

CHAIRPERSON'S LETTER

The Actuarial Board for Counseling and Discipline (ABCD) conducted its regular activities in 2011 and also embarked on several procedural improvements and outreach initiatives. With regard to regular activities in 2011, the ABCD handled 85 cases, 55 requests for guidance (RFGs) and 30 inquiries. It provided guidance in response to the 55 RFGs and closed 13 inquiry cases. Of the closed inquiry cases, none were resolved with mediation. A chart showing the number of cases handled by the ABCD, including inquiry cases and RFGs, since its inception in 1992 is included in this report.

'Cases' refers to the combination of RFGs and inquiries.

RFGs are supportive communications between requesters and the ABCD. The most common RFG is between a requester and an individual ABCD member. The ABCD member provides a professionalism ear to the issue posed by the requester and then guidance. Individual RFGs are kept confidential. Occasionally, a written request is submitted to the whole ABCD with the intention of disseminating guidance to the profession broadly. This type of RFG and the ABCD response are carefully vetted. Both the RFG and the ABCD response are published so to advance professionalism of all actuaries. I am pleased to announce that a written RFG and full ABCD reply will soon be published. A summary of the kinds of issues raised in RFGs that are handled by the ABCD is included in this report.

Inquiries are complaints submitted for ABCD consideration. Not all complaints lead to an investigation and/or result in a hearing. When appropriate, the ABCD provides mediation services to help resolve the professionalism issues. For complaints that are subject to investigation and a hearing, the ABCD conducts the hearing, deliberates, and either dismisses, counsels, or recommends a level of discipline to the subject actuary's organization(s). The ABCD does not administer discipline.

Curtis Huntington
2011 ABCD Chairperson

CASES* CONSIDERED DURING 2011

Type of Case	Pending from 2010 and Earlier	Received in 2011*	Total
Conduct	9	2	11
Practice	8	1	9
Conduct & Practice	4	6	10
Requests for Guidance	0	55	55
Total	21	64	85

Cases by Practice Area	Pending from 2010 and Earlier	Received in 2011*	Total
Casualty	5	21	26
Health	1	13	14
Life	6	14	20
Pension	9	16	25
Total	21	64	85

* Including requests for guidance

CASES CLOSED

Action by Individual ABCD Members

Replied to requests for guidance 55

Disposition by Chairperson and Vice Chairpersons

Dismissed 8

Dismissed with Guidance 0

Disposition by Whole ABCD After Investigation

Dismissed 1

Dismissed with guidance 2

Recommended public reprimand 0

Recommended Suspension 1

Recommended Expulsion 1

Total Cases Closed (including requests for guidance) 68

CASES IN PROGRESS (AS OF 12/31/11)

Pending disposition	2
Pending hearing	6
Pending investigation	7
Cases suspended	2
Total Cases in Progress	17

Since its inception in 1992, the ABCD has completed its cases as follows:

Dispositions	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Dismissed	12	24	9	11	8	11	13	10	5	20
Dismissed with guidance	6	10	3	—	5	1	5	2	8	5
Counseled	—	2	8	1	6	2	5	—	2	3
Mediated	3	1	1	—	—	—	—	1	—	4
Recommended private reprimand	—	—	—	—	—	—	—	—	1	1
Recommended public discipline	—	1	2	—	3	—	1	—	3	—
Replied to requests for guidance	8	8	8	10	28	31	22	31	36	21
Total	29	46	31	22	50	45	46	44	55	54

Dispositions	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Dismissed	16	7	5	5	1	5	11	29	16	9	227
Dismissed with guidance	4	2	2	4	1	0	1	5	1	2	67
Counseled	2	4	1	4	3	1	2	0	0	0	46
Mediated	—	1	—	—	—	1	0	0	0	0	12
Recommended private reprimand	—	—	—	—	—	0	1	0	2	0	5
Recommended public discipline	—	1	—	2	1	1	3	2	3	2	25
Replied to requests for guidance	47	30	46	37	31	35	48	46	55	55	633
Total	69	45	54	52	37	43	66	82	77	68	1015

2011 ABCD members

Paul Fleischacker

Janet Fagan, Vice Chair

Bob Rietz, Vice Chair

Nancy Behrens

Curtis Huntington, Chairperson

John Purple

Kathy Riley

ABCD FINANCIAL SUMMARY

Year Ended December 31, 2011¹

REVENUE

Interest	\$15
Total Revenue	\$15

EXPENSES

1. Staff Salaries ²	\$146,010
2. Staff Benefits	37,282
3. Office Operating Costs	60,725
4. Postage and Delivery Services	3,219
5. Staff Travel	4,083
6. ABCD Meetings and Conference Calls	22,928
7. ABCD Travel Reimbursement	53,811
8. Investigator-related Expenses	28,886
9. Professional Services	1,796
10. Other	4,028
Total Expenses	\$362,768

¹ The above figures associated with the ABCD are extracted from the American Academy of Actuaries 2011 audited financial statements which are available on the Academy's website. Many members of the actuarial profession have contributed significant amounts of volunteer time to the activities of the ABCD. The financial summary does not reflect the value of those contributed services.

² Includes salaries of full-time staff members and charges for actual time spent on the ABCD program by other Academy employees.