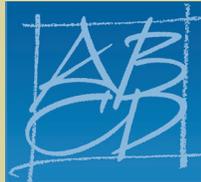


Actuarial Board  
for Counseling  
and Discipline

# Annual Summary of Activities



2025

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# Chairperson's Letter

The Actuarial Board for Counseling and Discipline (“ABCD”) conducted its regular activities throughout 2025 and continued its robust outreach initiatives to further advance actuarial professionalism.

With respect to its regular activities in 2025, the ABCD handled a total of 138 cases, consisting of 114 requests for guidance (“RFGs”) and 24 inquiry cases. An inquiry case commences when a complaint is initiated against an actuary. During the year, the ABCD received 19 new inquiry cases and closed nine. Of the closed cases, one was dismissed, five were dismissed with guidance, one resulted in counseling, and two were resolved with a recommendation for discipline. A chart showing the number of cases handled by the ABCD since its inception in 1992, including inquiry cases and RFGs, is included in this report.

RFGs are confidential, supportive communications between requesters and the ABCD. The 114 RFGs received in 2025 reflect the continued strong use of this valuable service by actuaries. Most commonly, an RFG involves a direct interaction between a requester and an individual ABCD member. In such cases, the ABCD member serves as a professionalism resource, listening to the issue presented and offering guidance on issues related to an actuary’s obligations under the Code of Professional Conduct. Individual RFGs are kept confidential.

Inquiry cases commence when complaints are submitted for ABCD consideration. Not all complaints result in an investigation or a hearing. For those complaints that do proceed to investigation and hearing, the ABCD conducts the hearing, deliberates, and then either dismisses the matter, counsels the subject actuary, or recommends a level of discipline to the subject actuary’s organization(s). The ABCD itself does not administer discipline.

In addition to its case-related work, the ABCD conducted 25 outreach presentations in 2025, both virtually and in person, for actuarial organizations, regulators, and actuarial clubs and firms across all major regions of the United States. Notably, ABCD Vice Chair Shawna Ackerman and I delivered a presentation at the 2025 SOA ImpACT Conference and ABCD members Cande Olsen and Tim Geddes conducted the annual “Tales from the Dark Side” professionalism webinar. Finally, ABCD members continued to contribute thoughtful articles to the American Academy of Actuaries’ *Contingencies* magazine. These articles can be accessed at: <https://www.abcdboard.org/resources/code/>.

The year also marked the departures of ABCD members Al Beer, John Schubert, and David Kausch. We are deeply grateful for their dedicated service and tireless contributions to the ABCD and the actuarial profession. In their stead, we are pleased to welcome new members Audrey Halvorson, Art Randolph, and Matt Smith in 2026.

William Hines  
2025 ABCD Chairperson

# Summary of Alleged Violations

There were 24 inquiries in process with the ABCD during 2025, based on either complaints or adverse information. Nine of these were disposed of during 2025. While detailed information cannot be released about any of these inquiries, the table below provides a summary of the major issue areas into which the alleged violations of the Code of Professional Conduct fall. Note that some inquiries involve multiple issues. Note also that an ABCD disposition of discipline means the ABCD recommended discipline to the appropriate organization(s).

Major Issue Alleged	ABCD Disposition in 2025					Active on 12/31/25			TOTAL
	Discipline	Counsel	Dismiss	Mediate	Total	Initiated before 2025	Initiated in 2025	Total	
<b>Precept 1:</b> Failure to act with integrity	1		2		3		12	12	15
Failure to perform services with competence	2		2		4		11	11	15
Failure to uphold the reputation of the actuarial profession	2	1	4		7	1	14	15	22
<b>Precept 2:</b> Performing work when not qualified	2		2		4				4
<b>Precept 3:</b> Work fails to satisfy an ASOP(s)	1		1		2		1	1	3
<b>Precept 4:</b> Inadequate actuarial communication	1				1				1
<b>Precept 5:</b> Failure to identify principal, capacity of service									
<b>Precept 6:</b> Failure to disclose direct & indirect material compensation									
<b>Precept 7:</b> Conflict of interest violation			1		1		10	10	11
<b>Precept 8:</b> Failure to take reasonable steps to prevent misuse of work product			1		1		11	11	12
<b>Precept 9:</b> Disclosure of confidential information			2		2		1	1	3
<b>Precept 10:</b> Failure to perform services with courtesy & professional respect & cooperate with others in principal's interest			1		1		9	9	10
<b>Precept 11:</b> False or misleading advertising	1				1	1	1	2	3
<b>Precept 12:</b> Improper use of title and designation	1				1				1
<b>Precept 13:</b> Failure to report apparent, unresolved material violation									
<b>Precept 14:</b> Failure to respond promptly, truthfully, & fully to the ABCD	1				1		1	1	2

# 2025

## Some of the Material Violations Alleged

- Failing to meet applicable statutory and regulatory requirements.
- Failing to disclose a potential conflict of interest to relevant parties.
- Engaging in public conduct that reflects adversely on the actuarial profession.
- Providing actuarial services while not in compliance with applicable continuing education requirements.
- Failing to act with appropriate skill and care when issuing actuarial opinions related to public-sector retirement systems.
- Certifying the results of a post-retirement valuation report without the requisite qualifications.
- Violating ASOP No. 41, *Actuarial Communications*, by failing to identify key assumptions used in an actuarial report.
- Failing to appropriately document work, state relevant actuarial assumptions, and communicate significant actuarial findings.
- Issuing actuarial communications that were unclear, incomplete, and/or potentially misleading.
- Failing to disclose relevant information—including assumptions, methods, data, and the rationale for selecting or excluding assumptions—as prescribed by ASOP No. 41, *Actuarial Communications*.
- Providing confidential company information to another party in violation of Precept 9 of the Code of Professional Conduct (“Code”).
- Issuing an actuarial opinion in a public forum without the requisite qualifications.
- Misrepresenting status as a currently licensed Enrolled Actuary to clients and the Internal Revenue Service.
- Failing to comply with plan documents and applicable Internal Revenue Code requirements when providing professional services to a client.
- Providing professional services as an Enrolled Actuary without appropriate qualifications.
- Falsely advertising professional credentials on a business website.
- Failing to respond promptly, truthfully, and fully to the ABCD as required by Precept 14 of the Code.
- Failing to provide actuarial services with courtesy and professional respect and to cooperate with others in the client’s interest.
- Violating an employer’s computer use and privacy policies.
- Providing actuarial services to a principal that contained multiple technical and documentation deficiencies in an actuarial memorandum.
- Providing actuarial services to a client that failed to comply with ASOP No. 22, *Statements of Actuarial Opinion Based on Asset Adequacy Analysis for Life Insurance, Annuity, or Health Insurance Reserves and Other Liabilities*.

# 2025

## Inquiries Considered During 2025

		Pending from 2024	Received in 2025	TOTAL
Type of Inquiry	Conduct	2	5	7
	Practice	2	1	3
	Conduct & Practice	1	13	14
Total		5	19	24
Inquiries by Practice Area	Casualty		5	5
	Health		2	2
	Life	2	4	6
	Pension	3	8	11
Total		5	19	24

## Inquiries Closed

### Disposition by Chairperson and Vice Chairpersons

Dismissed	1
Dismissed With Guidance	5

### Disposition by Whole ABCD

Dismissed	
Dismissed With Guidance	
Counseled	1
Recommendation for Discipline	2

**Total Inquiries Closed: 9**

## SINCE 1992

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	2003	2004	2005	2006	2007	2008
Dismissed	12	24	9	11	8	11	13	10	5	20	16	7	5	5	1	5	11
Dismissed With Guidance	6	10	3	-	5	1	5	2	8	5	4	2	2	4	1	-	1
Counseled	-	2	8	1	6	2	5	-	2	3	2	4	1	4	3	1	2
Mediated	3	1	1	-	-	-	-	1	-	4	-	1	-	-	-	1	-
Recommended Private Reprimand	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1
Recommended Public Discipline	-	1	2	-	3	-	1	-	3	-	-	1	-	2	1	1	3
Request for Guidance	8	8	8	10	28	31	22	31	36	21	47	30	46	37	31	35	48
<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>	<b>45</b>	<b>54</b>	<b>52</b>	<b>37</b>	<b>43</b>	<b>66</b>

Dispositions	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
Dismissed	29	16	9	48	10	19	11	9	9	6	12	19	44	4	11	2	1	432
Dismissed With Guidance	5	1	2	1	2	10	-	1	2	7	1	2	12	6	3	2	5	121
Counseled	-	-	-	2	8	4	3	2	1	7	5	2	4	2	1	2	1	90
Mediated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12
Recommended Private Reprimand	-	2	-	1	-	-	-	-	-	-	-	1	-	-	-	-	-	7
Recommended Public Discipline	2	3	2	4	2	4	1	2	3	2	2	-	3	2	1	1	2	54
Request for Guidance	46	55	55	62	82	90	96	108	104	109	104	127	116	96	119	96	114	2,056
<b>Total</b>	<b>82</b>	<b>77</b>	<b>68</b>	<b>118</b>	<b>104</b>	<b>127</b>	<b>111</b>	<b>122</b>	<b>119</b>	<b>131</b>	<b>124</b>	<b>151</b>	<b>179</b>	<b>110</b>	<b>135</b>	<b>103</b>	<b>123</b>	<b>2,772</b>

## 2025 Summary of Request for Guidance—RFGs

ABCD members responded to 114 Requests for Guidance (RFGs) during 2025. While detailed information cannot be released about any of these RFGs, the tables below provide summaries by practice area, by precepts of the Code of Professional Conduct (the Code), and by the major issues involved in these requests. Note that many RFGs involve multiple issues.

	No. of RFGs
<b>Practice Area</b>	
Pension	16
Health	40
Life	21
Property & Casualty	37
<b>Total</b>	<b>114</b>

	No. of RFGs		No. of RFGs
Precept 1	57	Precept 8	10
Precept 2	33	Precept 9	5
Precept 3	44	Precept 10	6
Precept 4	14	Precept 11	1
Precept 5	1	Precept 12	4
Precept 6	4	Precept 13	31
Precept 7	8	Precept 14	-

## Examples of Issues Discussed

### Professional Integrity/Skill and Care/Reputation of the Profession

- Whether a presentation to a general audience constitutes Actuarial Services.
- Reviewing the Code when an actuary may have transmitted confidential company information to a personal email address.
- Reviewing the Code when resigning from a non-responsive client.
- Use of Copilot and other AI tools in actuarial calculations.
- Evaluating whether acts committed prior to credentialing may subject an actuary to ABCD scrutiny.
- Whether violating an employment contract may also violate the Code.
- Reviewing appropriate courses of action when there are disagreements with a regulator’s interpretation of the law.
- Professional considerations when an actuary runs for a school board seat.
- Incorporating charges for net cost of reinsurance and cost of capital in actuarial modeling.
- Performing health outcomes studies in accordance with the Code, actuarial standards of practice (ASOPs), and U.S. Qualifications Standards (USQS).
- Reviewing the Code before accepting a volunteer role with a health advocacy organization.
- Complying with the Code when relinquishing the role of Appointed Actuary.
- Complying with state regulatory reporting requirements and the Code when management issues questionable instructions.
- Complying with the Code when providing actuarial analyses on a public website.
- Reviewing the Code when management pressures an actuary to sign defective rate filings.
- Sharing client data with third parties without authorization.
- Obligations of a reviewing actuary to disclose material deviations in another actuary’s work during a retirement plan review.

- Professional obligations when an employer fails to disclose a client data breach.
- Reviewing the Code when a competitor may be making false or misleading representations in marketing materials.
- Responding to management directives to develop models outside the actuary’s qualifications.

### Qualifications

- Reviewing the USQS when an experienced casualty actuary seeks to transition to pension practice.
- Determining qualifications for a casualty actuary to sign a rate certification for health coverage.
- Requalifying under the USQS following a hiatus due to retirement.
- Reviewing the USQS to determine whether a life company. Appointed Actuary may sign a health annual statement.
- Compliance with bias continuing education requirements.
- Reviewing the USQS to determine qualification to sign NAIC Statements of Actuarial Opinion.
- Applying the USQS to subcontractors assisting with client work.
- Examining the USQS to determine whether self-study qualifies as relevant continuing education.
- Whether an actuary is qualified under the USQS to sign commercial auto rate filings.
- Determining whether extensive work in a new practice area satisfies the USQS experience requirements despite not meeting the full three-year threshold.
- Education and experience requirements for qualification as an Appointed Actuary.
- Determining what constitutes an “organized activity” under the USQS.
- Assessing whether illustrations constitute a unique subject area under the USQS.

## Standards of Practice

- Using the Code and ASOPs as guides when an actuary faces significant time pressure and performance stress.
- ASOP No. 4 (*Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*) disclosure requirements when using potentially unreasonable discount rates.
- Reviewing ASOP No. 41 (*Actuarial Communications*) to determine when a reliance statement is appropriate due to questionable assumptions.
- Reviewing ASOP No. 23 (*Data Quality*) when data quality concerns arise from a new administrative system.
- Applying ASOP No. 53 (*Estimating Future Costs for Prospective Property/Casualty Risk Transfer and Risk Retention*) when communicating with regulators.
- Reviewing the Code when management directs use of actuarial software that may not comply with ASOPs.
- Reviewing ASOP No. 49 (*Medicaid Managed Care Capitation Rate Development and Certification*) in developing actuarially sound Medicaid rates.
- Reviewing ASOP No. 22 (*Statements of Actuarial Opinion Based on Asset Adequacy Analysis for Life Insurance, Annuity, or Health Insurance Reserves and Other Liabilities*) when potentially material information is received after issuing a Statement of Actuarial Opinion (SAO).
- Estimating profit loads for P&C rate filings in accordance with ASOP No. 30 (*Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*).
- Reviewing ASOP No. 50 (*Determining Minimum Value and Actuarial Value under the Affordable Care Act*) when using outdated ACA Minimum Value or Actuarial Value calculators.

## Communication Questions

- Examining when communications qualify as an SAO.
- Revising an SAO when the actuary may not have been qualified at the time of issuance.
- Properly documenting the impact of expense reductions on cash flow testing.
- Required disclosures for reports shared with both clients and the general public.
- Guidance on the appropriate length, level of detail, and caveats for communications related to a premium deficiency reserve.

## Conflict of Interest

- Reviewing conflicts of interest when a potential client employs the actuary's child.
- Reviewing Precept 6 conflict-of-interest disclosure requirements before accepting a new client.
- Examining potential conflicts of interest when an actuary volunteers on a public board.
- Evaluating potential conflicts of interest when a consulting actuary also serves as an expert witness.
- Application of Precepts 6 and 7 to subsidiaries.

## Control of Work Product

- Handling pressure to sign a rate filing for a product that may be unlawful.
- Responding to pressure from a program manager to alter an actuarial report.
- Examining Code implications when an actuary signs an SAO but was not responsible for the majority of the underlying work.
- Reviewing the Code when management modifies carefully developed assumptions.

## Courtesy and Cooperation

- Guidance for actuaries engaged in technical disagreements over ACA calculations.
- Addressing differences of opinion among company actuaries in pricing studies.
- Addressing situations where a former actuary is not providing documents to a successor actuary.

## Duty to Report

- Filing a complaint when the underlying facts involve confidential information.
- Filing a complaint against an actuary for posting potentially offensive comments on social media.
- Filing a complaint arising from arbitration involving confidential client information.
- Filing a complaint against a supervisor for failure to comply with ASOPs.
- Reporting an actuary who issued an actuarial opinion while unqualified.
- Actuary's obligations under Precept 13 when pressured by management to ignore potential violations.
- Reporting an actuary for misrepresenting actuarial credentials.
- Actuary's obligations under Precept 13 when seeking anonymity in filing a complaint.

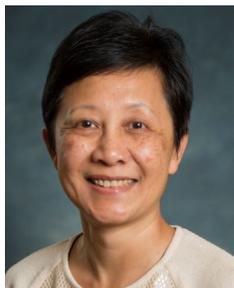
# 2025 Actuarial Board for Counseling and Discipline



Shawna Ackerman



Albert Beer  
*Vice Chairperson*



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