

Notice of Public Discipline

Effective Date September 26, 2022

A Disciplinary Panel of the American Society of Enrolled Actuaries (ASEA), acting in accordance with the Disciplinary Procedures for Actuarial Members of the American Retirement Association, reviewed the findings and a recommendation by the Actuarial Board of Counseling and Discipline (ABCD) regarding Theodore F. Andersen, MSEA, MAAA, EA. Also in accordance with the Disciplinary Procedures, the Panel conducted a hearing regarding the matter.

Based on a decision of the Disciplinary Panel, the ASEA suspends Mr. Andersen from membership for a period of five (5) years beginning September 26, 2022, for violating Precepts 1 and 3 of the Code of Professional Conduct in connection with work he performed concerning a retirement plan. At the conclusion of such five-year period, provided Mr. Andersen meets the criteria for membership, he may apply again.

Precept 1 provides that an Actuary shall act honestly, with integrity and competence, and in a manner to fulfill the profession's responsibility to the public and to uphold the reputation of the actuarial profession. Annotation 1-1 states that an Actuary shall perform Actuarial Services with skill and care. The Disciplinary Panel concluded that Mr. Andersen materially violated Precept 1 with respect to work for the retirement plan in question in the following respects. Significant errors were made in the performance of actuarial services including:

1. The calculation of accrued benefits;
2. The selection of appropriate actuarial assumptions for use in plan valuations (due to a difference between the plan year in the document and the plan year used in the valuations),
3. The performance of non-discrimination testing; and
4. The completion of Schedules SB of Form 5500.

Precept 3 provides that an Actuary shall ensure that Actuarial Services performed by or under the direction of the Actuary satisfy applicable standards of practice. The Panel determined that there was a material violation of Precept 3. Assorted errors made by Mr. Anderson's staff under his supervision were not sufficiently reviewed.

Under Precept 4, an Actuary who issues an actuarial communication shall take appropriate steps to ensure that the communication is clear and appropriate to the circumstances and its intended



audience and satisfies applicable standards of practice. The Panel determined there was not a material violation of Precept 4.

Based on the foregoing, the Panel determined that a suspension from membership for five (5) years beginning September 26, 2022, is appropriate considering the finding that Mr. Andersen violated precepts 1 and 3 of the Code of Professional Conduct. At the conclusion of such five-year period, provided Mr. Andersen meets the criteria for membership, he may apply again.

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For more information, please contact Allison Wielobob, Executive Director of ASEA, at 703-516-9300. For more information on the American Society of Enrolled Actuaries, please visit www.asppa.org/asea.