



Institute
and Faculty
of Actuaries

Adjudication Panel Meeting

13 August 2018

**Institute and Faculty of Actuaries, 7th Floor Holborn Gate,
326-330 High Holborn, London, WC1V 7PP**

Respondent: Christopher Robert Cyril Bowring FIA

Category: Fellow since 12 May 2011

ARN: 18980

Panel Members: Jules Griffiths (Chair/Lay member)
Andy Scott FFA (Actuary member)
Pamela Charlwood (Lay member)

Legal Adviser: Elaine Motion

Judicial Committees Secretary: Pauline Wharton

Allegations:

The allegations against the Respondent are:

1 From 9 November 2016 until 8 June 2018 Mr Christopher Robert Cyril Bowring acted as Chief Actuary to an insurance company without holding the relevant Practising Certificate; such failure and conduct constituting:

1. A breach of Bye-Law 40 of the Bye-Laws of the Institute and Faculty of Actuaries.
2. A breach of the requirement of paragraph 3.1 of Actuarial Professional Standard G1 (effective 1 January 2016).
3. A breach of the requirement of paragraph 1.1 of the Institute and Faculty of Actuaries' Practising Certificate Scheme (2016/17 and 2017/18).
4. A breach of Compliance principle 4 of the Actuaries' Code (version 2.0).

2 He failed to complete and pass the General Insurance Practice Module; such failure and conduct constituting:

1. A breach of paragraph 3.5 of the Practising Certificate Scheme: Transition Arrangements for Chief Actuary certificates received on or before 31 December 2018 (version 1.1: effective 1 July 2015).
2. A breach of Compliance principle 4 of the Actuaries' Code (version 2.0).

his actions, in all or any of the above, constituted Misconduct in terms of Rule 4.2 of the Disciplinary and Capacity for Membership Schemes of the Institute and Faculty of Actuaries (Effective 1 February 2018).

Panel's determination:

The Panel considered the Case Report and appendices submitted by the Case Manager and Investigation Actuary and the Respondent's completed Statement of Facts Form. The Panel also had sight of the Practising Certificates Schemes for 2016/2017 and 2017/2018, the Disciplinary and Capacity Schemes and the Actuaries' Code. The Panel determined that the Case Report disclosed a *prima facie* case of Misconduct.

The Panel accordingly invited the Respondent to accept that there had been Misconduct and the following sanctions:

- Reprimand; and
- £7,500 fine to be paid within 28 days of the Respondent's acceptance of the Panel's invitation

Background:

Mr Bowring became a Fellow of the IFoA on 12 May 2011. The FCA website identifies that from 27 July 2016 he held the controlled function of SIMF20 Chief Actuary at an insurance company. As a Chief Actuary he was required to have a Practising Certificate under paragraph 3.1 of Actuarial Professional Standard G1 (APS G1). He was granted the required certificate, valid from 10 November 2015 to 9 November 2016. Despite reminders from the IFoA he failed to apply to renew the Practising Certificate. The reminders also highlighted the need (under the Transition Arrangements for Chief Actuary certificate application received on or before 31 December 2018) to pass the General Insurance Practice Module before renewing a Practising Certificate.

During the last quarter of 2017, the IFoA carried out a review of the FCA Financial Services Register to ensure that the appropriate Practising Certificates were held by Chief Actuaries. During this review it came to the IFoA's attention that the Respondent did not have a Practising Certificate even though he was named as Chief Actuary to an insurance company. The IFoA's Head of Membership sent an email dated 3 January 2018 advising of the position and asking the Respondent to confirm whether he was acting as Chief Actuary. On 17 January 2018 Mr Bowring accepted that he had not renewed the certificate as required. On 29 March 2018, replying to further enquiries from the IFoA, he confirmed that

he continued to hold the role of Chief Actuary and accepted that he had not completed the required Practice Module; he said he realised he was in breach of the rules and described some personal difficulties he had had which partially explained why this had happened.

In subsequent correspondence he indicated that he hoped to pass the Practice Module by the end of June 2018 and after that would apply for the Practising Certificate. On 30 April 2018 the IFoA informed him that by continuing to hold the Chief Actuary role without applying for a Practising Certificate he was continuing to breach the requirements, and advised that he should temporarily step down from the Chief Actuary role. On 15 May 2018 he emailed "*I have talked to our general counsel about this but I still need to talk to my CEO...*". On 4 June 2018 his employer notified the FCA that he had been removed as Chief Actuary, giving the reason as "*internal movement of staff*".

Mr Bowring was invited to make any comments on the Case Report. He did not do so but completed the Statement of Facts Form in which he agreed all the facts in the Case Report.

Decision and Reasons on the Allegations:

Mr Bowring accepted that from 9 November 2016 until 8 June 2018 he acted as Chief Actuary to an insurance company without holding the relevant Practising Certificate.

The Panel had sight of Bye-Law 40 of the Bye-Laws of the Institute and Faculty of Actuaries which states "*The holding of certain actuarial roles or undertaking certain specified activities or kinds of activities may be limited to those members holding such Practising Certificates as may be specified and under such conditions and for such fees as may be prescribed in the Regulations.*"

The Panel also had sight of paragraph 3.1 of Actuarial Professional Standard G1 which states "*Members who are Chief Actuaries must hold either a Chief Actuary (non-life without Lloyd's) Practising Certificate or, for a Chief Actuary within the Society of Lloyd's or a Lloyd's managing agent, a Chief Actuary (non-life with Lloyd's) Practising Certificate.*"

The Panel had sight of the relevant Practising Certificate Schemes which in summary require an actuary who holds the role of Chief Actuary to also hold a Practising Certificate.

In addition, the Panel noted the Compliance principle 4 in the Actuaries' Code which states "*Members will comply with all relevant legal, regulatory and professional requirements...*"

The Panel agreed that by acting as Chief Actuary to an insurance company without holding the relevant Practising Certificate from 9 November 2016 until 8 June 2018 when he stepped down, Mr Bowring was in breach of the above requirements at the material time.

The Panel had sight of paragraph 3.5 of the Practising Certificate Scheme: Transition Arrangements for Chief Actuary certificates received on or before 31 December 2018 (version 1.1: effective 1 July 2015) which states *all Chief Actuary PC applications, initial or renewal, received on or after 1 January 2016 by members qualifying post 2005...will need to have passed the relevant Practice Module.*"

The Panel noted that Mr Bowring failed to complete and pass the General Insurance Practice Module. The Panel noted that Mr Bowring said he intended to enrol on this module, but there is no evidence that he did so.

In the circumstances, the Panel considered Mr Bowring's failure to hold a Practising Certificate and pass the General Insurance Practice Module to amount to a breach of Compliance principle 4 of the Actuaries' Code.

Decision and Reasons on Misconduct:

The Panel then considered whether there was a *prima facie* case that the Respondent's actions amounted to Misconduct.

For the purposes of the Disciplinary and Capacity for Membership Schemes, Misconduct is defined as any conduct by a Member, whether committed in the United Kingdom or elsewhere, in the course of carrying out professional duties or otherwise, constituting failure by that Member to comply with the standards of behaviour, integrity, competence or professional judgement which other Members or the public might reasonably expect of a Member having regard to the Bye-laws of the Institute and Faculty of Actuaries and/or to any code, standards, advice, guidance, memorandum or statement on professional conduct, practice or duties which may be given and published by the Institute and Faculty of Actuaries and/or, for so long as there is a relevant Memorandum of Understanding in force, by the

FRC (including by the former Board for Actuarial Standards) in terms thereof, and to all other relevant circumstances.

There was a clear requirement on Mr Bowring to annually apply to renew his Practising Certificate from 10 November 2016, including completing the Practice Module to demonstrate his competence. The requirement of having a Practising Certificate is important to protect the public interest, as the role of Chief Actuary is a reserved role and therefore any person carrying out this role must demonstrate that they are fit and proper and have the necessary skills and experience to do so. Mr Bowring should have been well aware of the requirement to hold a Practising Certificate. This matter only came to light as part of an IFoA review and even when brought to his attention, it took a number of months for the situation to be resolved by him standing down.

In the circumstances, the Panel was satisfied that Mr Bowring's failures amounted to a *prima facie* case that was sufficiently serious as to constitute Misconduct under the Disciplinary and Capacity for Membership Schemes.

Decision and Reasons on Sanction:

In reaching its decision, the Panel had regard to the Indicative Sanctions Guidance (August 2016). The exercise of its powers in the imposition of any sanction is a matter solely for the Panel to determine and it is not bound by the Indicative Sanctions Guidance.

The Panel was aware that the purpose of sanction is not to be punitive although it may have that effect. Rather, the purpose of sanction is to protect the public, maintain the reputation of the profession and declare and uphold proper standards of conduct and competence. The Panel is mindful that it should impose a sanction, or combination of sanctions necessary to achieve those objectives and in so doing it must balance the public interest with the Respondent's own interests.

The Panel first considered whether this was a case that warranted no sanction, but it was satisfied that the matters in the Case Report were too serious to impose no sanction. The Panel also considered that a period of education, training or supervised practice would not be appropriate given that Mr Bowring was no longer acting as Chief Actuary and it would not address the nature of the Misconduct.

The Panel considered that the appropriate sanctions in this case were a Reprimand and the maximum fine available to the Adjudication Panel of £7,500. In reaching its decision, the Panel considered the seriousness of the Misconduct as well as the aggravating and mitigating factors.

The Panel considered the following to be aggravating factors:

- Mr Bowring was an experienced actuary in a senior position, having become a Fellow in 2011;
- this matter only came to light as part of an IFoA review and even when brought to his attention, it took a number of months for the situation to be resolved by him standing down;
- limited evidence of insight or remorse.

The Panel considered the following to be a mitigating factor:

- an early stage of the investigation Mr Bowring described some personal reasons which partially explained his failure to apply to renew his Practising Certificate in November 2016; however, that did not cover the full period in question.

In determining the sanctions, the Panel had regard to the senior position and responsibilities of Mr Bowring's role as Chief Actuary. The Panel also had regard to the requirement for Mr Bowring to comply with professional standards which are designed to demonstrate appropriate skills and ability to undertake such a role. This is an important part of the privileged position of holding a reserved appointment as a member of a professional body. In addition, the Panel had regard to the need to maintain public confidence in the reputation of the profession. Mr Bowring's failures could have had a serious, adverse effect on the reputation of the profession.

For the reasons outlined above, the Panel felt that a Reprimand alone would not be a sufficient sanction. In considering the amount of fine to impose, the Panel had particular regard to Mr Bowring's failure to comply appropriately with the requirements of his responsibilities as Chief Actuary.

Publication:

Having taken account of the Disciplinary Board's Publication Guidance Policy (April 2018), the Panel determined that, if the Respondent accepted the findings of the Panel, this determination will be published and remain on the IFoA's website for a period of five years from the date of publication. A brief summary will also be published in the next available edition of *The Actuary* magazine.

That concludes this determination.

Date of Publication: 18 September 2018