



AMERICAN ACADEMY
of ACTUARIES

Immediate Release

NEWS RELEASE

Contact: Keith Jones
Phone: 202.785.7885
jones@actuary.org

American Academy of Actuaries Issues Discipline Notice

WASHINGTON – 22 Oct. 2012 – The American Academy of Actuaries announced that the following discipline action became effective on Oct. 15, 2012.

Disciplinary Notice

The Disciplinary Committee of the American Academy of Actuaries (Academy), acting in accordance with the Academy's bylaws and with findings from the Actuarial Board for Counseling and Discipline (ABCD), hereby suspends Donald E. Gould from membership for a period of five years for materially failing to comply with Precepts 1, 3, 4, and 14 of the *Code of Professional Conduct*.

Mr. Gould materially violated Precept 1 in connection with his preparation of IBNR Reserve reports by failing to use appropriate actuarial methodology, apply appropriate tests for reasonableness, document his work, state relevant actuarial assumptions, disclose the limitations of his analysis, and otherwise exercise appropriate skill and care.

Mr. Gould materially violated Precepts 3 and 4, with regard to the same reports, by not complying with Actuarial Standard of Practice (ASOP) No. 41 by failing to identify data, assumptions, and methods used in his reports in a manner sufficient for another actuary qualified in the same practice area to objectively appraise the reasonableness of the reports; and by not complying with ASOP No. 43 by failing to identify the measure of his selected estimates, failing to use and document methodology for estimating unpaid claims that were appropriate to the circumstances, and failing to assess the reasonableness of the unpaid claim estimates.

Mr. Gould materially violated Precept 14 by failing to respond promptly, truthfully, and fully to several communications from the ABCD regarding this matter.

Based on the foregoing, Mr. Gould's membership with the Academy is suspended for the next five years. At the end of those five years, if Mr. Gould wishes to resume membership in the Academy, he must first complete a professionalism course offered by the Academy or the Casualty Actuarial Society (CAS), undergo professionalism counseling with the ABCD resulting in a recommendation from the ABCD for reinstatement, and at that time be a member in good standing with the CAS.

For more information, please contact Keith Jones, general counsel and director of professionalism for the American Academy of Actuaries, at 202.785.7885. For more information on the American Academy of Actuaries, please visit www.actuary.org

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The [American Academy of Actuaries](http://www.actuary.org) is a 17,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.