

Professionalism for Academic Actuaries

Does the *Code* Apply to You?

# Richard Veys

General Counsel, Society of Actuaries

- This presentation is intended to provide information of general interest and should not be viewed or relied upon as legal advice. Attendees should consult with their own legal counsel before acting on the information presented.
- The opinions presented are those of the presenter, and do not represent official views or positions of the Society of Actuaries.

# A Condition of Membership

- An Actuary shall comply with the *Code*.
- “Actuary” means an individual who has been admitted to a class of membership to which the *Code* applies by action of any organization having adopted the *Code*.
  - *Code of Professional Conduct*
- Membership may be granted to any individual who... abides by these Bylaws, the *Code of Professional Conduct*, and such other policies, rules and regulations as the SOA may adopt.
  - SOA Bylaws, Section 1

# Would this be a *Code* violation?



- An internal investigation by Northwestern found that philosophy Professor Peter Ludlow... had “engaged in unwelcome and inappropriate sexual advances” and had broken the school rules that protect against sexual harassment.

# Precept 1

An Actuary shall act honestly, with integrity and competence, and in a manner to fulfill the profession's responsibility to the public and to uphold *the reputation of the actuarial profession*.

- ANNOTATION 1–1. An Actuary shall perform Actuarial Services with skill and care.
- ANNOTATION 1–4. An Actuary shall not engage in any professional conduct involving dishonesty, fraud, deceit, or misrepresentation or *commit any act that reflects adversely on the actuarial profession*.



# Most *Code* provisions apply only to the performance of “Actuarial Services”

**PRECEPT 2.** An Actuary shall perform **Actuarial Services** only when the Actuary is qualified to do so...

**PRECEPT 3.** An Actuary shall ensure that **Actuarial Services** performed by... the Actuary satisfy applicable standards of practice.

**PRECEPT 4.** An Actuary who issues an Actuarial Communication...

(“a communication issued by an Actuary with respect to **Actuarial Services**.”)

**PRECEPT 8.** An Actuary who performs **Actuarial Services** shall take reasonable steps to ensure that such services are not used to mislead other parties.

# Actuarial Services?

- Professional services provided to a Principal by an individual acting in the capacity of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations.
  - *Code of Professional Conduct*
- A “Statement of Actuarial Opinion” is an opinion expressed by an actuary in the course of performing Actuarial Services and intended by that actuary to be relied upon by the person or organization to which the opinion is addressed.
  - *US Qualification Standards*

# Teaching as Actuarial Services?

- Rendering advice, findings, opinions, etc.
- To a Principal
- In the capacity of an actuary
  - Based on actuarial considerations
  - Intended by the actuary to be relied upon by the Principal



# Does Precept 2 Apply?

An Actuary shall perform Actuarial Services only when the Actuary is qualified to do so... and only when the Actuary satisfies applicable qualification standards.

- If *Actuarial Services* involved, then may be issuing Statements of Actuarial Opinion
- If issuing SAOs, then US Qualification Standards apply
- If US Qualification Standards apply, must satisfy education and experience requirements
  - Must hold actuarial credential (at Fellowship level for some subjects)

## But...

- Actuarial science courses and related subjects are often taught by instructors who do not hold actuarial designations
- "If it is common for persons holding comparable positions to issue such statements, whether or not they happen to be actuaries, this is evidence that the statements are not SAOs and the Qualification Standards are not intended to apply."

# Research as Actuarial Services?

- Rendering advice, findings, opinions, etc.
- To a Principal
- In the capacity of an actuary
  - Based on actuarial considerations
  - Intended by the actuary to be relied upon by the Principal

# Other professions

- Teaching law is not practicing law
- Publishing legal information is not giving legal advice

*Thank you for visiting the Common Sense Contract Law blog. We hope you find the articles on the blog informative. Please understand that all information on the blog is provided for informational purposes only. This information is not intended to serve as legal advice. Please do not act or refrain from acting based on any information provided on this website. If you have a legal problem, please contact a lawyer and request advice based on your particular facts and circumstances.*

- The attorney-client relationship is fundamental to defining the practice of law

*Questions?*