

Discipline Report

Suspension of Donald Gould

The Discipline Committee Panel of the Casualty Actuarial Society (CAS), acting in accordance with the CAS Bylaws and with consideration of the findings from the Actuarial Board for Counseling and Discipline (ABCD), hereby suspends Donald E. Gould, ACAS, from membership for a period of two years from August 26, 2012–August 25, 2014 for materially failing to comply with Precepts 1, 3 and 4 of the Code of Professional Conduct.

Mr. Gould materially violated Precept 1 in connection with his preparation of July 2008 and August 2009 IBNR Reserves reports by failing to use appropriate actuarial methodology, failing to use appropriate tests for reasonableness, failing to document his work appropriately, failing to state relevant

actuarial assumptions, failing to disclose the limitations of his analysis, and otherwise failing to exercise appropriate skill and care.

Mr. Gould materially violated Precepts 3 and 4, with regard to the same reports, by failing to appropriately identify data, assumptions and methods used in his reports in a manner sufficient for another actuary qualified in the same practice area to objectively appraise the reasonableness of the reports; failing to identify the purpose or use of IBNR estimates; failing to identify the measure of his selected estimates; failing to understand the nature of unpaid claim estimates; failing to use and document methodology for estimating unpaid claims that was appropriate to the circumstances; and failing to assess the reasonableness of the unpaid claim estimates. 