

An Introduction to the ABCD

Southeastern Actuaries
Conference
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Actuarial Board for Counseling and Discipline

The ABCD was established in 1991 to provide a single body in the United States to:

- **Investigate** actuaries' compliance with the Code of Professional Conduct;
- **Counsel** actuaries in good professional practice;
- **Mediate** disputes between actuaries and others.

The ABCD investigates cases (except in Canada) involving members of:

- The American Academy of Actuaries
- The American Society of Pension Actuaries
- The Canadian Institute of Actuaries (in the U.S.)
- The Casualty Actuarial Society
- The Conference of Consulting Actuaries
- The Society of Actuaries

The Investigative Process

The ABCD learns of an actuary's apparent breach of the Code through:

- Receipt of a complaint
- Receipt of other information
- Other means (e.g., newspapers)

The Investigative Process

The ABCD contacts the actuary who is the subject of the case ("subject actuary") and invites a preliminary response.

The Investigative Process

The ABCD Chairperson and Vice Chairpersons review the case and decide to:

- **Dismiss** the case, with or without guidance (many cases get resolved at this level);
- **Investigate** further; or
- **Refer** the case for mediation.

The Investigative Process

If the ABCD Chairperson and Vice Chairpersons decide to investigate, they:

- **Notify** the subject actuary; and
- **Appoint** an investigator (to whom the subject actuary can object for cause).

The Investigative Process

The ABCD Investigator:

- Contacts the complainant, the subject actuary and any other necessary people;
- Gathers documents; and
- Writes a factual report of what apparently happened.

The Investigative Process

The subject actuary gets an opportunity to read and reply in writing to the investigator's report and can submit **any** documentation to the ABCD.

The Investigative Process

The ABCD reviews the case and decides to:

- Get additional information (and look at the case again);
- Dismiss the case;
- **Confidentially** counsel the actuary; or
- Schedule an investigative hearing (if there appears to be a breach that may warrant discipline).

The Investigative Process

An investigative hearing is not a criminal trial.

Its purpose is to gather information, not to determine "guilt" or "innocence."

The Investigative Process

If there is a hearing, the subject actuary can:

- Appear and speak directly to the ABCD;
- Have counsel present for advice;
- Question the investigator and other witnesses; and
- Submit **any** documentation to the ABCD.

The Investigative Process

After the hearing, the entire ABCD decides whether to:

- Request additional information (and look at the case again);
- Dismiss the case;
- **Confidentially** counsel the subject actuary; or
- **Recommend** that the actuary be disciplined.

The Investigative Process

THE ABCD DOES NOT DISCIPLINE ACTUARIES!

At most, it recommends that the organizations consider discipline, and each organization decides independently whether to act.

The Investigative Process

Most ABCD cases get resolved **confidentially** through dismissal or counseling.

The Investigative Process

Cases are kept confidential to protect the reputation of the subject actuary.

The Investigative Process

Actuaries are only disciplined after extensive review by the ABCD and their membership organizations.

Requests for Guidance

The ABCD is available to provide **confidential** guidance to actuaries on good professional practice.

Requests for Guidance

Actuaries can request **confidential** guidance by:

- Contacting the ABCD office by phone or e-mail and requesting assistance;
- Contacting any ABCD member by phone or e-mail; or
- Writing a letter to the ABCD office.

Requests for Guidance

An individual ABCD member or the whole ABCD will respond to the inquiry with **confidential** advice on good professional practice.

Requests for Guidance

Requests for guidance are not a substitute for peer review.

BUT

Some actuaries find this service so helpful that they have used it more than once.

Mediation

- Actuaries sometimes get involved in disputes with clients, employers, or other actuaries.
- **If both parties agree**, the ABCD is available to mediate these disputes on a confidential basis.

Mediation

Relatively few ABCD cases end up in mediation.

BUT

ABCD mediation can be an inexpensive and confidential way to resolve disputes.

Getting to the ABCD

Actuaries can reach the ABCD by:

- **Letter:** 1100 17th St., N.W., 7th floor, Washington, D.C. 20036
- **Telephone:** (202) 223-8196; (202) 872-1948 (fax)
- **E-mail:** abcd@actuary.org
- Contacting any individual ABCD member or ABCD staff.

Questions?