



**Canadian
Institute
of Actuaries**

**Institut
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des actuaire**

DISCIPLINE REPORT



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This is the 55th periodic report to Fellows, Associates and Affiliates, prepared in accordance with Bylaw 20.12(8). Its primary purpose is to educate and inform these persons about the disciplinary process and current disciplinary activities. Please send any comments or suggestions for improvements in these reports to me at my online directory address.

Meetings

Since the last discipline report of June 2022, the Professional Conduct Board (PCB) held four video conferences.

Disciplinary costs (\$000) to September 30, 2022

| | FY 21-22 | | FY 22-23 | |
|--------------------------------|---------------|--------|---------------|--------|
| | Actual | Budget | Actual | Budget |
| Routine legal costs | 27.9 | 75 | 22.4 | 75 |
| Non-routine legal costs | 181.9 | | 125.2 | |
| Other costs | 88 | | 18.1 | |
| Total costs | 297.8 | 75 | 165.7 | 75 |
| | Actual | | Actual | |
| Costs recovered | | | 28.0 | |
| No. of cases reviewed | 15 | | 14 | |

Note: "Non-routine legal costs" and "Other costs" are now paid from a discipline reserve of \$750,000.

Cases

Charges filed and cases completed

There were two situations involving seven individuals where charges were filed and cases completed since the last report. Charges were filed against four current members and one former member, all resulting from one case. The four current members were found not guilty, and the case against the former member was suspended. In another case, following charges, two members agreed to a fast-track sanction.

The notices for these cases were published in accordance with Bylaw 20.12(2).

Cases outstanding where charges have been filed

Charges were also filed against another current member, as published on April 28, 2022, in accordance with Bylaw 20.04(3.1). A Disciplinary Tribunal (DT) has been appointed and a hearing in writing was held. The notice of decision will be published in accordance with Bylaw 20.12(2).

Anyone who wishes to request more information about the disciplinary process may obtain that information from the CIA's [Executive Director](#).

Other complaints and information

Since the last report, the PCB discussed 12 cases against 13 Fellows, Associates or Affiliates, including the six cases noted above.

The PCB is seeking further information before deciding how to proceed in one earlier case.

Three cases are currently under review by investigation teams (ITs).

Summary by practice area

The 12 cases set out above may be summarized by practice area as follows:

| | Cases | Individuals |
|------------------------------|-------|-------------|
| Life | 0 | 0 |
| Pension | 8 | 9 |
| P&C | 0 | 0 |
| Workers' compensation | 0 | 0 |
| Actuarial evidence | 1 | 1 |
| Other | 3 | 3 |

The discipline process

If we were to compare the CIA's disciplinary process to our criminal justice system, the Professional Conduct Board (PCB) would be the prosecuting attorney. The PCB becomes aware of a potential case, decides whether to investigate and, if the investigation is pursued, decides whether to lay a charge. The PCB does not have the authority to determine guilt. It does have the ability to plea bargain a sanction with a member.

It all starts with a complaint. A complaint can come from a variety of sources:

- another member
- a client or employer
- the public
- a newspaper article
- insurance company insolvency
- the PCB itself, when it is aware of a potential case

Once a complaint is received, two members of the PCB form a subgroup and review it. The subgroup reports to the PCB, and the case is either dismissed or further investigated. If the decision is made to further investigate, an investigation team (IT) is set up. The CIA has a list of members who have been selected and trained to be on an IT. The IT will communicate with the complainant and the member being

complained about. They will also gather relevant information and may speak to other involved parties. The IT will then prepare a report for the PCB, which will decide to either dismiss the case or proceed with a charge. As a result of the investigation, the PCB may decide to lay charges against other members. Once a charge is laid, the case becomes public and CIA membership is informed.

If a charge is laid, the PCB has limited ability to negotiate a sanction with the member, but a public reprimand is required as part of the sanction. If the member does not accept the sanction, the case is referred to a Disciplinary Tribunal (DT). The DT is made up a judge and two members of the CIA. The two CIA members are selected from a list of volunteers who have been trained to be part of a DT. The DT is independent of the PCB. At a DT, the PCB presents its case and the member presents a defence. The member may be represented by an attorney. Once the DT has reviewed all the information submitted, it makes a decision, and in the case of a guilty finding, it will also subsequently determine an appropriate sanction. Both the member and the PCB can appeal the outcome. The decision is public and CIA membership is informed.

Summary of disciplinary cases since 1992

Since 1992, the PCB (and, prior to 2020, the Committee on Professional Conduct) has completed 240 cases.

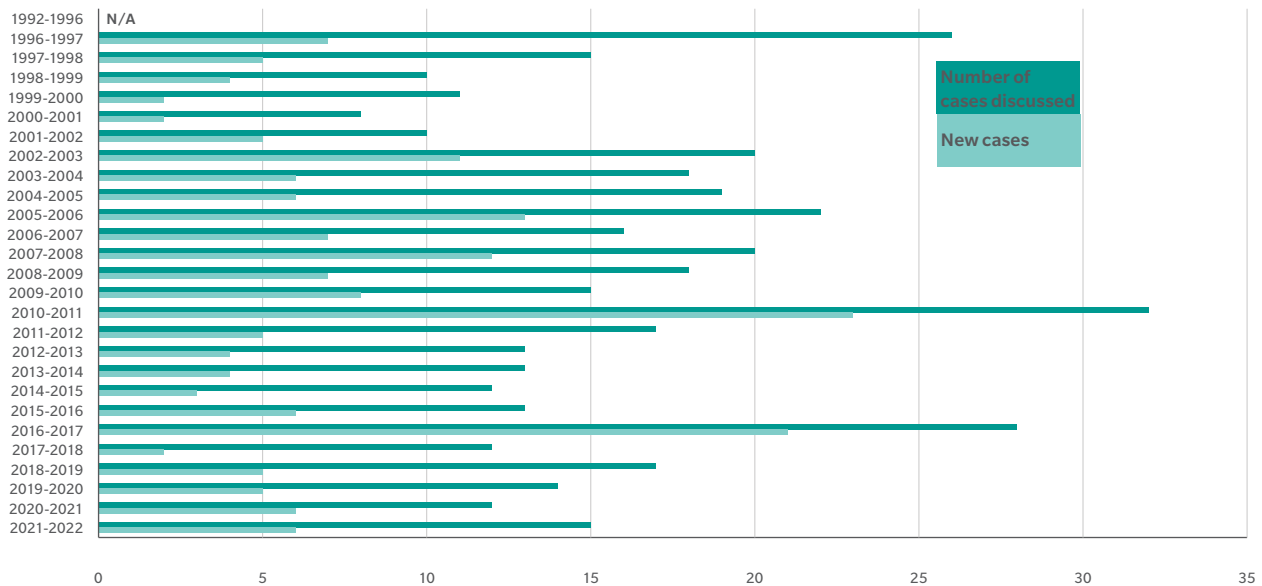
Of these 240 cases, 141 were dismissed, three resulted in a private admonishment without going to an IT, and 96 were referred to ITs.

Of the 96 cases that were referred to ITs, 42 resulted in no charges being filed and 54 resulted in charges being filed.

Of the 54 cases that resulted in charges being filed, 11 resulted in private admonishments, 12 resulted in an admission of guilt and sanctions, and 31 resulted in public DTs.

Of the 31 DT hearings, 24 resulted in either a guilty plea by the respondent or a finding of guilt by the DT on some or all of the charges. In six cases, the DT found the respondents not guilty and one case was suspended.

Statistics of cases reviewed per fiscal year



David Dickson, FCIA
Chair, Professional Conduct Board