

NEW ZEALAND SOCIETY OF ACTUARIES

CODE OF PROFESSIONAL CONDUCT

GENERAL

1. The New Zealand Society of Actuaries is a professional body which, through its members, has an obligation in the public interest to provide the best possible service and advice. It is essential that the highest standards of conduct are maintained by all members.
2. Professional conduct involves integrity to relationships with those to whom professional services are rendered as well as with other members of the profession and the employer, if any, and the public. In all these relationships every member is concerned not only with his/her behaviour, but with the behaviour of his/her colleagues
3. This Code of Conduct is a statement of the principles to which the Society expects all members to conform in the spirit as well as the letter. In addition the Society may issue guidance to assist members in the interpretation of the Code. 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 is invited to communicate with the President.
4. A member should bear in mind that as a matter of law the member's duty of care can extend to persons or organisations that can reasonably expect to rely on the advice or the information the member gives. Other questions relating to legal liability which might arise in connection with the provision of actuarial advice are not dealt with in this Code.
5. This Code is applicable to members practising within New Zealand. Where a member is practising outside New Zealand, the requirements of this Code and of any guidance hereunder may be replaced by those of the actuarial body of the country in which the member practices.
6. When it is alleged that a member has acted in a manner which is professionally objectionable the Committee will take steps as it thinks fit, and if necessary will set in motion disciplinary procedures.

RELATIONSHIP WITH THE CLIENT

7. For the purposes of this Code the word client is used in the sense of the person or organisation to whom a member's advice, is primarily directed and the word firm in the sense of the person, partnership or corporate body which will charge the client, directly or indirectly, for the member's advice. Matters must be so ordered that all concerned are clear as to who is a member's client, what is the member's firm, and in what capacity the member is acting.
8. A member's responsibilities are personal and in advising or otherwise acting for each client the member must have proper regard to the trust and confidence which that implies. There must be no unauthorised disclosure of the client's affairs save where properly required under statutory or judicial authority.
9. Advice to the client must be unaffected by interests other than those of the client. Thus where there is or might appear to be a conflict of interest involving a member or his/her firm and the client, the member must consider the extent of the conflict and whether it is such as to make it improper for the member to act. If the member is satisfied that it is proper to act there should be a full disclosure to the client of the conflict of interest.
10. A member must ensure it is clear that the member is professionally responsible for any advice which is given and that the member can be identified as the source of the advice. Where a client looks to a third party to transmit the advice, the member must ensure that this authorship is acknowledged and that the advice is not presented in a way which is likely to be misleading. Moreover the member must be aware of a situation where advice which is formulated in the interests of the client can be presented as if it were necessarily the advice the member would have given to another interested party.
11. A member must make full and timely disclosure to the client of any financial interest which the member or the member's firm may have in any assignment undertaken for that client or its outcome.

INDEPENDENCE

12. For a member in a particular situation to describe the advice offered as independent the member must be free, and must be seen to be free, of any influence which might affect the advice or limit its scope.

FORMULATION OF ADVICE

13. The implications of any advice which is given must be explained in suitable terms. A member should include in any report or certificate, information appropriate to the circumstances as to its scope and terms of reference, the assumptions made and the methods and data which were used. Whilst a member is expected to use best judgement in formulating advice, the member is also

expected to comply with any Professional Standards and also to pay proper regard to any other relevant guidance notes.

14. Many problems submitted to members require considerable experience for their solution. A member with insufficient relevant experience should not act except in co-operation with, or with the guidance of, an experienced actuary.
15. A client has the indisputable right to choose or to change professional advisers, or to take a second opinion, or to retain separate advisers on different matters. The purpose of a new appointment, however, may be in conflict with the interests of those persons or organisations who rely on the advice. Accordingly, a member who is invited to advise a client for whom there are grounds for supposing that another member is already acting in the same matter or has recently done so should inform that other member of the invitation. The other member must then advise whether there are any professional reasons why the invitation ought not to be accepted or any particular considerations which should be borne in mind before proceeding.

RELATIONS WITH OTHER ACTUARIES AND PUBLICITY

16. A member should recognise that there is room for differences of opinion in relation to actuarial advice and must avoid any action which would unfairly injure the professional reputation of any other member. However, this is not intended to prevent criticism to the client of another member's work for that client where this is properly reasoned and felt to be justified.
17. Any form of publicity which might give a member undue or unfair professional advantage or which is likely to detract from the standing of the profession is not permitted. A member must be in a position to substantiate in an objective manner any content of any publicity for professional services including publicity by others on the member's behalf. This applies particularly where the publicity could be taken as suggesting that for some reason it is preferable to obtain advice from the member rather than from other members.
18. A member must not use a title which is dependent on elective office in the Society unless acting in such a capacity on behalf of the Society.