



Institute of Actuaries of Australia

DISCIPLINARY ACTION

On 2 November 2006 a Professional Conduct Tribunal of the Institute of Actuaries of Australia, acting under the Institute's Disciplinary Scheme as part of its Constitution, delivered its decision in relation to a complaint against Mr David Julian Minty (the Respondent), initiated as a result of the report of the NSW Special Commission of Inquiry into Medical Research and Compensation Foundation (MRCF). The Tribunal determined that the Respondent, an actuary engaged by James Hardie Industries Limited (JHIL), had committed two breaches of the Institute's Code of Conduct alleged in the Complaint, namely:

- (1) allowing the distribution of his February 2001 report to third parties, namely the directors of MRCF, as that report did not state the significant implications of the advice, as the advice was presented in a misleading way and as constraints on the actuary's independence were not disclosed – contrary to Section 15 of the Code of Conduct; and
- (2) failing to advise his client, JHIL, or the directors of MRCF, that they had proceeded on a serious misunderstanding of the nature, purpose and completeness of his work and thereby failing to act in accordance with the principles espoused in Section 1 of the Code of Conduct in that he failed to fulfill his obligation to the public interest to provide high quality actuarial advice and service.

Having considered all the circumstances and the submissions made in relation to penalty, the Tribunal unanimously determined that the Respondent be reprimanded for his Actionable Conduct, as defined under the Disciplinary Scheme, in relation to those two breaches of the Code of Conduct.

This notice is issued by order of the Council of the Institute of Actuaries of Australia made on 22 January 2007.