

## **2010 Summary of Requests for Guidance-RFGs**

The ABCD members responded to 54 requests for guidance during 2010. While detailed information cannot be released about any of these RFGs, the tables below provide summaries by practice area, by precepts of the Code of Professional Conduct, and by the major issues involved in these request. Note that many RFGs involve multiple issues.

<b><u>Practice Area</u></b>	<b><u>No. of RFGs</u></b>
General	3
Pension	19
Health	18
Life	8
Property & Casualty	6
Total	54

<b><u>Precept</u></b>	<b><u>No. of RFGs</u></b>
1	20
2	8
3	12
4	13
5	1
6	0
7	4
8	6
9	2
10	10
11	3
12	3
13	7
14	0
General	3
Total	92

## **Major Issues**

- Qualification Issues
  - Qualification standards and requirements for issuing various types of actuarial communications
  - Qualification requirements for performing actuarial work in certain practice areas and in new practice areas
  - Concerns on the qualifications and skills of another actuary on work performance and misrepresentation of skills
  
- Advertising and Solicitation of Clients
  - Use and misuse of titles and credentials
  - Concerns on improper solicitation of clients
  - Use of professional designation when membership expired
  
- Conflicts of Interest
  - Dual consulting roles, e.g., auditing reserves for a CPA firm and being appointed actuary for client company
  - What constitutes a conflict of interest
  
- Cooperation with Successor Actuaries
  - Attaining information from prior actuary
  - Cooperation requirements in a non-payment of fees situation
  - How much cooperation is necessary
  - Turning over proprietary data, models and software
  - Cooperation in an adversarial or competitive situation
  - Potential misuse or misinterpretation of information by successor actuary
  - Requirements on redoing prior work
  
- Communication Questions
  - Rendering statements of actuarial opinions and other types of reports when some of work performed by others not under your control
  - Reliance on work of others
  - Elements to be included in various types of actuarial communications
  - Reviewing and reporting on work of others
  - Types of communication subject to the Code of Professional Conduct and Actuarial Standards of Practice
  - Obligations for reporting mistakes to plan participants
  - Appropriate testing and use of data in actuarial opinions
  
- Precept 13 Issues
  - Requirements for reporting potential material violations of the code
  - What constitutes potential material violations of the Code of Professional Conduct; concerns regarding quality and accuracy of work product prepared by other actuaries
  - How to file a complaint
  
- Miscellaneous Actuarial Issues
  - Reasonable margins in reserves

- Required minimum interest to credit on annuities
  - Requirements regarding funding and valuation methods for pension plans and retiree health and welfare plans
  - Potential misuse of work product
  - How to handle requests to do work believed not to be in conformance with the Code of Professional Conduct
  - Disagreements between insurance departments and corporate or consulting actuary
- Other Issues
    - Retention of records
    - Software products – when are they actuarial work products subject to the Code of Professional Conduct
    - Non-actuarial activities and conduct subject to the Code of Professional Conduct