



Immediate Release

****UPDATE: MR. SCHWARTZ SUCCESSFULLY COMPLETED A PROFESSIONALISM COURSE, AS PRESCRIBED BY THE DISCIPLINE COMMITTEE, ON APRIL 8, 2011.**

NEWS RELEASE

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American Academy of Actuaries Issues Discipline Notice

WASHINGTON – 28 Oct. 2010 – The American Academy of Actuaries announced that the following discipline action became effective on Oct. 25, 2010:

Disciplinary Notice

The Disciplinary Committee of the American Academy of Actuaries (Academy), acting in accordance with the Academy's bylaws and under recommendation from the Actuarial Board for Counseling and Discipline (ABCD), hereby reprimands Jonathan Schwartz for materially failing to comply with Precepts 1, 3 and 4 of the Code of Professional Conduct.

Mr. Schwartz prepared "fiscal notes" setting forth the cost of certain proposed state legislation relating to public pension benefits. The fiscal notes, which fall under the definition of actuarial communications as prescribed by the Code of Professional Conduct and Actuarial Standards of Practice, as prepared for clients and ultimately submitted to legislators, failed to identify the data, assumptions and other valuation elements upon which the notes were based, and also lacked sufficient information that would allow another pension actuary to opine on the reasonableness of the fiscal notes. These deficiencies constituted violations of applicable Actuarial Standards of Practice and Precepts 3 and 4 of the Code of Conduct. In addition, Mr. Schwartz reached an erroneous conclusion concerning the anticipated financial impact of one of the proposed bills and, after realizing his mistake, took no steps to correct the error. This reflected a failure to exercise an appropriate level of skill and care in violation of Precept 1.

Mr. Schwartz also made statements published in a newspaper suggesting that his actuarial work lacks a scientific basis, and that his conclusions are influenced by the desired outcomes of his clients. Such statements brought discredit upon the actuarial profession, and violated the obligation in Precept 1 to fulfill the actuarial profession's responsibility to the public and uphold the reputation of the profession.

(more)

2-2-2 – DISCIPLINE NOTICE

Based on the foregoing violations of the Code of Conduct, Mr. Schwartz is hereby reprimanded, and directed to take a professionalism course selected by the Academy within 6 months from the date of this announcement, or otherwise face suspension until such a course has been completed.

For more information, contact Andrew Simonelli, assistant director of communications for the American Academy of Actuaries, at 202.785.7872. For more information on the American Academy of Actuaries, please visit: www.actuary.org.

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The American Academy of Actuaries is a 17,000-member professional association whose mission is to serve the public on behalf of the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.