

## CHAIRPERSON'S LETTER

The Actuarial Board for Counseling and Discipline (ABCD) conducted its regular activities in 2012 and also embarked on several procedural improvements and outreach initiatives.

With regard to regular activities in 2012 the ABCD handled 137 cases, 62 requests for guidance (RFGs) and 75 inquiries. It provided guidance in response to the 62 RFGs and closed 56 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.

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.

Paul R. Fleischacker, Chairperson  
2012 ABCD Chairperson

**CASES\* CONSIDERED DURING 2012**

<b>Type of Case</b>	<b>Pending from 2011 and Earlier</b>	<b>Received in 2012*</b>	<b>Total</b>
Conduct	7	42	49
Practice	6	12	18
Conduct & Practice	4	4	8
Requests for Guidance	0	62	62
<b>Total</b>	17	120	137

<b>Cases by Practice Area</b>	<b>Pending from 2011 and Earlier</b>	<b>Received in 2012*</b>	<b>Total</b>
Casualty	5	29	34
Health	0	30	30
Life	3	25	28
Pension	9	36	45
<b>Total</b>	17	120	137

\* Including requests for guidance

**CASES CLOSED**

**Action by Individual ABCD Members**

Replied to requests for guidance 62

**Disposition by Chairperson and Vice Chairpersons**

Dismissed 48

Dismissed with Guidance 1

**Disposition by Whole ABCD After Investigation**

Dismissed 0

Dismissed with guidance 2

Recommended public reprimand 2

Recommended private reprimand 1

Recommended Suspension 2

Recommended Expulsion 0

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**Total Cases Closed (including requests for guidance) 118**

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

Pending disposition	5
Pending hearing	2
Pending investigation	10
Cases suspended	2
<b>Total Cases in Progress</b>	<b>19</b>

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

Dispositions	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Dismissed	12	24	9	11	8	11	13	10	5	20	16
Dismissed with guidance	6	10	3	—	5	1	5	2	8	5	4
Counseled	—	2	8	1	6	2	5	—	2	3	2
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	47
<b>Total</b>	<b>29</b>	<b>46</b>	<b>31</b>	<b>22</b>	<b>50</b>	<b>45</b>	<b>46</b>	<b>44</b>	<b>55</b>	<b>54</b>	<b>69</b>

Dispositions	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Dismissed	7	5	5	1	5	11	29	16	9	48	275
Dismissed with guidance	2	2	4	1	0	1	5	1	2	1	68
Counseled	4	1	4	3	1	2	0	0	0	2	48
Mediated	1	—	—	—	1	0	0	0	0	0	12
Recommended private reprimand	—	—	—	—	0	1	0	2	0	1	6
Recommended public discipline	1	—	2	1	1	3	2	3	2	4	29
Replied to requests for guidance	30	46	37	31	35	48	46	55	55	62	695
<b>Total</b>	<b>45</b>	<b>54</b>	<b>52</b>	<b>37</b>	<b>43</b>	<b>66</b>	<b>82</b>	<b>77</b>	<b>68</b>	<b>118</b>	<b>1133</b>

## **2012 ABCD members**

Paul Fleischacker, Chairperson  
Janet L. Fagan, Vice Chairperson  
Bob Rietz, Vice Chairperson  
Curtis Huntington  
Nancy Behrens  
James M. Gutterman  
Kurt Piper  
John Purple

## ABCD FINANCIAL SUMMARY

Year Ended December 31, 2012<sup>1</sup>

### REVENUE

Interest	\$15
Total Revenue	\$15

### EXPENSES

1. Staff Salaries <sup>2</sup>	\$157,615
2. Staff Benefits	37,000
3. Office Operating Costs	60,162
4. Postage and Delivery Services	1,298
5. Staff Travel	10,416
6. ABCD Meetings and Conference Calls	34,772
7. ABCD Travel Reimbursement	67,651
8. Investigator-related Expenses	48,230
9. Professional Services	8,498
10. Other	4,838
Total Expenses	\$430,480

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<sup>1</sup> The above figures associated with the ABCD are extracted from the American Academy of Actuaries 2012 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.

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