



QUANTIFYING RISK, ENABLING OPPORTUNITY

STIC Seminar – 13 August 2013

Agenda

- The Code
- Disciplinary Process
- Actual Complaint received

The Code

HONOR YOURSELF

HONOR

THE CODE

INTEGRITY • RESPECT • RESPONSIBILITY

The Code

- Applies to all members
- Replaces PCS
- Effective 1 July 2012
- Main Professionalism Document
 - Everyone should read it
 - Developing Auxiliary Guidance eg Peer Review, Whistle-blowing

Who of you have read the Code?

1. Yes, I have read it
2. No, I have not read it

The Code

- Principles of Professional Conduct
 - Knowledge And Expertise
 - Values And Ethical Behaviour
 - Professional Accountability

Disciplinary Process

**You Lack
Discipline!**



Disciplinary Process

- Complaint is lodged (consequences if you don't lodge a complaint)
- Referred to disciplinary committee
- Defendant contacted
- Investigator(s) appointed
- Outcomes
 - Frivolous – complaint dismissed
 - Admission of guilt
 - Tribunal – Senior Council or retired judge is the chair

Actual Complaint



Complaint Details

- ShortSure has insufficient reserves – put under administration
- Actuary being blamed
- Reserving Report failed to comply with standards
- Complaint against Mr Botha from ShortSure by ShortSure's CFO
- Profession being brought into disrepute
- CFO could not understand the report
- Various numbers in the report - CFO used the lowest figure
- Internal reserve value recommended in appendix 9B – much higher
- Not in executive summary – what executives read!

Progress to date

- Complaint has been lodged
- Investigator has been appointed
- Determined the complaint is not frivolous
- Mr Botha is denying the allegations
- So Tribunal is going to take place
- Jury has been selected via American lottery system
- The Chair of the Tribunal and Mr Botha is actually here today

Questions to the Jury and the Audience

- 1. Do you think that Mr Botha breached the Code of Conduct?**
- 2. What would you have done in his situation?**
- 3. Do you think the complaint would have been lodged if ShortSure had a low claims year and was not put under administration?**
- 4. Are the CFO at fault or not?**
- 5. What action must be taken against Mr Botha?**

Lessons Learnt

Lessons Learnt from Case Studies

- Often professionalism issues are not black and white
- Duty to communicate clearly
- Ensure that your audience understand the most critical parts of you work
- Your actions can have far reaching consequences
- Become a savvy actuary –learn about wider business issues
- Know the Profession's governance framework and standards

Albert Einstein: 'If you can't explain it to a six year old, you don't understand it yourself.'

Thank You

Fictional Character – Sarel Botha

(Jacques du Preez)

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