<http://www.actuarialstandardsboard.org/health.asp>

LIFE COMMITTEE OF THE ASB

<http://www.actuarialstandardsboard.org/life.asp>

PENSION COMMITTEE OF THE ASB

<http://www.actuarialstandardsboard.org/pension.asp>

Actuarial Board for Counseling and Discipline

THE ACTUARIAL BOARD FOR COUNSELING AND DISCIPLINE (ABCD) was formed to serve the five U.S.-based organizations representing actuaries. The ABCD considers complaints and questions concerning possible violations of the Code of Professional Conduct. In addition, the ABCD responds to inquiries by actuaries concerning their professional conduct and, when requested to do so, provides guidance in professional matters.

Organizations served by the ABCD include the Academy, the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries. The

ABCD also serves the Canadian Institute of Actuaries relative to practice by its members in the United States.

The ABCD's members represent all main areas of actuarial practice and all U.S. organizations representing actuaries. ABCD members are appointed by CUSP, composed of the presidents and presidents-elect of the U.S. organizations.

The ABCD was established effective Jan. 1, 1992, as an entity within the Academy with Academy staff support. Upon delegation of appropriate authority from a participating actuarial organization and acceptance of that delegation by the ABCD, the ABCD is authorized:

1 To consider all complaints or information suggest-

ing possible violations of applicable Code(s) of Professional Conduct and all questions that may arise as to the conduct of a member of a participating actuarial organization in the member's relationship to the organization or its members, or in the member's professional practice, or affecting the interests of the actuarial profession;

2 To counsel actuaries concerning their professional activities related to applicable Code(s) of Professional Conduct in situations where the ABCD deems counseling appropriate;

3 To recommend a disciplinary action with respect to an actuary to any participating organization of which that actuary is a member;

4 To respond to requests for guidance regarding professionalism from members of the participating organizations;

5 To mediate issues between members of participating actuarial organizations, or between such members and the public, for the purpose of informally resolving issues concerning the professional conduct of such members.

ACTUARIAL BOARD FOR COUNSELING AND DISCIPLINE

<http://www.abcdboard.org/about/members.asp>

SECTION 6. Management

Roles and Responsibilities

THE ACADEMY IS THE VOICE OF U.S. ACTUARIES on public policy and professionalism issues. It represents the U.S. profession both domestically and internationally.

The Academy provides reliable, independent actuarial expertise on policy issues to Congress, state legislatures, other policymakers, regulators, and the public. The Academy also develops and maintains standards of qualification to practice as an actuary.

In addition, the activities of the Actuarial Standards Board (ASB), the Actuarial Board for Counseling and Discipline (ABCD), and the Joint Committee on the Code of Professional Conduct are coordinated through the Academy's Council on Professionalism. The ASB and ABCD are entities established within the Academy. They act independently in setting standards and recommending discipline. They receive administrative support from the Academy.

The Academy's work is governed by three primary groups: The Board of Directors, the Executive Committee, and the President's Advisory Committee.

Board of Directors

The Board of Directors has 29 members: the Academy's nine officers; the immediate past and past presidents; 10 regular elected directors; and eight special directors consisting of the presidents and presidents-elect of the American Society of Pension Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries.

The board's main purposes are to:

- ▶ Establish goals and priorities for the Academy.
- ▶ Consider profession-wide policy issues relevant to the Academy's and the profession's goals.
- ▶ Ratify the Academy budget, approve dues level.
- ▶ Review and approve Actuarial Standards Board (ASB) and Actuarial Board for Counseling and Discipline (ABCD) budgets.
- ▶ Elect Academy officers.
- ▶ Initiate bylaw changes.

- ▶ Review and, where appropriate, approve interim policy and administrative actions of the Executive Committee.

EXECUTIVE COMMITTEE

The Executive Committee has 10 members: the Academy's nine officers, plus the immediate past president. It oversees the operations of the Academy's practice councils. It also carries out other duties delegated by the Board of Directors.

PRESIDENT'S ADVISORY COMMITTEE

The President's Advisory Committee (PAC) has three members: the Academy president, president-elect, and immediate past president. It oversees the management of the Academy, including the performance of senior level Academy staff. It also makes policy recommendations to the Executive Committee.

The Academy's executive director is the primary staff liaison for the Board of Directors, the Executive Committee, and the PAC. The executive director manages Academy staff and directly supervises the four staff directors (communications director, finance and administration director, public policy director, and professionalism director and general counsel). Staff duties and responsibilities are described in more detail at the end of Section A.

COUNCIL OF U.S. PRESIDENTS (CUSP)

CUSP, established in January 2007, was tasked with facilitating collaboration and, where appropriate, coordinating cross-discipline, cross-organizational, and international issues for the U.S. actuarial profession. This includes managing the relationship between the Academy and the ASB, the ABCD, and the IAA. CUSP is composed of the Academy's president and president-elect, and the Academy's special directors (the presidents and presidents-elect of ASPPA, CAS, CCA, and SOA).

Vice Presidents

The duties of the vice presidents are stated in the Acad-

emy bylaws, Article 6, Section 3. The vice presidents are generally responsible for recommending and implementing policy and direction under their areas.

The vice president serves as chairperson of one of the six councils (health, casualty, risk management and financial reporting, life, pension and professionalism). In addition to duties assigned by the president, the vice presidents have duties pertaining to committee operations: communication (a-f) and project oversight (g-l).

Vice presidents:

- ▶ Request policy direction from the Board of Directors and Executive Committee, as required.
- ▶ Monitor the committee planning and reporting system.
- ▶ Communicate pertinent actions to committee chairpersons following each meeting of the Board of Directors and Executive Committee, and may be asked to give a report at the annual meeting.
- ▶ Present requests for approval to expose or to adopt standards of professional conduct and qualification to the Board of Directors and Executive Committee.
- ▶ Review any proposed change to a committee name or charge and forward to the Board of Directors and Executive Committee for approval.
- ▶ Work with Academy staff to formulate practice council goals for the year, including development of key issues and action plans for each issue.
- ▶ Encourage timely calling of committee meetings and attend meetings, as appropriate, if mutually agreeable with the chairperson.
- ▶ Consult with committee chairpersons on public statements under development.
- ▶ Participate in the selection of committee chairpersons in consultation with the president and other actuarial organizations, if appropriate. Participate in the selection of committee members in consultation with the committee chairperson, including the utilization of volunteers.
- ▶ Facilitate the provision of staff support or other resources to enable committees to function adequately.
- ▶ Fulfill the functions described for vice presidents in the “Guidelines for Making Public Statements.”
- ▶ Implement the council’s peer review procedure and ensure that it is followed throughout all work products of the Annual Schedule of Council Activities.

Vice Chairpersons

Each council should have a vice chairperson who is selected by the vice president. The vice chairperson is not necessarily the successor to the vice president. The vice chairperson will assist the vice president in fulfilling his or her responsibilities and will represent the council if the vice president must be absent from an event or meeting.

Academy Councils

The councils:

- ▶ Develop strategic plans, set priorities, monitor budget compliance, develop budget requests, and establish committee or task force assignments.
- ▶ Communicate and coordinate Academy activities relating to the area of practice or to professionalism within the Academy, particularly with the ASB and the ABCD, and with the other actuarial organizations.
- ▶ Provide advice to Academy and profession-wide communication efforts on issues concerning the subject area.
- ▶ Act on applications from Academy members (who are not fellows or associates of the CAS) seeking to be approved as qualified to perform loss reserve determinations (casualty practice area only).
- ▶ Oversee the Academy’s participation in the development, publicizing, and implementation of professional standards.

Committees, Task Forces, and Work Groups

These groups:

- ▶ Carry out duties necessary to accomplish the committee charge, including developing testimony, public statements, and other information for dissemination to government bodies and the public.
- ▶ Perform such duties as may be delegated by the appropriate practice council or the Professionalism Council.
- ▶ Prepare an annual plan and an annual report on the committees’ responsibilities, priorities, and accomplishments.

Committee Chairpersons, Members, and Staff Liaisons

COMMITTEE CHAIRPERSONS

The chairperson guides the committee in its work as consistent with the Academy's mission and strategic plan, as outlined by the Board of Directors.

The chairperson:

- ▶ With staff, develops a work plan that will allow the committee to effectively and efficiently discharge its responsibilities for the year.
- ▶ With staff, develops agendas and conducts committee meetings.
- ▶ Approves reports and pre-meeting materials before their distribution.
- ▶ Works with staff to ensure that the committee's work is carried out between meetings.
- ▶ Approves cycle reports on committee activities, including requests to the Board of Directors for action items.
- ▶ Reports to the committee on Board of Directors or Executive Committee decisions that affect the committee's work or activities.
- ▶ Observes and follows the committee appointment guidelines adopted by the Board of Directors, facilitating new member annual appointments.
- ▶ Recommends to the Board of Directors a succeeding appointee to fill his or her chair slot.
- ▶ Where appropriate, makes policy recommendations to the Board of Directors.

COMMITTEE MEMBERS

The committee member reports to the committee chairperson. The member actively participates in the work of the committee, provides input on the deliberations of the committee, focuses on the best interests of the Academy and the committee rather than on personal or constituent interests, and works toward fulfilling the committee's objectives.

The committee member:

- ▶ Reviews all relevant material before committee meetings.
- ▶ Makes contributions and voices objective opinions on issues.
- ▶ Attends committee meetings.

- ▶ Carries out individual assignments made by the committee chairperson.
- ▶ Works as part of the committee and staff team to ensure that the committee develops products and services that help Academy members and staff who are responsible for programs within the committee's scope of interest.
- ▶ Represents the committee in meetings of other organizations representing actuaries.
- ▶ Promotes clarity within the committee on the committee's role and how it supports and fits within the interests of the Academy.
- ▶ Assists in recruiting future Academy volunteers.

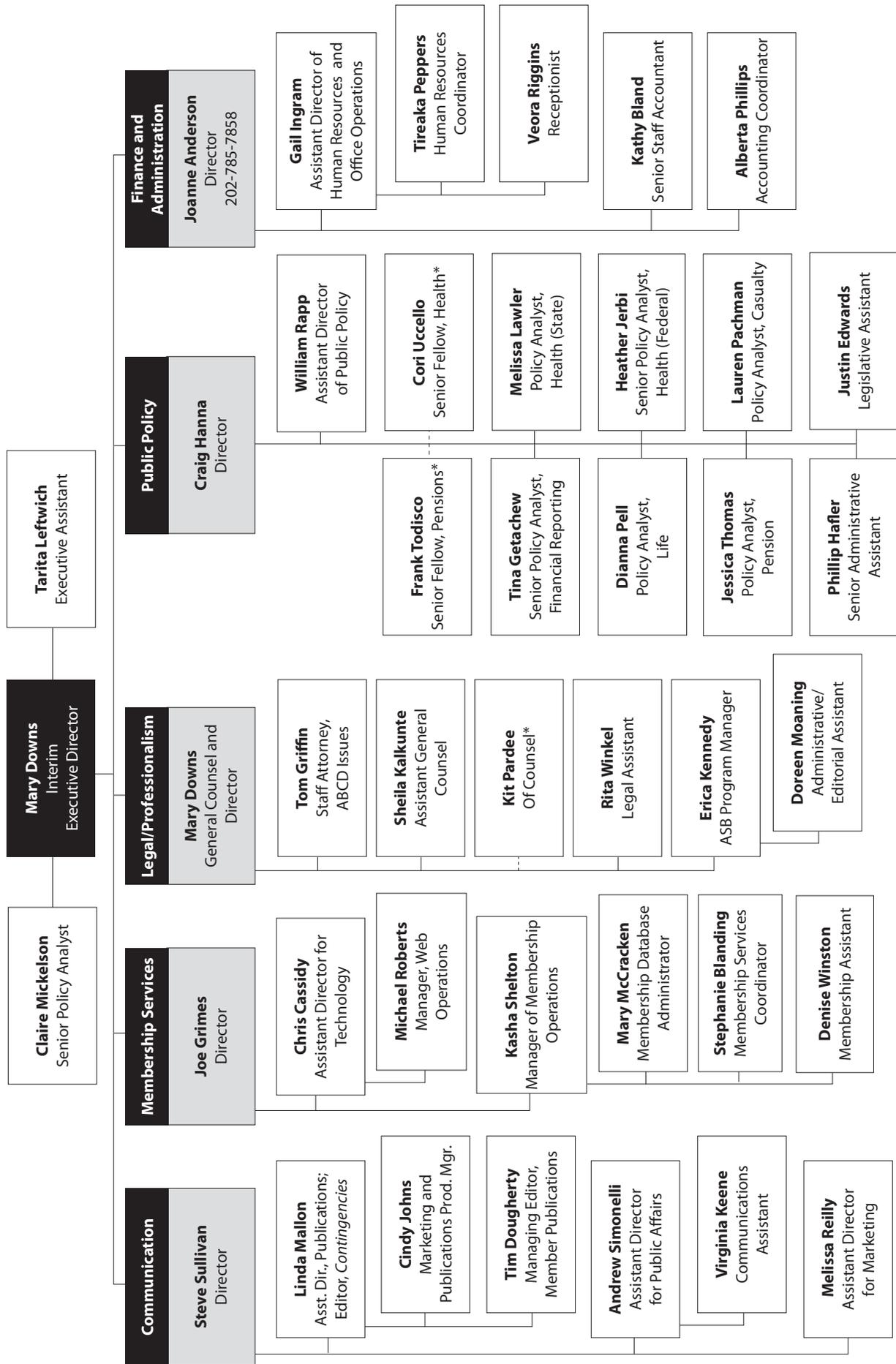
STAFF LIAISONS

The staff liaison serves as a resource person to the chairperson and committee members. The staff liaison assists the chairperson in facilitating committee discussions and activities that address the committee's charge and works with the chairperson to ensure that all committee work is consistent with the Academy's mission and strategic plan.

The staff liaison:

- ▶ Works with the chairperson to develop a plan of work that will allow the committee to effectively and efficiently discharge its responsibilities for the year.
- ▶ Works with the chairperson to develop agendas and conduct effective committee meetings.
- ▶ Drafts reports of committee meetings for review and approval by the chairperson.
- ▶ Works with the committee chairperson, other committee members, and Academy staff to ensure that the committee's work is carried forward between committee meetings.
- ▶ Facilitates communication of committee activities to staff supervisor.
- ▶ Reports to the committee chair on decisions of the Board of Directors, Executive Committee, or other Academy committees that impact the committee's activities.
- ▶ Assists the chair with the volunteer staffing of the committee.
- ▶ Where appropriate, assists the committee in proposing products and services that will further the mission and objectives of the Academy.

American Academy of Actuaries Organization Chart



*independent contractor

Planning Council Activities

EACH COUNCIL SHOULD PLAN to meet at least three times during the Academy year, which begins and ends with each year's annual meeting, usually in October or November. One of those meetings should be in conjunction with either the annual meeting of another organization representing actuaries or the Academy's annual meeting. It would be highly desirable for each council to have at least one other face-to-face meeting in addition to conference calls as often as necessary, but not less than once in the intervals between Academy Board of Directors meetings.

Each council is expected to submit a cycle report to the executive director for distribution to the Executive Committee two weeks before the meeting and an updated version of that report two weeks before each meeting of the Academy Board of Directors. The staff liaison and directors of public policy and professionalism will work with the vice presidents to draft cycle reports.

Planning and Reporting Schedule

An approximate schedule for annual planning and reporting cycles is outlined below. Staff will provide each vice president with a schedule of Executive Committee and Board of Directors meetings for the forthcoming year and deadlines for cycle reports and other key items. The schedule for budget development and submitting budget reports is discussed in section C of this chapter, "Developing Council Budgets and Monitoring Budget Compliance."

OCTOBER–DECEMBER

- ▶ Prepare issues list for initial practice council consideration.
- ▶ Meet to finalize key issues list and accompanying action plan in time for publication in the January issue of the Actuarial Update.
- ▶ Develop final implementation plans, including required volunteer/staff resources.
- ▶ In coordination with the vice president and Academy staff, recruit a vice chairperson who will assist in implementing council goals and who can assume the duties of vice president if necessary.

- ▶ Complete necessary volunteer recruitment in time for the new members to be listed in the Yearbook.
- ▶ Prepare first cycle report for the Executive Committee.
- ▶ Initiate action on new projects.

JANUARY–MARCH

- ▶ Ensure appropriate coordination of projects with other organizations, their volunteers, and staff.
- ▶ Finalize first cycle report for Academy Board of Directors meeting.
- ▶ Meet at least once via conference call to discuss progress and new developments and to adjust priorities and plans.
- ▶ Continue to implement work plans and monitor the appropriateness of committee and task force assignments.
- ▶ Ensure that Capitol Hill visits by practice councils have been conducted or are scheduled.

APRIL–JUNE

- ▶ Prepare second cycle report for the Executive Committee.
- ▶ Meet (in conjunction with another organization's meeting, if possible) to discuss progress on key projects, check status of interorganizational coordination and begin discussing projects that may have budget implications during the forthcoming Academy year.
- ▶ Finalize second cycle report for the Academy Board of Directors meeting.

JULY–SEPTEMBER

- ▶ Meet to re-examine status of projects, begin considering possible candidates for forthcoming year's practice council and committees, and initiate discussions of forthcoming year's key issues and budget requests.
- ▶ Submit budget requests for forthcoming year.
- ▶ Prepare third cycle report for the Executive Committee.
- ▶ Finalize third cycle report for the Academy Board of Directors meeting.

Key Issues

To focus Academy activities, the vice presidents will compile concise lists of key issues in each subject area. This process is to assist in managing the Academy's resources and to focus on the most important and timely public issues. Vice presidents and their councils will obtain agreement on the list of key issues and ongoing priorities, prioritize those issues, and decide how to best address them. Working with Academy staff and volunteers, the council will set objectives for each issue and determine the type and timing of work products. For the most current list of key issues, see the Academy's website, www.actuary.org.

Practice Notes

Practice notes are Academy publications. The councils are charged with monitoring the need for developing new practice notes and revising existing practice notes.

Attendance and Activity Monitoring

Each council member is expected to attend every meeting, either in person or via conference call. When this is not possible, the member is expected to provide input before the meeting. If the absent council member is an Academy committee chairperson, he or she should, in addition to providing input before the meeting, ensure

that an appropriate designee from the committee participates in the council meeting.

Under the vice president's supervision, committee chairpersons are responsible for reporting on the progress of their projects. Council projects are to be monitored by the vice president with assistance from the appropriate staff liaison(s).

Coordination with Other Organizations

Representatives from other actuarial organizations are responsible for coordinating the efforts of the practice council with their specific organization. However, vice presidents should nurture coordination and the effective leveraging of the profession's volunteer and staff resources by actively seeking opportunities for cooperating on projects of mutual or wide-reaching benefit to others outside the profession. Each member of the council should keep the coordination issue in mind when proceeding with projects. Staff liaisons will also work with representatives from the other organizations to implement the coordination.

Councils and staff should be particularly mindful of the potential for coordinating research efforts of the learned bodies with projects of committees under the councils' supervision. Another important area for coordination is communication with members of the profession.

Developing Council Budgets and Monitoring Budget Compliance

Budget Development Schedule and Vice Presidential Responsibilities

A budget development schedule will be distributed at the January Board of Directors meeting. Generally, the budget is developed between August and September for presentation to the Budget and Finance Committee and Executive Committee in November or December and to the Board of Directors in January, depending on the meeting schedule.

Each vice president is responsible for developing his or her council's budget for the upcoming year and monitoring budget compliance regularly throughout the year.

Vice Presidential Budget Development Process

Each vice president will develop his or her council's budget between August and September with the sup-

port of the director of public policy and the appropriate policy analyst, and will coordinate it with the executive director and the director of finance and administration. In the case of the Council on Professionalism, the director of professionalism will support the vice president of professionalism. The budget should be developed based on generic income and expense items so that there is a consistent format among councils. Some generic income and expense items may not apply to all councils. Generic income and expense items include:

INCOME

- ▶ Manual sales
- ▶ Seminar registration fees
- ▶ Webcast income
- ▶ Other

EXPENSES

- ▶ Senior fellow program (contractual and travel)
- ▶ Seminars (including number planned)
- ▶ Manuals
- ▶ Briefings (including number planned, at estimated average cost)
- ▶ Practice notes (including number planned, at estimated average cost)
- ▶ Printing (including estimated cost and number of monographs, issue briefs, etc.)
- ▶ Postage (special mailings)
- ▶ Delivery
- ▶ Committee meetings (including location, food, audiovisual equipment, etc.)
- ▶ Conference calls (including number of calls at estimated average cost)
- ▶ Temporary help (if current staff resources are insufficient for non-recurring project)
- ▶ Miscellaneous (e.g., travel reimbursement for actuaries in government or academic service)
- ▶ Other

Staff resources should be reviewed for each item in the upcoming budget and, if additional staff is required, the vice president should present a proposal to hire additional staff to the executive director and the President's Advisory Committee. If additional staff is required, a request will ultimately go to the Board of Directors.

Cost Estimates

As a reference for budget development purposes, below are examples of typical costs for meetings, Capitol Hill briefings, conference calls, and such public policy publications as issue briefs and monographs.

MEETINGS AT THE ACADEMY

We encourage chairpersons to use the Academy's facilities in Washington. The Academy has a large and a small conference room. The large conference room will hold up to 23 people comfortably; the smaller one will hold eight people. The main cost generally associated with having a meeting at the Academy is meals. Many services that you would have to pay for at an outside location (room rental, speakerphone use, a long-distance connection, a projector, etc.) are provided free of charge.

Examples of costs

Breakfast (hot or cold)	\$5.50-\$15 per person
Lunch (hot or cold)	\$11.50-\$18.50 per person
Special meal requirements (such as kosher)	\$25-\$50 per person

MEETINGS AT OUTSIDE FACILITIES

The range of expenses generally incurred for meetings at a non-Academy facility is as follows.

Examples of costs

Meeting space	\$250-\$1,500
Flip chart with markers	\$15-\$50
Speakerphone with long-distance line, plus charges	\$50-\$250
Breakfast (coffee, tea included)	\$7.50-\$35 per person
Beverages (juice, soft drinks, etc.)	\$3.00 per bottle
Lunch (hot or cold)	\$18-\$70 per person
Special meal requirements (such as kosher)	\$25-\$45 per person
Projector and screen (AV needs)	\$200-\$1,000
Morning and afternoon refreshment breaks	\$50-\$150

The cost of meetings at outside facilities can vary greatly, depending on the number of attendees and the location. For example, a lunch at a nice hotel in Tampa might be \$25; in New York City, the same lunch would cost \$70. Most facilities add service charges of 10 percent to 35 percent on food and beverage prices, along with applicable taxes. Experience suggests that a small

committee meeting (eight attendees) will generally cost about \$1,000 at an average-cost meeting location. A larger meeting (20 attendees) at an expensive location could easily cost \$5,000 to \$7,500.

Travel Reimbursement Procedures

The Academy does not normally pay for the travel expenses incurred by members attending committee meetings but under limited circumstances requests for reimbursement of travel expenses may be considered. Such expenses will be paid from the travel budget of the appropriate council and require the approval of the relevant Academy officer as well as the Secretary-Treasurer as stated in the volunteer travel policy approved by the Executive Committee in 2004. Travel expense forms and the policy can be obtained from the committee staff liaison or Director of Finance and Administration.

Limited circumstances would include:

- 1** Members who are employed by the government or an educational institution are eligible to request a travel reimbursement.
- 2** A member whose attendance, in person, at a specific meeting is considered “critical,” and who is either retired or whose employer is unable to pay the expenses, is eligible to request a travel reimbursement.
- 3** A reimbursement should be granted only for reasonable travel and lodging expenses. The 2008 IRS standard mileage rate of 50.5 cents per mile is used for mileage reimbursement.

As a general rule, the Academy will not reimburse volunteers for their expenses. However, under limited circumstances, expenses may be reimbursed. Specific limitations and procedures are summarized below.

Specific procedures are summarized below.

TRANSPORTATION EXPENSES

- ▶ Air or rail travel will be reimbursed up to the standard coach class fare for flights of less than seven hours duration. Business travel greater than seven hours elapsed time, next class above coach fare will be reimbursed.
- ▶ Limousine or taxi service from home to the airport closest to the individual’s location prior to the flight. Alternatively airport parking will be reimbursed.
- ▶ Limousine or taxi transfer from the destination airport

to destination accommodation. A rental car may be substituted if it is lower in cost.

- ▶ Incidental transportation at destination.
- ▶ Use of personal automobile at current IRS standard mileage rate. A rental car may be substituted if it is lower in cost.

MEALS

- ▶ Breakfast, lunch, and dinner not provided as a part of the function attended.

LODGING

- ▶ Lodging at or near location of function as required to accommodate start and finish times of function.
- ▶ Standard room expense will be reimbursed.
- ▶ Telephone or internet expense for Academy related calls or internet use.
- ▶ Business support services (copies, fax, etc.).
- ▶ Spa and recreation expenses will not be reimbursed.

OTHER EXPENSES

- ▶ International telecommunication expenses.
- ▶ Extraordinary expenses (such as significant number of copies or unique production costs).

Approvals

- ▶ The Secretary-Treasurer will approve expense submissions.
- ▶ Any category of expenses not expressly described above should be pre-approved by the Secretary-Treasurer.

A travel expense report form must be completed for all travel reimbursements with original receipts attached for expenses over \$75. (See airline ticket documentation section below.). Travel expense reports should be submitted to the Secretary-Treasurer for approval as quickly as practicable. Target dates for expense submissions are the 7th of April, July, October, and January for the previous quarter’s expenses in order that financial reports are accurate. The Secretary-Treasurer will forward approved expenses to the Director of Finance for reimbursement. Each expense must include: date expense was incurred; the place expense was incurred; description of expenses; and cost of each expense. Description of expenses should be thorough and include both the business purpose and business relationship that explains why the expense was incurred as indicated:

TRAVEL EXPENSES

The business purpose must include the reason for travel or the business benefit gained or expected to be gained. Business relationship is not applicable.

TRANSPORTATION EXPENSES

The business purpose must include reason for expense. Business relationship is not applicable.

MEALS

The business purpose must include the reason for the business benefit gained or expected to be gained or the nature of the business discussion or activity. (Business purposes such as: improve relationship with other organization or out of town meal is sufficient.) The business relationship must include the names of individuals attending the meal and their title or position with the exception of Academy committees and task forces. The name of the committee or task force and the number of members present is sufficient, individual names of committee members or task force members are not required.

AIRLINE TICKET PURCHASES

An official receipt must be submitted with the travel expense form.

Advance airline ticket purchases via the internet: The required documentation for flights paid for in advance is a confirmation number which can be printed off of the internet. The confirmation number indicates your credit card has been charged for the purchase, the price of the flight, and the flight number. After the tickets are used an official receipt which is available at the airline check-in must be attached to the travel expense form.

The Academy will provide reimbursement via check to the individual after travel expense form is approved by the Secretary-Treasurer.

CONFERENCE CALL EXPENSES

Conference calls are an alternative method for a committee to conduct its business. The cost of conference calls arranged through the Academy is 29 cents per minute, per person, plus a 4.6 percent fee. The cost of a one-hour call by 10 people would be approximately \$182.

CAPITOL HILL BRIEFINGS

Most of the Academy's Capitol Hill briefings have sponsorship by a member of Congress, which allows the

briefings to be held in the Capitol or in a House or Senate office building. Some costs are associated with these meetings, such as refreshments, equipment rental fees, marketing, and other logistical needs.

EXAMPLES OF COSTS

Refreshments	\$9-\$15 per person
Rental of AV equipment	\$150-\$300
Marketing	\$1,000-\$1,500

These prices assume the use of an outside caterer provided by the Academy. Please note that, depending on the facility and/or for security reasons, the use of outside caterers may not be allowed.

Publications

The following is provided as a guide to budgeting for the printing of policy publications. Because distribution costs vary widely, depending on class of mail, the size of the piece, the weight of inserts, etc., they are not included below.

ISSUE BRIEFS: PRESS RUNS ARE GENERALLY 1,500.

Number of pages	Approx. cost
8	\$1,100
12	\$1,300

MONOGRAPHS: PRESS RUNS VARY, SO THE TABLE BELOW OFFERS A RANGE OF NUMBERS OF PAGES AND PRESS RUNS.

Press run	Number of pages	Approx. cost
500	12	\$1,600
800	40	\$2,400
1500	32	\$3,000

Vice Presidential Budget Monitoring Responsibilities

Each vice president is responsible for monitoring budget compliance throughout the year and developing year-end projections for inclusion in the quarterly secretary-treasurer's reports. The vice presidents, directors, and policy analysts will be provided with monthly financial reports to monitor budget compliance.

In April, July, and October, each vice president, working with the appropriate director and policy analyst, will review year-to-date expenditures and projects planned

for the remainder of the year to project year-end expenses and comment on progress to date for inclusion in the quarterly secretary-treasurer's report. The director of public policy's role is to oversee all areas of practice and determine if funds need to be reallocated among practice council budgets to fulfill strategic goals. If funds cannot be reallocated among the councils, the vice president must request additional funding from the Executive Committee.

Summary of Specific Budget Responsibilities

VICE PRESIDENTS

- 1 Develop budgets to carry out strategic objectives.
- 2 Participate in the budget development process and approve their practice councils' budgets prior to presentation to the Budget and Finance Committee, Executive Committee, and Board of Directors. The vice president should be able to explain the budget components and the strategic issue each addresses.
- 3 Develop year-end projections and comment on progress to date, with staff support, on a quarterly basis for inclusion in the secretary-treasurer's quarterly reports.

PUBLIC POLICY AND PROFESSIONALISM DIRECTORS

- 1 In coordination with the executive director, provide guidance and support to the vice presidents and policy analysts in developing their portions of the Academy budget.
- 2 Provide the executive director and the director of finance and administration year-end projections

approved by the vice president, including explanations of variances from budget for inclusion in the quarterly secretary-treasurer's report.

- 3 Review the aggregate practice council year-end projections for budget compliance. They report to the executive director if a reallocation of budgeted funds among councils is necessary, or if additional funds need to be requested from the Executive Committee, or if some projects will be deferred or cancelled.

DIRECTOR OF FINANCE AND ADMINISTRATION

- 1 Provides each vice president, the directors, and each policy analyst with monthly financial reports for monitoring budget compliance.
- 2 Includes approved practice council budget requests in the Academy budget.
- 3 Includes approved practice council year-end projections in quarterly secretary-treasurer's reports.
- 4 Includes appropriate comments/explanations on progress to date in the notes to the quarterly financial statements.

POLICY ANALYSTS

- 1 Provide support (including average costs for expense items) to vice presidents in developing budgets.
- 2 Monitor budget compliance, with the director of public policy and vice presidents, and discuss with vice presidents monthly.
- 3 Approve and code invoices to the appropriate generic expense account.

Committee Planning and Reporting

THE ACADEMY HAS A FORMAL PLANNING AND REPORTING PROCESS to assist committee chairpersons in structuring committee activities and facilitating their interface with the practice councils. Likewise, the process assists the Board of Directors and Executive Committee in monitoring committee effectiveness and resolving any policy issues that may arise. Documents produced in the process are used by staff to inform the membership of committee activities.

Committee chairpersons should submit or discuss a committee plan with the appropriate vice president at the beginning of the Academy year.

The plan should be discussed with the committee and may include the following:

- ▶ An outline of anticipated committee goals and activities for the coming year.
- ▶ Highlights of anticipated statement activity, anticipated standards activity, or other public interface activity.
- ▶ Other matters, at the discretion of the chairpersons.

Committee chairpersons are expected to give the applicable vice president and policy analyst copies of agendas and minutes of committee meetings and other committee communications during the course of the year. The vice president may also request that others receive copies of the materials.

Staff Support Coordination

Academy staff offers support for committee activities wherever possible, subject to constraints imposed by available resources and competing priorities. In the past, such staff support has varied substantially from committee to committee. Chairpersons who perceive that their needs for staff support are likely to change materially from the recent past are encouraged to discuss requests with their staff liaison and the director of public policy, if appropriate, to aid in scheduling and allocating staff resources. If there are any overall problems with staff support, they should be raised with the executive director and/or vice president.

Professionalism Considerations

MANY OF THE ACADEMY'S ACTIVE MEMBERS focus their volunteer efforts on public policy or communications efforts, and they may consider professionalism a separate area of Academy activity. However, just as professionalism is essential to actuarial work, it is integral to the Academy's public policy and communications activities.

Some of the areas where professionalism and public policy or communications interrelate are:

- ▶ proposed laws
- ▶ amicus curiae briefs
- ▶ presentations
- ▶ committee work
- ▶ seminars
- ▶ support to the Council on Professionalism

Proposed Laws

Many proposals for new or revised statutes or regulations involve issues of actuarial conduct, practice, or qualification. For example, a proposed statute might call for an actuary to reveal what would otherwise be confidential information. A draft regulation might call for an actuarial certification without requiring the certifying actuary to be a member of the Academy and therefore subject to the qualification standards.

Please keep professionalism issues in mind when reviewing proposals for new or revised laws and feel free to contact the Council on Professionalism for assistance in addressing the professionalism aspects of those proposals in comment letters or testimony.

It is also important that Congress, state legislators,

and regulators appreciate the professionalism of actuaries. For example, during the public debate concerning cash balance plan conversions, the Academy wrote to Congress emphasizing that the profession has a Code of Professional Conduct that would prohibit actuaries from participating in schemes to defraud participants, and we believe that the correspondence helped repair damage to the profession's reputation. Please remember to emphasize the professionalism of actuaries as appropriate in comment letters or testimony, and call upon the Council on Professionalism for any assistance you may require.

Amicus Curiae Briefs

One way that the Academy addresses public policy issues affecting actuaries is by filing amicus curiae (friend of the court) briefs in litigation. These briefs are developed by the practice councils and the Academy Legal Department, and they often involve professionalism issues. If you become aware of litigation that has the potential to affect the Academy's members or that addresses issues of an actuarial nature, consider contacting the Legal Department to request an amicus curiae brief.

Presentations

At actuarial meetings, Academy volunteers often make presentations concerning Academy activities or various aspects of practice. To the extent that relevant actuarial standards of practice exist or are being developed, it is useful to make reference to those standards in the presentation to enhance audience sensitivity to professionalism issues. Similarly, if a particular topic raises issues relevant to the Code of Professional Conduct or qualification standards, it is helpful to mention those as well.

Committee Work

As Academy members work on public policy and communications projects, they should do so in compliance with the Code of Professional Conduct. (The Academy's conflict of interest policy emphasizes one aspect of this need

for compliance; its policy on use of membership titles and designations addresses another.) Public statements are often, if not always, statements of actuarial opinion, and should comply with the code, relevant actuarial standards of practice, or the qualification standards.

Seminars

The Academy's councils occasionally offer seminars on various aspects of practice. (For example, the Financial Reporting Council has held a seminar on the modeling aspects of its unified valuation system project.) Seminars can be essential to ensuring that actuaries have the necessary basic and continuing education to meet the qualification requirements of the Code of Professional Conduct.

Please consider whether there are particular subjects in your practice area that need to be addressed with a seminar. For example, the Life Practice Council suggested the need for a seminar for illustration actuaries. Please contact the Council on Professionalism if you would like help developing professionalism content for any seminar.

Support to the Council on Professionalism

The practice councils can support the work of the Council on Professionalism in a number of ways. They can develop comments on proposed actuarial standards of practice or changes to the Code of Professional Conduct or qualification standards; these comments are invaluable to the development of appropriate standards of conduct, practice, and qualification. The councils can also assist by notifying the Actuarial Standards Board when it appears that a new actuarial standard of practice is needed or that an existing standard needs to be revised or repealed. The councils also develop practice notes that compile practices used by actuaries to comply with applicable law and actuarial standards of practice. In some instances, the councils also help the Council on Professionalism update its applicability guidelines for the actuarial standards of practice.

Internet Tools for Leadership Groups

ACADEMY LEADERSHIP GROUPS—councils, committees, task forces, work groups, etc.—can use three main Internet communication tools to facilitate their work: controlled-access list serves, SharePoint sites, and web pages.

List Serves

A list serve is an e-mail-based tool. It uses a controlled-access list to allow a group to easily exchange messages between individuals or among the entire group. The Academy's controlled-access lists are maintained by Academy staff. <http://lists.actuary.org/read/> is the web interface for all Academy list serves. We suggest you bookmark it for quick access.

POLICY

Access to an Academy list serve is restricted to members of the leadership group and to appropriate Academy staff. Access can be given to other appropriate individuals (such as interested parties) upon authorization.

The senior Academy officer (president, vice president, secretary-treasurer, as appropriate) may delegate the authority to approve additions to the list serve to the chairperson of a committee, task force, or work group under his or her authority.

An Academy leader shall have access to the list serve being used by the leadership groups under his or her authority, if he or she so chooses.

PROCEDURE

The assistant director for technology will work with the designated Academy leader and other staff to create the list serve, establish the security system, notify members of the leadership group when the list serve has been approved for implementation, and maintain the master list.

SharePoint Committee Websites

SharePoint is a web-based collaborative tool for Academy committees and leadership groups. SharePoint provides a single workspace for committees to share and organize documents, coordinate schedules, and view archived e-mail list serv discussions. SharePoint websites

are maintained by the Academy and the main site can be accessed at <http://share.actuary.org/>.

POLICY

The designated Academy staff will decide whether a committee needs a SharePoint website. Access to SharePoint websites is restricted to members of the committees and appropriate Academy staff. Access can be given to other appropriate individuals (such as interested parties) upon authorization.

PROCEDURE

The manager of web operations will work with the designated Academy staff to create the SharePoint website, notify members of the committee when the site has been created, and maintain the member list for access to the site.

Web Pages

Web pages for leadership groups are accessed by individuals authorized through a controlled list. They can be used to post current versions of working documents, detailed calendars, agendas and minutes of meetings, and lodging information; to archive e-mail discussions; etc.

POLICY

The appropriate senior Academy officer, or his or her designee, will decide whether a leadership group needs a controlled-access web page. Access will be restricted to members of the leadership group and to appropriate Academy staff. Access can be given to other appropriate individuals (such as interested parties) upon authorization.

The senior Academy officer of a leadership group (president, vice president, secretary-treasurer, as appropriate) may delegate the authority to approve additions to the controlled-access web page to the chairperson of a committee, task force, or work group under his or her authority. Academy leaders shall have access to the controlled-access web pages being used by the leadership groups under their authority, if they so choose.

PROCEDURE

The senior Academy officer, or his or her designee, will inform the web developer that the group wants to establish a controlled-access web page.

The web developer will work with the Academy leader and other staff to create the web page, establish the security system, notify members of the leadership group when the web page has been approved for launch, and administer the access list.

It will be up to the designated Academy leader to es-

tablish with his or her group's staff liaison the protocol for posting the group's information on the web page. The protocol will be reviewed by the director of public policy, the technology manager, and the general counsel to ensure that it is in compliance with the Academy's procedures and legal requirements.

(Note: These policies and procedures do not cover such controlled-access electronic Academy products as the P/C Loss Reserve Manual, Life and Health Law Manual, and Academy Alerts.)

Public Policy Decision Model Application Guide

Introduction

This decision model is intended for use in the process of developing and disseminating public policy statements on behalf of the American Academy of Actuaries. Some of its criteria are mandatory and some are discretionary but, in all cases, the model should be applied with common sense.

The model is in the form of a series of questions. Each question and the subject it represents should be considered in the development of public statements. The model will be useful throughout the development of statements and should be specifically applied by the individuals responsible for final approvals of statements. It is meant to complement but not replace the "Guidelines for Making Public Statements" (page 97) of the Academy. It should help assure the intents of the guidelines are fulfilled but does not address the processes delineated in the guidelines.

Structure and Application

The model consists of five levels (categories) of questions. The five levels are named qualifiers, clarifiers, justifiers, implementers and screeners. In each level there is an overarching question intended only to help describe the context of the level. None of the lists is necessarily exhaustive, so for a given application, other appropriate questions may surface. If so, they should be document-

ed. Each level and its application are explained below.

LEVEL ONE—Qualifiers

Qualifiers identify threshold conditions that must be met in order to start development and must be met throughout development. Each question must have "yes" as an answer. If, at any point in the development, conditions change so that any one of these questions has an unsatisfactory answer, the project should stop.

LEVEL TWO—Clarifiers

Clarifiers are focusing questions that address conditions that must be met at the time of release of a public statement but which do not need to be fulfilled at the outset. They are objectives to work toward during development. Work should not even start without belief that the objectives implied by the clarifiers can be met. In that sense, the level also serves as a qualifier.

LEVEL THREE—Justifiers

A "yes" answer to any one of the justifiers is adequate to start a project and keep it going. The justifiers serve to help determine and define a focused purpose for a statement. When a project has more than one positive response (normally a good thing), care should be taken to avoid trying to do too many things or satisfy too many audiences in a single statement. The category itself is both a qualifier and a clarifier.

LEVEL FOUR—Implementers

This category is one of tactics and logistics. The questions will help set priorities, timelines, and resources. They can be particularly helpful in implementation planning.

LEVEL FIVE—Screeners

The screeners help identify the risk/reward exposures of a proposed statement as well as both intended and unintended consequences. They are, more than anything else, due diligence questions. None are conditions that must be met in order to release but their use may identify conditions that must be prepared for or dealt with at release. By discussing the proposed statement in the context of these questions, the group working on it can take a necessary and valuable “step-back” look at their work.

The Criteria

Level One—Qualifiers

Threshold conditions that must be met to begin and at all points throughout development

Level Two—Clarifiers

Target conditions that must be met at the time of release

Level Three—Justifiers

Determining and defining a focused purpose (both L1& L2)

Level Four—Implementers

Defining and focusing tactics and logistics

Level Five—Screeners

Risk, reward, and consequences—non-conditional due diligence

LEVEL ONE—QUALIFIERS

Is the issue significant enough for the use of Academy resources?

- ▶ Is it consistent with the Academy vision and mission?
- ▶ Is it “actuarial?”
 - Broad definition of actuarial
 - In concept and/or content
- ▶ Does it relate to a need of an identifiable public?
- ▶ Will it have an impact?

LEVEL TWO—CLARIFIERS

What quality content can we deliver?

- ▶ What can we contribute?
 - Facts? Knowledge? Tools? Analysis?
- ▶ Can we be objective?
- ▶ Can we be clear and concise?
- ▶ Will we be credible?

LEVEL THREE—JUSTIFIERS

Why bother?

- ▶ Will it educate or inform the public?
- ▶ Can it help improve policy?
- ▶ Does it advocate for the profession?
 - Promote? Defend? Market? Protect?
- ▶ Do our members expect us to make a statement?
- ▶ Did someone ask for it?

LEVEL FOUR—IMPLEMENTERS

How do we make the statement?

- ▶ Is it a current or future issue?
- ▶ Are we being proactive, reactive, or responding?
- ▶ What method of communication should we use?
- ▶ What resources do we need?
 - Staff? Volunteer? Knowledge? Data? Money?
- ▶ Do we have enough time to do quality work?

LEVEL FIVE—SCREENERS (A)

What is the risk?

- ▶ Could there be political fallout?
 - How much? How probable? Good or bad?
- ▶ How will our members react?
 - Consensus? If not, can we get it? If not, then what?
- ▶ Are there potential unintended consequences?
- ▶ Are there potential collateral consequences?
 - Good? Bad? Benign?
- ▶ Can it be misused or used against us?

LEVEL FIVE—SCREENERS (B)

What is the reward?

- ▶ Who benefits and how?
 - The Academy? The profession? An identifiable public? An identifiable group?
 - Are the benefits direct or indirect?
 - Are the benefits current or deferred?

External Relations

THE EXTERNAL RELATIONS PROGRAM connects members of the Academy with appropriate counterparts in think tanks and trade, membership and professional organizations to expand the Academy's influence in the development of sound public policy. Both individual/small group outreach and large group outreach tactics are being used in this program. Examples of techniques used in this program include:

Individual/Small-group Outreach

- ▶ Capitol Hill visits
- ▶ Executive agency visits
- ▶ Luncheons, small group meetings

Large-group Outreach

- ▶ Conference exhibiting, event sponsorship and advertising
- ▶ Capitol Hill policy or educational briefings
- ▶ Academy members speaking at conferences of related organizations
- ▶ Articles placed in other organizations' periodicals
- ▶ Image advertising
- ▶ Academy members on other organizations' work groups, or government commissions, etc.
- ▶ Reciprocal web links

SECTION 7. Legal Considerations

MEMBERS IN LEADERSHIP MAY BE CALLED UPON to represent or act on behalf of the Academy. As such, they can create legal liability for themselves and

the Academy if they act improperly. It is, therefore, imperative that Academy volunteers be sensitive to legal concerns.

Scope of Authority

THE SCOPE OF YOUR AUTHORITY to speak or act on behalf of the Academy will depend upon the nature of your assignment. The authority of officers and directors is specifically delineated in the bylaws. Committee chairpersons and members may act only to further the specific charges of their task forces and committees or

to fulfill particular requests from the Board of Directors, Executive Committee, or councils. Please be certain that you and the members working with you do not exceed the scope of your authority, and contact the appropriate supervising member with any questions concerning the scope of your responsibilities.

Liability Insurance

ACADEMY COMMITTEES AND TASK FORCES may occasionally engage in activity that could result in the initiation of a lawsuit against the Academy and/or its members. The Academy maintains liability insurance that covers all Academy officers, directors, members, and staff when engaged in Academy activities.

Additionally, Article 13 of the Academy bylaws provides for indemnification of Academy members against

costs and expenses incurred in connection with the defense of a suit against such an individual arising out of Academy activities. Please familiarize yourself with the specific provisions of Article 13.

Finally, prudence may suggest that each member consider liability insurance coverage that may be available through his or her employer to cover his or her activities on behalf of the Academy.

Consultation with Academy Legal Counsel

THE ACADEMY'S GENERAL COUNSEL and attorneys are available to provide legal advice to committee chairpersons, and committee chairpersons are encouraged to consult the Legal Department whenever issues arise that may have legal ramifications. (In some instances, outside counsel may also be retained. However, only

the president and the executive director have authority to retain outside counsel on the Academy's behalf.)

When working on behalf of the Academy, members may receive from the Legal Department communications marked "Privileged and Confidential—Attorney-Client Privileged." These communications contain confidential

legal advice to assist in work on the Academy's behalf and exempt from discovery in litigation so long as they remain confidential. However, if these communications are shared with outside parties, the privilege is waived and the com-

munications, as well as the issues discussed therein, may become susceptible to discovery. Please consult the general counsel before sharing privileged communications with third parties.

Publications and Electronic Media

THE ACADEMY SERVES AS THE PUBLIC INFORMATION ORGANIZATION for the actuarial profession in the United States. Part of the core mission of the Academy is to represent and advance the actuarial profession, assisting in the formulation of public policy and increasing the public's recognition of the profession's value. To this end, the Academy has developed a broad-based communications program that targets key audiences using a variety of strategies and techniques.

Publications Department

The publications department provides editorial guidance, copy editing, and production management for most of the written material the Academy uses to communicate with its audiences. In addition to the regular periodicals the Academy publishes, the publications department offers a range of services to other departments.

After councils have developed their initial drafts of issue briefs, monographs, white papers, letters, etc., they submit final drafts to the publications department for editorial review. Staff editors read for grammar, spelling, and Academy style. They also make editorial suggestions to improve the communications power of the material, which the practice councils may adopt at their discretion.

PERIODICALS

Actuarial Update

The *Actuarial Update* is the Academy's monthly membership newsletter. It focuses on the Academy's activities in public policy and professionalism. Members are encouraged to submit articles on committee activities, emerging public policy or professionalism issues, or general topics of particular interest to actuaries.

It is very important that prospective authors contact the editor as early as possible to discuss space availability, editorial guidelines, publication timing, etc. Additional time is needed to review unsolicited articles.

Submission deadline. Articles are due no later than the

first week of the month prior to the publication date. For example, articles for the January 2008 issue are due on December 6. This schedule allows time for articles to be edited and reviewed by the author and members of the *Update's* Advisory Board, before going into layout.

► Contact: Tim Dougherty, Editor,
(202) 785-7870, dougherty@actuary.org.

Enrolled Actuaries Report (EAR)

The *Enrolled Actuaries Report (EAR)* is the Academy's quarterly newsletter that covers issues that are important to enrolled actuaries. It is published in March, June, September, and December.

It is very important that prospective authors contact the editor as early as possible to discuss space availability, editorial guidelines, publication timing, etc. Additional time is needed to review unsolicited articles.

Submission deadline. Articles are due the first day of the month prior to publication date. For example, articles for the March 2008 issue are due no later than February 1. This schedule allows time for articles to be edited and reviewed by the author prior to layout.

► Contact: Tim Dougherty, Editor,
(202) 785-7870, dougherty@actuary.org.

Contingencies

Contingencies is the bimonthly magazine of the Academy, providing a large and diverse readership with general interest and technical articles on a wide range of issues related to the actuarial profession. *Contingencies* is mailed to members of the Academy and targeted individuals (such as legislators and their staffs, regulators, business executives, and related organizations), for a total circulation of 29,000. It is the only Academy publication that accepts advertising, generating more than \$600,000 annually.

Because of *Contingencies'* long production schedule, article ideas should be discussed far in advance of the publication date. It is very important that prospective authors contact the editor as early as possible to discuss space availability, editorial guidelines, publication tim-

ing, etc. Additional time is needed to review unsolicited articles. For a complete description of the article submission guidelines, go to the *Contingencies* website at www.contingencies.org.

Submission deadline. Articles are due in final form two-and-a-half months prior to the publication date. For example, articles for the November/December edition are due on August 15.

► Contact: Linda Mallon, Managing Editor, (202) 785-7876, mallon@actuary.org.

Inside the Academy

Inside the Academy is the Academy's members-only electronic newsletter. Offered in both e-mail and web page formats, *ITA* is designed to be a quick, timely read that informs members about important Academy activities and provides links to selected Academy resources.

Submission deadline. *Inside the Academy* does not publish articles. However, it frequently runs brief items announcing that a particular Academy group or project is in need of volunteers. Information for such briefs may be sent at any time.

► Contact: Tim Dougherty, Editor, (202) 785-7870, dougherty@actuary.org.

ANNUAL PUBLICATIONS

Yearbook and Leadership Manual

The *Yearbook and Leadership Manual* is the Academy's annual handbook for volunteers. It provides information on such topics as Academy management, legal considerations, and communications procedures. It also contains links to current committee rosters.

Record

The *Record* is an electronic annual report to Academy members. It was first published in 2003.

PUBLIC POLICY AND PROFESSIONALISM PUBLICATIONS

Monographs

Monographs are major white papers on key public policy issues written under the auspices of Academy councils. Monographs are distributed to target audiences in the public policy community and the media.

Issue Briefs

Issue Briefs are short discussion papers on key issues,

distributed to target audiences in the public policy community and the media.

Academy Alerts

Timely summaries of major legislative and regulatory developments pertinent to health insurance, life insurance, pensions and employee benefits, and property and liability insurance.

ASOPs and ASB Boxscore

Professionalism guidance is provided to members through the distribution of Actuarial Standards of Practice (ASOPs) and the *ASB Boxscore*. ASOPs serve to assure the public that actuaries are professionally accountable. At the same time, standards provide practicing actuaries with a basis for assuring that their work will conform to generally accepted practices. The *ASB Boxscore* is the ASB's quarterly newsletter, which updates the progress of individual standards through the exposure and approval process.

SUBSCRIPTION PUBLICATIONS

Every year, the Academy publishes new editions of the Life and Health Valuation Law Manual and the P/C Loss Reserve Manual, which are available by annual subscription.

Electronic Media

The Academy manages a number of websites as primary sources of information for members and other key audiences, which include regulators, policymakers, news media, other actuaries, and the public. It also makes extensive use of e-mail to provide timely information. Blast e-mail is a primary vehicle for making important announcements to members, and an important component of marketing campaigns for Academy products and events.

Primary Website: actuary.org

The Academy site is the primary electronic resource for publications and documents produced by the Academy. It is the online home of such publications as the *Actuarial Update*, the *Enrolled Actuaries Report*, the *Academy Record*, the *Yearbook*, *Academy Alerts*, (and the subscription-only annual law manuals); various professionalism documents, including the Code of Professional Conduct, Qualification Standards, and practice notes; and numerous other online resources.

All Academy public statements (monographs, issue

briefs, public letters) are posted on the Academy site. Generally, once Academy public statements have gone through communications review and have received final approval from their authors, they are prepared for publication and dissemination to their intended audiences. They are then posted on the Academy website.

Reports and other public statements prepared for the NAIC are an exception. They are not subject to communications review, and they are posted on the Academy website after they have been presented to the NAIC.

The website is a dynamic resource, not a static product. As the site continues to evolve to meet the needs of Academy members and other key Academy audiences, its content and functionality will continue to be expanded and refined.

Structure

The Academy website is basically organized like a newspaper. The home page is the front page, with timely brief items of interest. Site search, by Google, is at the top of each page, along with member log-in. Blue tabs at the top of each page indicate the site's six main sections:

- ▶ Casualty news (www.actuary.org/casual.asp)
- ▶ Health news (www.actuary.org/health.asp)
- ▶ Life news (www.actuary.org/life.asp)
- ▶ Pension news (www.actuary.org/pension.asp)
- ▶ Professionalism news (www.actuary.org/professionalism.asp)
- ▶ Risk management and financial reporting news (www.actuary.org/financial.asp)

The tab pages provide short news items and announcements about Academy activities in these areas, as well as links to committee rosters, practice notes, special publications, and other pertinent resources. Running down the left side of every page is a column of links to major sections of the Academy site, and to the ASB and ABCD sites, the actuarial directory, and the free jobs bank on the *Contingencies* site. And on most pages of the site, thumbnail images of *Contingencies* and the *Actuarial Update* appear in the right column that link to those publications.

If you're new to the site, here are several pointers:

- ▶ The calendar of events page includes the Academy calendar as well as links to the North American CE calendar, which lists continuing education events sponsored by U.S. and Canadian actuarial organiza-

tions, and the IAA calendar.

- ▶ The Issues page lists documents by major topic area, with the most recent at the top. It is the easiest place to find recent Academy work about casualty, risk management, financial reporting, health insurance, life insurance, Medicare, pension, professionalism, and Social Security issues.

- ▶ The Publications page lists items by document type, with the most recent at the top. Public statements, such as monographs, issue briefs, reports to the NAIC, and testimony, are listed under Reports and Comments.

Member Log-In

The log-in box is at the top of each page, so Academy members may log in from anywhere on the site.

- ▶ **User name.** Unless you have changed it, your user name consists of the first letter of your first name, the first three letters of your last name, and your date of birth (in mmddyy format). Example: If you were Jane Smith and were born on July 4, 1976, your user name would be: JSMI070476.

- ▶ **Password.** Unless you have changed it, your password is your birth date (in mmddyy format). Example: If you were born on November 8, 1951, your password would be: 110851.

You may change your user name and password online at any time. Just log in to the Academy website, click on "Update your member profile," and make the changes. If you need help, please contact Kasha Shelton, Manager of Membership Services (membership@actuary.org, 202-223-8196).

CONTACTS

Contact Academy staff when you have a site-related suggestion, problem, question, or comment:

Academy, ABCD, and Contingencies sites

- ▶ Questions about site content/navigation and technical questions: Mike Roberts, manager, web operations (roberts@actuary.org; 202-223-8196)
- ▶ Member services: Kasha Shelton, manager of membership operations (membership@actuary.org, 202-223-8196)
- ▶ Information for *Contingencies* advertisers and job bank: Cindy Johns, publications and marketing production manager (johns@actuary.org; 202-785-7882)

ASB site

▶ Questions about site content/navigation: Joe Vallina, ASB program manager (vallina@actuary.org; 202-785-7853)

▶ Technical assistance: Michael Roberts, manager, web operations (roberts@actuary.org; 202-223-8196)

Public Affairs

THE ACADEMY CONDUCTS an extensive public affairs program, including media relations, public relations, and conference support. The public affairs staff offers support to other departments by developing and managing media and image campaigns, media training, speechwriting, and conference program logistics.

Media Relations

Media relations is the craft of matching information to the right media outlets, in the right package, at the right time, so that the media outlet will consider it newsworthy. A media relations program is generally divided into three parts:

- 1 Proactive campaigns
- 2 Reactive programs
- 3 Relationship programs

PROACTIVE MEDIA RELATIONS

Proactive media relations involves the creation of specific campaigns to generate coverage. The three cardinal principles of proactive campaigns are:

- ▶ **Principle 1: Establish newsworthiness.** The job of a media outlet is to deliver to its readers the information it promised to deliver to them. The media are audience-driven, audience-centered and audience-sensitive. Therefore, a story is newsworthy as defined by the news outlet (not the news source). Campaigns must be designed so that the information can be presented per the needs of the media outlets' markets.
- ▶ **Principle 2: Packaging.** Targeting journalists with a sharp, attention-getting message focused on the outlet's audience is the key to getting the media's attention. The information must be easily accessible (both technically and intellectually).
- ▶ **Principle 3: Timing.** The campaign needs to be

planned and timed to match the prevailing news cycles of the issue.

REACTIVE MEDIA RELATIONS

The Academy has established itself as a reliable news source to numerous media outlets, particularly in the trade press. In order to be an effective news source, it is important that it is constantly prepared to respond to journalists' inquiries. In all cases, giving a reporter a good answer quickly is far better than giving him or her a complete, precise answer too late.

The key principles of reactive media relations are:

- 1 Respond quickly. Because most journalists are under tight deadlines, it is critical that responses to inquiries be prompt.
- 2 Be honest. If you can answer their questions, then do it quickly. If you can't, tell them right away.

MEDIA RELATIONS ASSETS

The Academy's media relations program capitalizes on the Academy's assets and available resources, which include:

- ▶ Credibility as a source of independent and objective policy analysis
- ▶ Nonpartisan reputation
- ▶ Broad expertise and superior technical knowledge and skills
- ▶ Information gathering and dissemination capabilities

MEDIA RELATIONS TOOLS

The Academy employs numerous tools to provide media outlets with information of value to their audiences. Some of the tools used to reach out to the media include:

- ▶ Media advisories
- ▶ News releases
- ▶ News conferences
- ▶ Briefings

- ▶ Op eds, letters to the editor
- ▶ Articles
- ▶ Interviews

ACADEMY MEDIA RELATIONS PROCEDURES

The Academy is regularly called on by the media to be an expert resource on actuarial issues. In order to be responsive to the media and to ensure that the inquiries are handled in a professional manner, the Academy has instituted a standard procedure to manage media inquiries.

This process does not follow the same steps as found in the “Public Statement” procedures (found in the Academy Yearbook) because of the short turnaround times required by reporters’ deadlines. The procedure also serves as a “gatekeeper” function to protect the Academy and its spokespersons.

RESPONDING TO MEDIA INQUIRIES

- 1** Inquiries for comment by an Academy representative should be directed to a member of the Academy’s media relations staff. Each inquiry is logged for tracking purposes.
- 2** Media relations staff will follow up with the reporter for further information, such as:
 - A.** Story deadline
 - B.** Interview topic and slant.
 - C.** Background on the media outlet.
 - D.** If the inquiry is not appropriate or relevant, the reporter is redirected to a better source.
- 3** Staff will then work with the appropriate volunteer(s) to identify a spokesperson and arrange an interview, and provide the spokesperson with the necessary background on the media outlet and the issue.
- 4** Staff may contact the spokesperson after the interview for a debriefing and determine if follow up is needed.
- 5** All media inquiries are tracked and included in a monthly report that is distributed to Academy leadership. Significant media placements are reported on in the Academy’s newsletter Actuarial Update.
- 6** If a spokesperson is misquoted or Academy material is used inappropriately, staff will help develop a response, including a letter to the editor or to a reporter to set the record straight.

MEDIA RELATIONS “SENSITIVITIES”

When being interviewed as an Academy spokesperson there are a number of important sensitivities to always keep in mind.

- 1** **MAINTAIN AN ACTUARIAL FOCUS.** Many of the issues the Academy comments on are multi-dimensional, which opens the door to questions beyond the actuarial domain. For example, changes in a social insurance program may have a significant impact on government budgets, the economy, the stock market, etc. Academy spokespersons should stick to actuarial issues and not be lured into responding to questions on non-actuarial subjects.
- 2** **THE ACADEMY IS NOT A TRADE OR INDUSTRY ASSOCIATION.** Spokespersons should be careful not to present the position of a specific industry, segment of an industry, or a company. The spokesperson should base his or her answers on Academy public statements and work products only. It is important to identify the Academy as a “non-partisan professional association.”
- 3** **NON-PARTISAN.** Be careful not to appear to be endorsing a particular political party or candidate, especially during the campaign season. Stay away from referring to proposals as “Democratic” or “Republican,” using the names of the proposals instead.
- 4** **LITIGATION.** As a general rule the Academy will not comment on situations involving litigation because of the danger of affecting the litigation inappropriately. In those rare cases where a spokesperson may be asked to talk to a reporter about a case, it will be only to explain an actuarial term, process, concept, or business practice. Any questions specific to the case should not be addressed by the spokesperson in any way.

OFFICIAL ACADEMY SPOKESPERSON PROGRAM

In order to improve the Academy’s reactive media relations capabilities, each practice council designates two to six members who can serve as official Academy spokespersons to respond to calls from the media.

Spokespersons are given appropriate media training to learn interview techniques and message point development for print, radio, and television. The Academy’s

communications staff also works closely with each spokesperson in fielding calls, scheduling interviews, and writing background and follow-up materials.

For further information, contact Andrew Simonelli, assistant director for media relations, at 202-223-8196.

Proactive Media Campaigns

THE FOLLOWING ARE OPERATIONAL PRINCIPLES and processes for major proactive media campaigns conducted by the Academy.

1 Strategies

- A.** The goals of a proactive campaign should always include: 1) serving the public interest; 2) promoting the profession and actuarial science.
- B.** All statements will be attributed as the official position of the Academy/practice council.
- C.** Releases should be timed to maximize media coverage. However, great care should be taken to ensure that the Academy's campaign is not perceived as a partisan or industry effort.

2 Process

- A.** A full discussion of the cost/benefit of a media relations campaign must be completed in writing (project prospectus) for approval by the president and appropriate vice president(s) before operations commence. The project prospectus will identify all critical clearance points early in the process for major media events and/or statements, and will be developed with appropriate Academy staff input.
- B.** Substantive statements of policy not derived from Academy work products must be approved by the appropriate vice president(s). FYI copies of the statements will be sent to the president immediately upon clearance by the vice president.

- C.** All documents to be cleared by the vice president are to be the final versions.
- D.** All quotes must be cleared by the person being quoted.

3 Operations

- A.** Major media campaign plans should be developed in conjunction with appropriate vice president(s) and policy staff, with sufficient lead times to ensure that a quality product can be produced and a campaign conducted.
- B.** Media-specific materials (print, television, radio, editorial, trade) should be developed for timed targeted releases.
- C.** A regular program of monitoring stories on high-priority issues (such as cash balance, Social Security, Medicare, public pension plans, etc.) allows the Academy to respond to stories in a timely manner.

4 Tactics

- A.** Always use final, approved materials when teasing a story/event.
- B.** Inform all affected parties (such as associations, government agencies, etc.) in a timely manner by communications or policy/other staff. Affected parties should be listed in the project prospectus.
- C.** Respond rapidly, respond often, and respond loudly to misrepresentations of the Academy's work. This will require a quick/pre-clearance system to be outlined in the project prospectus.

Crisis Communications

Introduction

The Academy's crisis communications plan was approved by the Board of Directors on May 8, 2003, and subsequently adopted (with appropriate modifications) by the Council of Presidents of the North American actuarial organizations (now the North American Actuarial Council) on Oct. 17, 2003.

Purpose

This plan was written to provide a decision framework for Academy leaders and staff to use in the event of a public relations crisis. For the purposes of this plan, crises are limited to circumstances in which the Academy and the profession can expect negative publicity and scrutiny from the media, members, government, and other key audiences.

The plan recognizes that there are numerous factors to consider in managing a crisis. These include the public image of the profession, the impact on the membership, legal and financial regulations and liabilities, political positioning, etc. No crisis will be confined to just one of these areas; every response must consider all facets. While the steps outlined below are helpful in guiding the decision-making process, it is ultimately the experience, training, and professional judgment of the crisis communications response team that will determine success or failure.

Crisis Communications Response Team

It is important that a crisis communications response team be in place to implement the plan. Per the Academy's previously established decision-making structure, the key members of the crisis communications response team are:

- 1** The Presidential Advisory Committee (PAC), consisting of the president, president-elect and the immediate past president.
- 2** The relevant vice-president(s).
- 3** The executive director, communication director, public policy director, and general counsel.

Additional members and staff will be added to the team depending on the need for expertise and support.

There are two types of communications crises discussed in this plan: eruptions and potential crises.

PART I: ERUPTIONS

An unforeseen event that abruptly thrusts the Academy/profession before a key audience or the public in a negative light.

An eruption may begin with a phone call from a member or a reporter, a letter from a lawyer, or a headline in the morning newspaper. Regardless of how it begins, the common characteristics of an eruption are: 1) it was unanticipated; 2) it negatively portrays the Academy/profession; 3) it is credible (even if it is not true).

By definition, an eruption does not allow for pre-planning. Therefore, the keys to successfully managing the crisis in the early stages are:

- ▶ Speed, because decisions may have to be made in minutes or hours.
- ▶ Focus, because bad information and distractions can drain resources from responding to the crisis.
- ▶ Internal communication, so that decision-makers have the information they will need to act.
- ▶ Patience, to guard against the danger of an over-reaction.

There are four phases of crisis management in responding to an eruption:

A. Damage Assessment

A crisis, like beauty, is often in the eye of the beholder. The first parts of managing a communications crisis are damage assessment (which includes identifying the source of the crisis), evaluating its relevance, and assessing the level of the threat.

1 Action Steps: Identify the Problem

- A.** Verify the source/source material. Collect corroborating information (for example, if a member calls in, collect news clips, correspondence, etc., that confirm that the original call was essentially accurate.)
- B.** Staff will notify the PAC and other appropriate decision-makers that there may be a crisis.

- C. Immediately establish a schedule when decision-makers will confer.

2 Action Steps: Evaluate the Problem

Decision-makers need to determine if the crisis is relevant to the Academy/profession (versus an industry or group related to actuaries). If it is not relevant, prepare an answer to direct inquiries to the appropriate source. If it is relevant, then:

- A. Button down the flow of information from the Academy's official sources. This includes notifying staff, leaders, and relevant members that an issue has been raised and that the Academy will make an appropriate response soon. Ask that all inquiries be referred to the Academy contact.
- B. Assess the level of the threat and the likely impact (public relations, legal, financial, political, etc.), and decide if action is appropriate. If the threat level is minimal, no action is likely needed. If the threat level is serious, then action will be required.

B. Seize the Debate

When it has been decided that action is needed, it is crucial to quickly seize control of the debate. Silence equals agreement when an issue erupts in a public forum, and may even be characterized by some as stonewalling. The time frame of a response will be a function of the relationship between the news cycle and the seriousness of the crisis. If an unanswered accusation is repeated in the media, it gains strength and resonance with audiences. Wire services and the Internet allow thousands of media outlets and millions of people almost instantaneous access to information. Therefore, it is crucial that a proactive public statement be made as quickly as possible in order to seize control of the debate.

The keys to seizing the debate are:

- ▶ Assume that if a credible accusation is made, then members, the media, the public policy community, et al, will consider the accusation to be true.
- ▶ A rapid and candid inventory of the Academy's and the profession's public relations, membership, legal, financial, and political vulnerabilities needs to be made. Assume those vulnerabilities will be exposed. Be sensitive to the fact that many actuaries are part of the corporate, consulting, government, and regulatory worlds, which could result in guilt by association depending on the nature of the crisis. The Academy's position vis a vis

these other players must be clearly evaluated before any statement is made.

- ▶ There will not be time for education, only information. If a point needs considerable explanation, then the debate is lost. Clarity and speed are more important than precision.
- ▶ The Academy does not have to answer every question, respond to every accusation, or reveal every possible bit of information. It does have an obligation to be truthful; beyond that, it has the right, and obligation, to act in its and its members' best interests.

1 Action Steps: Develop a Position

- A. Develop from one to three key message points to explain the Academy's position. The message points must be direct and concise, and anticipate the response from key groups and critics.
- B. In the message points, identify the proactive steps the Academy is taking or will take. Define the time frame for those actions to gain some control over the news cycle.
- C. Clear the position through the necessary decision-makers. Do not allow the process to be slowed by casting too wide a net. Emphasize speed.
- D. Notify relevant parties (such as the leaders of other organizations) of the Academy's decision to make a public statement, if necessary. Keep negotiation at a minimum; time is an enemy.

2 Action Steps: Go Public

- A. Issue a statement through the appropriate means (news release, news conference, through counsel, etc.) Depending on the seriousness of the crisis, a response will be needed within hours. Never more than 2 to 3 days (weekends can alter this timing.)
- B. Identify authorized spokespersons; keep all others buttoned down as much as possible.
- C. Monitor reaction and prepare to follow up depending on circumstances.
- D. Orchestrate third parties to validate the Academy's position, as appropriate.

C. Damage Control

Once the debate has been seized, then damage control steps must be taken with key constituencies. The membership will likely be the most important group, followed by employers, and then government and public policy contacts.

The keys to damage control:

- ▶ Once a crisis has been declared, be proactive in providing members information, and control the flow of that information.
- ▶ Release the public statement to the membership concurrently with its public release. Whether members agree or disagree with the statement, it will at least demonstrate that the Academy is responding to the situation and is proactively keeping the membership informed.
- ▶ Develop a schedule of follow-up membership announcements using routine and ad hoc communications tools and channels (from Actuarial Update and the website to presentations at actuarial conferences and Academy business meetings).

1 Action Steps: Damage Control

- A.** Assign staff to respond to inquiries from members and external contacts. This should be a communications function with support from the relevant public policy or professionalism members or staff.
- B.** Develop a written response that can be delivered multiple ways (e-mail, fax, scripted, etc.), and stick with the message. Consistency is crucial.
- C.** If the crisis results in the need for the re-evaluation of a public policy or professionalism position, form a group to study the issue as quickly as possible and establish a firm and early deadline for a work product.
- D.** Establish a “lessons learned” work group to report to the relevant decision-making bodies on changes in internal policies and procedures that may be needed to avert such a crisis in the future. Ensure that such a group draws upon a broad range of expertise, not just actuaries.
- E.** Develop a schedule of follow-up information targeted to members and key external contacts.

D. Rehabilitation

If the crisis has been properly managed, at some point there may be the opportunity to begin the rehabilitation process. Rehabilitation would entail proactive measures that would address the issues raised in the crisis. These projects could range from new outreach efforts or image enhancement programs (such as advertising) to launching new programs that provide services to key constituencies.

PART II. POTENTIAL CRISIS

A foreseen event that will likely put the Academy/profession before a key audience or the public in a negative light.

A potential crisis is much like watching a train wreck from a distance. Such a crisis can be foreseen, and therefore managed and mitigated, but may be unavoidable. Managing a potential crisis follows the same principles as an eruption, with one distinct advantage: the ability to control the timing of the eruption.

The keys for successfully managing a potential crisis are:

- ▶ Apprising decision-makers of the public relations, legal, financial, and membership consequences of the upcoming event.
- ▶ Coordinating the timing, substance, and delivery of the message. Announce first; do not let the media break the story.
- ▶ Identifying and preparing spokespersons.

1 Action Steps

Simply put, complete the steps in A, B, and C for an eruption, before the train wreck is scheduled to happen. Impress upon decision-makers that it is important to be proactive in preparing for a likely public relations problem.

Marketing of Academy Events and Products

THE MEMBERSHIP SERVICES DEPARTMENT helps develop marketing campaigns for meetings, events, and products.

Services Provided

- 1** Developing a marketing theme, messages, and artwork.
- 2** Designing and conducting coordinated print and electronic promotional campaigns.
- 3** Managing registration systems.
- 4** Meeting planning, such as booking event sites or contracting for other services (such as audio or web casts).
- 5** Preparing presentation materials (such as Power-Point presentations) to ensure that they comply with Academy policies.
- 6** On-site logistical support.

Marketing Principles

FEE STRUCTURE

To emphasize the benefits of Academy membership, all events or products will have a fee structure that provides a discount to Academy members.

COST-EFFECTIVE PROMOTIONAL CAMPAIGNS

Electronic outreach, such as blast e-mails tied to the Academy website, will be the primary promotional tool used. Articles and ads in *Actuarial Update*, the *Enrolled Actuaries Report*, and *Contingencies* magazine will be used to support electronic campaigns. The publication of separate promotional materials, such as fliers, brochures, postcards, etc., will be used in only the most exceptional of circumstances.

Contact: Joe Grimes, director of membership services, 202-785-6927.