



## Disciplinary Proceedings against Mr Graham Osborn

On 20 May 2011, the Professional Conduct Committee received a Complaint from the Australian Prudential Regulation Authority ("APRA") with respect to the role of Mr Graham Osborn as the Appointed Actuary for ACN 000 007 492 Limited (previously Rural & General Insurance Limited ("RGIL")) as at 30 June 2008 and his preparation of an Insurance Liability Valuation Report ("ILVR") for that entity.

Investigating Sub-Committee 1004 ("Sub-Committee") was formed to investigate the Complaint and determined, on 25 May 2012, that there was a *prima facie* case of Actionable Conduct (as defined in Rule 3 of the Scheme) having been committed by Mr Osborn, being unsatisfactory professional conduct.

The Convenor of the Professional Conduct Committee then provided a copy of the Sub-Committee's determination to the Convenor of the Tribunal Panel who, in turn, established Professional Conduct Tribunal 12.01 to determine the matter.

Following an admission by Mr Osborn of having committed, or been engaged in, Actionable Conduct, and the conduct of a hearing, the Tribunal determined, on 16 August 2012, that Mr Osborn had committed, or been engaged in, Actionable Conduct (being unsatisfactory professional conduct), namely that:

- (a) in failing to separately specify in his ILVR the allowances for risk margins, claims handling expenses and "IBNER" claims, he had breached paragraphs 9.1.2 and 11.1.1 of PS 300, as well as paragraphs 15 and 45(i) of Attachment A of GPS 310;
- (b) in failing to sufficiently highlight or document in his ILVR the uncertainty arising from the circumstances of RGIL and the potential consequences of this uncertainty, he had breached paragraphs 4.3.1, 8.9.2, 10.1 and 10.2 of PS 300 and paragraph 85, as well as paragraphs 11 and 13 of Attachment A, of GPS 310; and
- (c) in failing to sufficiently document in his ILVR deficiencies in the data, he had breached paragraph 5.2.1 of PS 300 and paragraph 5 of Attachment A of GPS 310.

Tribunal 12.01 determined that Mr Osborn:

- (a) be given a warning in relation to the conduct set out above (pursuant to Rule 6.4(a)(iii) of the Disciplinary Scheme); and
- (b) as a condition of the determination in the preceding paragraph, and pursuant to Rule 6.4(c) of the Disciplinary Scheme, that he be required to undertake to attend a Professionalism Course conducted by the Institute of Actuaries of Australia at his own expense within 12 months of the date of the Tribunal's determination.

Neither party appealed the Tribunal's determination.

17 September 2012  
Institute of Actuaries of Australia