



Hrvatsko aktuarsko društvo  
Miramarska 28, Zagreb

*/Croatian Actuarial Association  
Miramarska 73, Zagreb/*

**CODE OF CONDUCT  
of the Croatian Actuarial Association  
(STANDARDS OF PROFESSIONAL CONDUCT)**

Zagreb, 9<sup>th</sup> June 2008.

The Code of Conduct of the Croatian Actuarial Association was adopted by the General Meeting of the Croatian Actuarial Association at the session held on the 9th June 2008.

**CODE OF CONDUCT**  
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**1. DEFINITIONS**

In this Code of Conduct:

"**CAA**" is the abbreviated name of the Croatian Actuarial Association;

"**Member**" means a regular, associate or honorary member of the Croatian Actuarial Association;

"**Actuary**" means a regular member of the Croatian Actuarial Association;

"**Licensed Actuary**" means a person who has been granted an authorisation for performing actuary's work.

"**Client**" means a legal entity or private person who seeks actuarial advice from the actuary or from the company that actuary works for.

"**Employer**" means a company of which the member is owner or in which he or she is a director or employee;

"**Actuarial advice**" means professional results and opinions provided by the actuary in writing including additional explanations and comments subsequently provided orally.

"**the Code**" means Code of Conduct of the Croatian Actuarial Association (standards of professional conduct).

"**Guidelines**" means laws, regulations, statutes and other bylaws of legislative or institutional bodies of the Republic of Croatia which relate to actuaries or actuarial profession, i.e. standards of the Actuary's practice that CAA issued or accepted from other actuarial associations.

**2. GENERAL PROVISIONS**

2.1 The purpose of this Code is to prescribe the basic professional and ethical standards which must be observed by all members of the Croatian Actuarial Association in order to establish a

code of behaviour, thereby upholding their personal reputation and the reputation of the actuarial profession, as well as educating young colleagues.

- 2.2 Members shall also adhere to other detailed instructions, procedures and standards of conduct that are provided for by other bylaws of the Croatian Actuarial Association.
- 2.3 The Code and other bylaws cannot contain all standards of conduct. In the situations that are not regulated by the bylaws, the member shall act in a faithful manner and in accordance with the highest standards of conduct.
- 2.4 The provisions of the Code which relate to the actuary apply correspondingly to other members of the Croatian Actuarial Association and to the Licensed Actuaries as well.

### **3. STANDARDS OF PROFESSIONAL CONDUCT**

#### *Endeavour to protect the public interest*

- 3.1 The actuarial profession is obligated to act in the interest of the public. To that effect the Croatian Actuarial Association is obligated to contribute to the protection of the public interest and improvement of the activities in the public interest and every member should act in a manner to satisfy professional responsibility towards public interest.

#### *Contribute to upholding the reputation of the actuarial profession in designing high-quality products*

- 3.2 Each member shall adhere to the highest standards of conduct and promote them. When acting in his or her professional capacity the member shall act in such a way as to protect the reputation and dignity of the profession as the profession is judged by the reputation of each individual member.
- 3.3 When conducting his or her professional duties the actuary shall demonstrate integrity and competence, exercise due care and accept responsibility for his or her work and for meeting commitments to the client and the employer because beneficiaries of the actuarial services and the employer (including the colleagues within the company) must have absolute confidence in the competence, objectivity and integrity of the actuaries. For the purposes of this Code, such behaviour shall be deemed to be professionally responsible behaviour.
- 3.4 If the actuary is unable to complete work that he or she considers necessary in a desired way (because of missing data, lack of money or time etc.) he or she shall either refuse to accept work or state the restrictions subject to which the actuarial advice has been given.
- 3.5 If the actuary performs actuarial services in the area where there are no professional instructions or in the area where there is no actuarial know-how or experience, the actuary shall form his or her judgement in such a manner as to preserve the reputation of the actuarial profession.

#### *Conduct oneself in a friendly and cooperative manner*

- 3.6 Actuaries should promote mutual respect and appreciation.

3.7 The actuary shall perform his or her professional duties in a friendly manner and shall cooperate with his or her colleagues adhering to the same standards regardless of whether or not he or she cooperates with the actuaries in his or her own company or another company and regardless of whether or not his or her colleagues are actuaries or they practise another profession.

*Conduct oneself in a responsible manner and protect interests of the client and the employer.*

3.8 Members of the Management Board and directors have the right to rely on the actuarial advice in the matters for which actuarial advice is relevant. The actuary has a professional obligation in respect of such matters only if he or she has been informed and has agreed to the matter and timeframe in which his or her advice is expected.

3.9 The actuary shall take appropriate action on reasonably certain knowledge of a potential violation, on his or her part or on the part of another actuary, of this Code or other bylaws which relate to the actuarial work being performed. The actuaries concerned shall first endeavour to resolve the problem themselves and in the case of failure they shall inform the Board of the Croatian Actuarial Association thereof.

3.10 The professional commitment of the actuary is his or her personal commitment.

3.11 The actuary shall exercise professional responsibility toward the client and the employer. In particular, the actuary shall not disclose any information considered as business secret received from the client or employer without their prior approval, except where this is required by a statutory public authority or judicial body or if it is for the purpose of the disciplinary proceedings defined in the Guidelines for Disciplinary Proceedings of the Croatian Actuarial Association and in accordance to law.

3.12 The actuary shall treat any information and data received from the client and employer as professional, business and official secret unless the aforementioned is not available in public.

3.13 The actuary shall without delay produce to the client written and timely evidence of any source of income or material compensation from any other source relating to any service on the behalf of the client.

*Act in a responsible manner and protect the client's interests*

3.14 Many tasks performed by the actuary require extensive knowledge and experience in order to be done correctly. The actuary shall not give actuarial advice whether acting as individual or member of a multidisciplinary team if he or she does not feel as sufficiently competent or is in lack of experience for the area in which he or she is to act in his or her professional capacity, except in the case when he or she works under the direction of or in cooperation with an actuary who has adequate knowledge and experience or if the client or the employer is in unfavourable position of not getting required advice. Adequate knowledge and experience means knowledge of modern actuarial methodology, legal and regulatory framework, and the professional standards of the actuarial practice in the Republic of Croatia.

- 3.15 The actuary shall be responsible for complying with applicable practical standards in his or her work, that is, he or she must take into account all relevant guidelines issued or accepted by the Croatian Actuarial Association which are binding for the members or guidelines which are prescribed by competent bodies of the Republic of Croatia and which relate to actuaries or actuarial profession. Actuary can take into consideration non-binding guidelines that Croatian Actuary Association issued or accepted.
- 3.16 The actuary must consider the implications of the actuarial advice in the client's or employer's relations with third parties.
- 3.17 If the actuarial advice does not include implications that relate to third parties, this fact must be explicitly noted.
- 3.18 The actuary cannot limit his or her liability by using an excuse that he or she acted by order of a third party, in particular the client or employer.
- 3.19 An actuary must know the current requirements of the applicable Code of Conduct.
- 3.20 If a member violates the principles of the Code or breaches any provision of the Articles of Association of the Croatian Actuarial Association and/or other relevant standards of conduct or ethical principles, disciplinary proceedings shall be initiated against him or her in the manner defined by the Guidelines for Disciplinary Proceedings of the Croatian Actuarial Association.
- 3.21 The actuary against whom disciplinary proceedings have been initiated has the right to appeal within the framework of the Guidelines for Disciplinary Proceedings of the Croatian Actuarial Association and must comply with any ruling or decision under the appeal that has been lodged.

*Build personality in a positive manner*

- 3.22 The actuary shall endeavour at all times to acquire new professional and ethical knowledge.
- 3.23 The actuary shall not let biases prevent him or her from objective consideration of facts and attitude-taking.

**4. STANDARDS FOR ACTUARIAL ADVICE**

- 4.1 An actuarial advice to a client or employer, which shall be in writing and include actuarial recommendations, must contain sufficient information, relevant facts and results to enable the client or the employer to form a judgement on appropriateness of the recommendations and consequences of their application.
- 4.2 The actuary must explain the implications of the actuarial advice he or she has given in an appropriate and comprehensible manner.

- 4.3 The actuarial advice in writing must contain relevant information about the circumstances in which the advice is offered, the scope of the advice, methodology and assumptions used in giving the advice.
- 4.4 The actuarial advice that contains a recommendation to the client must include:
- the name of the client
  - the name and qualification of the actuary
  - the name of the employer
  - the capacity in which the actuary acts
- 4.5 In communicating his or her professional advices the actuary must clearly show that he or she is responsible for the advice. Actuary should specify to which extent he or she or other source is at the client's or employer's disposal for additional information and clarification concerning the scope, methods and used data.
- 4.6 The actuary must re-examine accuracy of used data or state why he or she cannot use certain data. The actuarial advice must include explanation or qualification should the actuary have any reservation as to reliability of the data.

## **5. PROCEDURE IN CASE OF CONFLICT OF INTEREST**

- 5.1 The advice given by the actuary to the client or employer should not be affected by interests of any person. The actuary must act for the benefit of the client or employer and in so doing the actuary shall take care about the client's or employer's professional and legal responsibility to third parties.
- 5.2 Where a conflict of interest exists or could arise between the actuary and the client, the actuary must assess the circumstances and whether it is appropriate in given circumstances to provide services for the client.
- 5.3 The actuary shall not provide services that include the existing or potential conflict of interest except where the actuary's ability to act honestly is not reduced by that and if the existing or potential conflict of interest has been fully made known.

## **6. APPOINTMENT OF NEW ADVISOR**

- 6.1 When the actuary is requested to take over the assignments that have been previously carried out by another actuary, he or she will consider whether or not it is appropriate to consult with his or her predecessor before accepting the business offer so as to make sure that it is appropriate for him or her to take over this new responsibility.

## **7. PUBLIC RELATIONS**

- 7.1 The actuary must avoid publicity which could cause an inappropriate or unfair professional advantage that cannot be substantiated or that can be misleading.