

**THE INSTITUTE OF ACTUARIES OF  
AUSTRALIA AND NEW ZEALAND**

**CODE OF PROFESSIONAL CONDUCT  
FOR AUSTRALIA**

Issued with the authority of  
the Council of the Institute

October 1976

# THE INSTITUTE OF ACTUARIES OF AUSTRALIA AND NEW ZEALAND

In December 1971 a Sub-Committee of the Institute of Actuaries of Australia and New Zealand was established "to formulate a Code of Professional Conduct for the Institute".

The Sub-Committee comprised:

R.W. Champion  
L.J. Cohn  
B.D. Cook  
J.C. Coss  
L.G. Oxby  
A.H. Pollard, Convener  
B. Whittle  
P.C. Wickens

Following discussion within the Institute and an exchange of correspondence and views with the Institute of Actuaries in 1976, Council accepted a recommendation of the Sub-Committee as to the wording of the Code.

Both the Institute of Actuaries and the Faculty of Actuaries in Scotland agreed that the Code may be adopted by their members in Australia.

The Code came into effect from 1 November 1976.

## 2. CODE OF PROFESSIONAL CONDUCT

### GENERAL.

1. The Institute of Actuaries of Australia and New Zealand is a professional body which, through its members, has an obligation in the public interest to provide the best possible service and advice. Since the public in general has no ready means of judging the quality of this, it is essential that the highest standards of conduct are maintained by all members of the Institute when they give advice of a professional nature.
2. Professional conduct involves the member's own sense of integrity in relationships not only with those to whom professional services are rendered but also with other members of the profession and with the public. In all these relationships every member is therefore concerned not only with his own behaviour but also with the behaviour of his colleagues.
3. The maintenance of high standards of behaviour is a responsibility of all members in all circumstances connected with their professional work wherever they practise. The Council of the Institute does not seek to set out a comprehensive code of professional conduct covering in detail all possible contingencies. This code sets out the main principles to which the Council expects all members to conform in the spirit as well as the letter and it relies upon the conscience of each individual member and the collective conscience of the whole membership. Any member who is in doubt as to the attitude which should be adopted or the steps which should be taken in a particular case, or any member who would like the advice of a senior actuary in regard to any matter of behaviour, should communicate with the President.

### ACTUARIAL ADVICE.

4. A member who furnishes any person or body with actuarial advice must disclose to that person or body the capacity in which he is acting in so doing. In particular, it must be made clear if the member is acting in the capacity of an employee in which case the name of the employer must be stated.
5. Actuarial advice should be addressed by a member direct to the person or body who requested it. If a member has reason to believe that such actuarial advice will be transmitted in whole or in part to a third party he must

take all reasonable steps to ensure that his authorship is acknowledged to the third party, that any implications of the advice to which he has drawn attention are stated and that his advice is not presented in a way likely to give a misleading impression.

6. Many problems submitted to members in a professional capacity require considerable practical experience for their solution. A member with insufficient practical experience in relation to such a problem should not act except in co-operation with or with the guidance of an experienced actuary.
7. A member will not provide actuarial advice for any person or organisation where he has reason to believe that his service may be used in a manner that is contrary to the public interest or the interest of the profession or in a manner to evade the law.
8. A member must have due regard to the confidential nature of the information he obtains and the advice he gives in the course of the practice of his profession.

DISCLOSURE.

9. In any situation where a member has, might have, or might be thought to have a conflict of interest, he must not act unless there has been a full disclosure of the situation to all parties involved and the parties have expressly agreed to his acting.
10. A member must account to his client for any direct or indirect compensation that he or his firm may receive from any source in relation to any assignment which he undertakes for that client.

CONTENTS OF REPORTS.

11. Unless it is irrelevant to do so a member must include in any report a statement describing or clearly identifying the data and the actuarial methods and assumptions employed and must draw attention to any important implications of those methods or assumptions.
12. A member should exercise his best judgment to ensure that any advice given by him is based on sufficient and reliable data on adequate and appropriate assumptions and on sound actuarial principles.

4. CODE OF PROFESSIONAL CONDUCT

13. If, nevertheless, a member is requested to carry out a study or initiates a study which in his opinion deviates from the requirements of Section 12, any resulting report recommendation or certificate submitted by him must include an appropriate qualification.

PUBLICITY.

14. Publicity which increases public awareness of the nature and training of actuaries and the value of the work that they can perform is desirable and in the public interest.
15. Individual members may give information in published material about the actuarial services which they offer but will neither engage in nor condone any advertising or other activity which can reasonably be regarded as being likely to attract professional work unfairly, or where the tone form and content are not strictly professional.
16. The member will use a designation dependent upon elective or appointive qualification within the Institute, such as "President" or "Member of Council", only when he is acting in such capacity on behalf of the Institute.

PARTNERSHIPS AND INCORPORATION.

17. A member shall not take part in, nor allow his name to be used in any manner in association with, any partnership or corporation describing itself as an actuary or in similar terms except a partnership all of whose members are actuaries or a corporation satisfying the conditions in Section 18. Any action by a partnership or corporation that would be in breach of this code if committed by a member shall be deemed a breach of this code by each and every member who at the relevant time is a member of the partnership or a shareholder of the corporation.
18. The conditions to be satisfied by a corporation for purposes of Section 17 shall be that it engages solely in tendering actuarial services and that it has no shareholders other than actuaries who are actively engaged as its employees and the executors or administrators of deceased actuaries who had been so engaged provided that such executors or administrators have no voting rights in respect of shares they hold.

RELATIONSHIP BETWEEN MEMBERS.

19. A member must not seem to intrude into an existing professional relationship between another actuary and his client.
20. A member who is invited to advise a person or body for whom he knows, or has grounds for supposing, another actuary is already acting in a professional capacity in relation to the same matter or has recently done so, must inform the other actuary of the invitation. The other actuary, if a member, must then inform the invitee whether there are any professional reasons why in his view the invitation ought not to be accepted.
21. A member who believes there has been a breach of this code should bring the matter to the attention of the President.



## INSTITUTE OF ACTUARIES

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Dear Member,

Following the adoption by the Institute of Actuaries of Australia and New Zealand of a code of professional conduct, for application in Australia only, Council has agreed that members of the Institute who are also members of the IAAZ may be permitted to follow the Australian Code, in place of the Memorandum on Professional Conduct and Practice, in relation to work undertaken by them in Australia.

To reflect this decision, Paragraph 1.5 of the Memorandum (Year Book p.9) has been amended to read as follows:—

“Where a member is practising outside the United Kingdom and the Council of the Institute has agreed, the guidance given in this Memorandum may be replaced by guidance given by the actuarial body of the country in which he practises. So far (September 1976) the only agreements given by the Council are:

- 1.5.1 Members in the United States or Canada, where the Society of Actuaries has published guides to professional conduct for the direction of its members, may act in accordance with such guides in respect of work confined to those countries.
- 1.5.2 Members in Australia who are also members of the Institute of Actuaries of Australia and New Zealand, which has published a Code of Professional Conduct for the direction of its members, may act in accordance with that Code in respect of work confined to Australia.”

Yours faithfully,

M. H. FIELD  
D. E. FELLOWS  
Honorary Secretaries

*October 1976*