

AMENDED AND RESTATED AGREEMENT ON JOINT DISCIPLINE

This Amended and Restated Agreement on Joint Discipline ("Agreement"), dated as of December 10, 2015, is entered into by and among the undersigned organizations (individually a "Party" and collectively the "Parties").

WHEREAS, the Parties are independent professional actuarial organizations, and wish to enhance the efficiency of disciplinary proceedings relating to their respective members;

WHEREAS, the Parties agree that it is in the best interests of their respective members to establish a joint disciplinary process to which members who are the subjects of recommendations for discipline may avail themselves and which is aimed at reducing the potential number of proceedings to which any member of a Party could be subject; and

WHEREAS, to serve those goals the Parties entered into that certain Agreement on Joint Discipline dated November 17, 2012 (the "Original Agreement");

WHEREAS, the Parties wish to amend and replace the Original Agreement with this Agreement;

NOW, THEREFORE, the Parties, in consideration of the promises and covenants contained herein, do hereby agree as follows:

- 1. Joint Discipline Council.** The Presidents and Presidents-Elect of the Parties shall make up the Joint Discipline Council ("Council"), and shall have the rights and duties set forth in this Agreement. The Council shall select a chairperson pursuant to procedures established by the Council and in accordance with the bylaws ("JDC Bylaws") of the corporation created by the Parties to implement the terms and conditions of this Agreement. Unless otherwise provided herein or in the JDC Bylaws, decisions of the Council require a majority vote, with at least one representative from each Party voting with the majority.
- 2. Disciplinary and Appeal Panel Member Pool.** The Council shall establish and oversee a pool of potential members of hearing and appeals panels ("Pool") from the Parties. Individuals shall be appointed to the Pool in accordance with procedures established by the Council, and the respective bylaws, rules and policies of the Parties.
- 3. Consideration of Disciplinary Action.**
 - A. If the Actuarial Board for Counseling and Discipline (the "ABCD") or other appropriate body with authority under a cross-border agreement to investigate and make findings with respect to the conduct of actuaries (the ABCD or other appropriate body referred to hereinafter as a "Referring Body") issues a recommendation to discipline an actuary (the "Subject Actuary") who is a member of at least two (2) or more of the Parties, the Parties of which the Subject Actuary is a member will offer to the Subject Actuary the option of:

- (i) a single hearing before a panel (the "Hearing Panel") appointed as set forth in this Agreement and operating under the terms and conditions of this Agreement; or
- (ii) individual proceedings conducted separately through procedures established by each of the Parties of which the Subject Actuary is a member.

If the Subject Actuary elects a single hearing before a Hearing Panel, the Parties of which the Subject Actuary is a member will proceed in accordance with the terms of this Agreement. If a Referring Body issues a recommendation to discipline a Subject Actuary who is a member of only one (1) of the Parties, such Party shall proceed in accordance with its own individually established procedures for addressing such a recommendation, and this Agreement shall have no application to such proceeding.

- B. If a Subject Actuary who is a member of two (2) or more Parties elects a single hearing before a Hearing Panel under Section 3.A.(i), then a disciplinary proceeding shall commence upon such election. The Presidents and Presidents-Elect of the Parties of which the Subject Actuary is a member shall appoint a Hearing Panel, including a chairperson, to consider the recommendation. The Hearing Panel shall have a majority of members in each of the Parties of which the Subject Actuary is a member, unless the Presidents and Presidents-Elect of those Parties, in their sole discretion, determine that compliance with this requirement is not feasible.
- C. If the Subject Actuary elects to proceed before a Hearing Panel, the composition of the Hearing Panel shall meet the following requirements:
 - 1. The Hearing Panel shall consist of at least five (5) persons and shall be selected from the Pool pursuant to procedures established by the Council;
 - 2. At least one (1) Hearing Panel member shall be appointed by the Council representatives for each of the Party organizations of which the Subject Actuary is a member;
 - 3. Every Hearing Panel member shall be a member of at least one (1) of the Parties of which the Subject Actuary is a member, and the membership of the Hearing Panel as a whole shall have persons who are members of each of the Parties of which the Subject Actuary is a member. The Hearing Panel shall consist only of persons who are members of the Parties of which the Subject Actuary is a member. Nothing in this Agreement shall disqualify a person from serving on a Panel merely because he or she is a member of a Party of which the Subject Actuary is not a member, *provided that* such person is also a member of at least one (1) Party of which the Subject Actuary is a member.
 - 4. If the Presidents and Presidents-Elect of the Parties of which the Subject Actuary is a member determine that compliance with the requirements of this Section 3.C is not possible, then the case shall be referred back to each of the Parties of which the Subject Actuary is a member for disposition pursuant to their respective procedures.

- D. The Subject Actuary shall have the right to object to the participation of any member of the Hearing Panel, pursuant to procedures established by the Council. The Presidents and Presidents-Elect that appoint the Hearing Panel may, in their sole discretion, replace one or more members of the Hearing Panel in response to such an objection.
 - E. The Hearing Panel shall hold a hearing to consider the disciplinary recommendation of the Referring Body unless both the Subject Actuary and the Hearing Panel agree that such hearing need not be held. The Subject Actuary shall have the right to appear personally and with counsel (at the Subject Actuary's expense) at any hearing to explain the Subject Actuary's position concerning the recommendation of the Referring Body. The role of the Subject Actuary's counsel shall be limited to advising the Subject Actuary and articulating appropriate procedural objections; the role of the Hearing Panel's counsel shall be similarly limited.
 - F. If the Referring Body appointed an investigator to assist in reviewing the matter at issue, the Hearing Panel Chairperson may request that such investigator appear and present a report at the Hearing Panel hearing.
 - G. The Hearing Panel may dismiss the matter or recommend disciplinary action to each of the Parties of which the Subject Actuary is a member. For purposes of this Agreement, "disciplinary action" means either a private reprimand, public reprimand, suspension of membership, or expulsion. The Hearing Panel may also refer the matter to the Actuarial Board for Counseling and Discipline or other appropriate Referring Body to counsel the Subject Actuary, whether or not the Hearing Panel decides to recommend disciplinary action. Counseling alone shall not constitute disciplinary action.
 - H. A recommendation of disciplinary action requires an affirmative vote of a supermajority of the entire membership of the Hearing Panel. For purposes of this Agreement, a "supermajority" shall be defined as all or all but one of the members of the Hearing Panel. A decision to refer the Subject Actuary for counseling requires a simple majority vote of the entire membership of the Hearing Panel.
 - I. A decision by the Hearing Panel to recommend a private reprimand, public reprimand, suspension or expulsion of a Subject Actuary shall be transmitted to the Parties of which the Subject Actuary is a member thirty (30) days after the date of the recommendation if the Subject Actuary does not appeal the decision. If the Subject Actuary appeals the decision, the recommendation shall be referred to the Parties of which the Subject Actuary is a member as set forth in Section 4. A dismissal or recommendation of counseling without any disciplinary action shall be effective when the decision is rendered.
- 4. Appeals.** A Subject Actuary against whom a recommendation of private reprimand, public reprimand, suspension, or expulsion has been made shall be entitled to appeal such a decision. The Subject Actuary may appeal the recommendation of the Hearing Panel on the grounds of a material procedural error in the Hearing Panel proceedings, a material factual error by the Hearing Panel evident from the record of the proceedings, a material misconstruction or misapplication of the Code of Professional Conduct (the "Code") by the

Hearing Panel or the existence of new evidence that was not reasonably available during the Hearing Panel proceedings. The Council shall dismiss any appeal that is not based upon one of these grounds. Appeals shall be subject to the following:

- A. The notice of appeal shall be in writing, shall state the specific grounds for the appeal and must be submitted within thirty (30) days of the date on which the Hearing Panel recommends disciplinary action;
 - B. The Presidents and Presidents-Elect of the Parties of which the Subject Actuary is a member shall select an Appeal Panel from the Pool under the same procedures, meeting the same selection criteria, and subject to the same right of objection, all as set forth in Section 3 for Hearing Panels. No member of a Hearing Panel may serve on the Appeal Panel considering the same matter.
 - C. The Subject Actuary shall retain all rights and privileges of membership in the Parties of which he or she is a member during the pendency of the appeal.
 - D. The Subject Actuary may appear personally and with counsel (at the Subject Actuary's expense) before a hearing of the Appeal Panel to explain the Subject Actuary's position concerning the Hearing Panel's recommendation and the basis for appeal. The role of the Subject Actuary's counsel shall be limited to advising the Subject Actuary and articulating appropriate procedural objections; the role of the Appeal Panel's counsel shall be similarly limited. A hearing need not be held if both the Subject Actuary and the Appeal Panel agree that it not be held.
 - E. The scope of the Appeal Panel's review shall be limited to determining whether there was (i) a material procedural error in the Hearing Panel proceedings, (ii) a material factual error by the Hearing Panel evident from the record of the proceedings, (iii) a material misconstruction or misapplication of the Code or (iv) the existence of new evidence that was not reasonably available during the Hearing Panel proceedings. The recommendation of the Hearing Panel may be affirmed, reversed or vacated. Any decision reversing or vacating the recommendation of the Hearing Panel may be remanded to the Hearing Panel with instructions for further proceedings if in the opinion of the Appeal Panel such further proceedings are necessary. In the case of a remand, the matter shall be remanded to the Hearing Panel that previously considered the matter, unless the matter is remanded due to a procedural defect in the composition of the original Hearing Panel, in which case the matter shall be remanded to a new Hearing Panel convened by the Presidents and Presidents-Elect of the Parties of which the Subject Actuary is a member. An action of the Appeal Panel requires a simple majority vote of the entire membership of the Appeal Panel.
 - F. The decision of the Appeal Panel to affirm a Hearing Panel recommendation shall be effective on the date the appeal is decided and shall be promptly referred to the Parties of which the Subject Actuary is a member for disposition.
- 5. Referral to Party Organizations.** Any recommendation of disciplinary action against a Subject Actuary shall be referred to the Parties of which the Subject Actuary is a member for disposition. Each Party shall, in its own discretion, decide whether to impose the recommended disciplinary action, some other form of disciplinary action or no discipline against the Subject Actuary.

6. Confidentiality of Proceedings. Except as otherwise provided herein, or by waiver of the Subject Actuary, all proceedings under this Agreement shall be confidential. Situations in which confidentiality is breached shall be handled in accordance with procedures established by the Council. Notwithstanding the foregoing, information concerning the facts and recommendations of decided cases (redacted to omit the identity of the Subject Actuary in cases in which private or no discipline was imposed) shall be available to Hearing Panels or Appeal Panels in subsequent cases for the purpose of assisting in consideration of other matters pending before them. Such redacted case information may also be made available to members of the Parties for educational purposes.

7. Notifications.

A. Final recommendations of Hearing Panels and Appeal Panels shall be transmitted to the Parties of which the Subject Actuary is a member, the Referring Body and the Subject Actuary. Notifications shall include a summary of the facts involved, a summary of the findings as to the Code precepts found to have been materially violated, and the disciplinary action, if any, recommended.

B. After a Party of which the Subject Actuary is a member acts on any recommendation of disciplinary action, such Party may notify its members of all instances in which public discipline has been imposed on any one of its members. For purposes of this Agreement, "public discipline" means public reprimand, suspension or expulsion. The Party shall also give notice of such public discipline to the other Parties to this Agreement and to such other entities, such as government entities or news organizations, as it deems appropriate. If the case arises from a written complaint and public discipline has been imposed, the Party shall also notify the complainant. The notifications required under this Section 7.B shall occur within a reasonable period of time after the public discipline has taken effect.

C. If a Party reinstates a suspended or expelled member, the Party shall give notice of such action to all of its respective members and also to entities previously advised under this Agreement of the suspension or expulsion.

8. Procedures. The Council shall establish procedures not inconsistent with the provisions herein for implementation of this Agreement. Procedures or amendments thereto shall be effective upon approval of two-thirds of the members of the Council, including at least one (1) member from each Party. Each Party may expose the Procedures or any amendments thereto to its members for comment and may propose further procedural rules or amendments based on such comments, but the exposure of the Procedures or any amendments there by any Party to its members shall not delay the effectiveness of the Procedures or any amendment approved by the Council under this Section 8.

9. Implementation. The Parties have previously agreed on an appropriate legal structure, as well as funding, operational and administrative matters, to implement this Agreement. To that end, the Parties have formed a corporation to implement the Original Agreement and any amended version of the Original Agreement or any superseding agreements, including without limitation this Agreement. Unless otherwise set forth herein, nothing in

this Agreement amends, modifies or alters or is intended to modify or alter (a) the JDC Bylaws or (b) any funding, operation and administrative matters previously agreed to by the Parties.

- 10. Effective Date.** This Agreement shall be effective for cases in which a Referring Body recommends disciplinary action on or after December 10, 2015.
- 11. Amendments.** This Agreement may be amended only with the written consent of all the Parties. Any Party may propose an amendment to this Agreement pursuant to procedures established by the Council.
- 12. Withdrawal and Termination.** Any Party hereto may withdraw from this Agreement upon thirty (30) days written notice to the other Parties. The Party submitting the written notice of withdrawal shall cease to be a Party to this Agreement upon the day after submission of the written notice of withdrawal, *provided that* all cases relating to members of the withdrawing Party for which the Subject Actuary has made an election to proceed before a Hearing Panel on or before the date of the notice of withdrawal shall conclude under the terms of this Agreement. If any Party withdraws from this Agreement, this Agreement shall remain valid as to the other Parties. This Agreement shall terminate upon the agreement of the then-existing Parties thereto or automatically upon the withdrawal of all of the Parties from the Agreement.
- 13. Replacement of the Original Agreement.** This Agreement supersedes and replaces in all respects the Original Agreement, and the terms and conditions of the Original Agreement shall have no further force and effect for any case in which a recommendation of disciplinary action is issued by a Referring Body on or after December 10, 2015.
- 14. Execution in Counterparts.** This Agreement may be executed in any number of counterparts, and all counterparts so executed shall constitute one agreement, binding on all of the Parties, notwithstanding that all of the Parties are not signatory to the original or the same counterpart. This Agreement may be executed by facsimile, by signature on a counterpart that is scanned and sent by electronic mail or by any other mutually acceptable electronic transmission.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

AMERICAN ACADEMY OF ACTUARIES

ASPPA COLLEGE OF PENSION ACTUARIES

Mary D Miller
Name: MARY D Miller
Date: 11/10/2015

Name: _____
Date: _____

CASUALTY ACTUARY SOCIETY

CONFERENCE OF CONSULTING ACTUARIES

Stephen P Lowe
Name: STEPHEN P LOWE
Date: 12/10/2015

Name: _____
Date: _____

SOCIETY OF ACTUARIES

Craig W. Reynolds
Name: Craig W. Reynolds
Date: 12/10/2015

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

AMERICAN ACADEMY OF ACTUARIES

ASPPA COLLEGE OF PENSION
ACTUARIES

By Ka Smith

Name: _____

Name: *Karen Smith*

Date: _____

Date: *February 11, 2016*

CASUALTY ACTUARY SOCIETY

CONFERENCE OF CONSULTING
ACTUARIES

Name: _____

Name: _____

Date: _____

Date: _____

SOCIETY OF ACTUARIES

Name: _____

Date: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

AMERICAN ACADEMY OF ACTUARIES

ASPPA COLLEGE OF PENSION
ACTUARIES

Mary D Miller

Name: Mary D Miller

Date: 11/10/2015

Name: _____

Date: _____

CASUALTY ACTUARY SOCIETY

CONFERENCE OF CONSULTING
ACTUARIES

Name: _____

Date: _____

Donald J. Segal

Name: Donald J. Segal

Date: 2/15/16

SOCIETY OF ACTUARIES

Name: _____

Date: _____