

How Do You Define

Let me count the ways

By Brian A. P. Fitzgerald

pro-fes-sion

A vocation, a calling, especially one requiring advanced knowledge or training in some branch of learning or science

pro-fes-sion-al

Having or showing the skill of a professional person, competent

● **pro-fes-sion-al-ism**

The body of qualities characteristic of a profession or professional

WHAT IS PROFESSIONALISM?

My favorite dictionary says it's the body of qualities characteristic of a profession or professional.

OK, so let me check the definition of *profession*. Because I'm looking at the *Shorter Oxford Dictionary* (which runs to more than 3,700 pages), there are several definitions. But the one that appears to be most relevant is "a vocation, a calling, especially one requiring advanced knowledge or training in some branch of learning or science."

And what about the definition of professional? The dictionary says "having or showing the skill of a professional person, competent . . ." This all seems a little bit circular, but the words that stand out are "competence," "skill," "advanced knowledge," "training," and "science."

Some 15 years ago, the Hon. Willard Estey, justice of the Supreme Court of Canada, in a speech delivered to an audience of actuaries, gave his definition of professionalism.

First, he said, a profession must be associated with a skilled intellectual technique. Second, a profession must have a code of conduct or ethics with a formalized mode of enforcement upon its membership. His third requirement—and he characterized this as the most important—there must be a commitment by each and every member of the professional community toward the greater community interest.

Professionalism?



The Canadian Institute of Actuaries puts the public interest first, and puts it in writing.

Justice Estey had previously headed a Royal Commission into two bank failures in Canada. The Canadian Parliament's Finance Committee, in its own investigation, concluded that key members of management, the boards, and the professional advisers to the companies knew in advance of the troubles that led to the impending failures but did not take appropriate action. Does this sound familiar? In his report on the failure of the Equitable in the United Kingdom more recently, Lord Penrose accused the professionals of similar inaction.

Shortly after the Estey address, the Canadian Institute of Actuaries (CIA) set up a task force on the future of the profession in Canada. The very first recommendation of the task force was that the Institute should adopt a new statement of purpose that would give precedence to service in the public interest over the self-interest of the member.

The report of the task force said that the strength of the profession in Canada was that it served both the public and its own members.

To the dictionary's requirement of competence, skill, and advanced knowledge, Justice Estey had added a code of conduct, a discipline system, and a duty to the public.

Whether he knew it or not, he was echoing the words of Roscoe Pound, dean of Harvard Law School from 1916 to 1936. Dean Pound, who has been described as one of the law's greatest educators, said that there are three ideas involved in a profession: organization, learning, and a spirit of public service.

The report of the task force said that the strength of the profession in Canada was that it served both the public and its own members. However, it pointed out, there are times and issues when these two responsibilities can be in conflict. The report concluded that it was time to restate our mission and give unequivocal precedence to the public interface role.

This principle was quickly endorsed by the leadership of the Institute, and a second task force was set up to implement the recommendations of the first one. A member of this new task force explained its position at an Institute meeting. He started by pointing out that, under insurance and pension legislation in Canada, government had chosen to rely on the work of our members. The insurance legislation states that an appointed

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trade association

Individuals and companies in a specific business or industry organized to promote common interests

actuary shall prepare the annual statements of the company in accordance with the principles and practices of the Canadian Institute of Actuaries.

Other professions, in particular accountants, routinely rely on our reports. Employers and clients rely on the quality of our advice, and the courts rely on us for expert testimony and knowledge. Insurance policyholders rely on us.

We have not arrived at this status by chance. We have gone out and sought these arrangements. In return for this trust, we are expected to discharge our responsibilities professionally. We must deliver on our promises—explicit and implicit.

The Insurance Companies Act requires that the appointed actuary shall: “report a matter to the regulator, if the actuary believes the matter will have a ... material adverse effect on the financial condition of the company... [and] suitable action is not being taken to rectify the matter ...” The act makes the appointed actuary the legal guardian of the public interest. That Parliament should legislate such a role was no mean testimony to the high regard in which the profession was held.

Pension plans in Canada are subject to provincial legislation, with the exception of a small but significant number of plans that are regulated by the federal government. Every single one of the 11 acts provides that actuarial reports for defined benefit plans must be prepared by a fellow of the Canadian Institute of Actuaries, as does the Income Tax Act, which requires filings to support claims for tax deductions.

Initially there was debate among the membership as to whether the recommendation of the task force should be adopted. A number of questions were asked: What do we mean by the public interest? Who is the public we're talking about? In the case of a pension plan valuation, is it the client? Is it the plan members? Is it the government pension regulator? Or is it the 30 million Canadians who populate our country? Is there really a need to distinguish between the interests of the profession and interests of the public?

In response, another question was posed: Would we claim that the interest of the membership came before that of the public? For obvious reasons, this position wasn't supported. The choice remaining was to be silent or to make an unequivocal statement affirming the primacy of the public duty. The membership chose the latter route.

The Canadian Institute of Actuaries has a Statement of Purpose that addresses all of Judge Estey's requirements. The state-

ment opens with the assertion that it is dedicated to *servicing the public* through the provision by the profession of actuarial services and advice of the highest quality.

To achieve this, the statement continues, the Institute sponsors programs for the education and qualification of members and prospective members.

It also maintains programs to ensure that actuarial services provided by its members meet accepted professional standards. It does this through the Rules of Professional Conduct and the discipline process. The discipline process, administered by the Committee on Professional Conduct (the Canadian equivalent of the Actuarial Board for Counseling and Discipline in the United States), investigates all complaints about the work of actuaries in Canada. Having spent five years serving on that committee, I can confirm that it takes its work very seriously.

The Institute returns to the subject of public duty in its Guiding Principles document, which says: “In carrying on its activities and programs, *the Institute holds the duty of the profession to the public above the needs of the profession and its members.*”

And just in case we weren't certain on this point, Rule No. 1 of the Institute's Rules of Professional Conduct says that a member shall act honestly, with integrity and competence, *and in a manner to fulfill the profession's responsibility to the public.*

Justice Estey concluded his address to the actuarial profession with the following words:

“The principal challenge arises, in my view, because of the high expectations of the modern public of professional integrity, and secondly that the highest first, last, and almost always the paramount consideration in a profession is the component of public interest over and above self-interest. The promotion of the public interest through one's profession is not an overnight task. It must be a long-standing, deeply embedded operating principle of this and any other profession.”

Whether we choose to take an explicit position on public duty or not, there's little doubt about what the public expects of us as a profession. Essentially it's how we distinguish ourselves from trade associations.

The Canadian Institute of Actuaries chose some time ago to make its position explicit. This position is reinforced in all the professionalism courses the Institute teaches to its members.

My next task is to write to the editors of my favorite dictionary about their definition.

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