

tee 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 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 par-

ticipating 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, including 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 consid-

er 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. Appointments will usually be made for three-year terms, but appointments for shorter terms may be made to assure that the terms of one-third of the members will expire each year. A member may serve no more than two consecutive terms.

**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, a Selection Committee composed of the Presidents and Presidents-Elect of the participating organizations. The President of the Academy shall serve as Chairperson of the Selection Committee.

**C** If a vacancy arises among the members of the ABCD, the Selection Committee shall designate a replacement to fill out the remainder of the term. The replacement will complete that term, and may be reappointed for one additional consecutive three-year term. 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, the Selection Committee 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 the Selection Committee.

**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 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. 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 a Selection Committee

composed of the Presidents and the Presidents-Elect of the organizations that participate in the ABCD, or their successor organizations. The President of the Academy shall serve as Chairperson of the Selection Committee. The Selection Committee shall annually appoint the Chairperson of the ASB. An individual appointed Chairperson may not serve more than two consecutive terms as Chairperson. If a vacancy arises among the members of the ASB, the Selection Committee shall designate a replacement. The replacement will complete that term, and may be reappointed for one additional consecutive three-year term.

### 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. The Vice Chairpersons shall be appointed annually from among the members of the ASB by the Chairperson with the consent of the ASB.
  - 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.