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Deloitte Insurance Week 2026

Professional Ethics for Actuaries

Understand and apply the fundamental principles codified within the Actuaries' Code to practical situations

Identify and appropriately respond (making use of an Ethical Decision-Making Framework) to Ethical dilemmas

12 May 2026



Meet our Presenters



Khushal Dhrochand

Assistant Manager
Actuarial & Insurance Solutions (AIS)
Deloitte Consulting Ltd.
Bermuda



Joseph Mwangi

Assistant Manager
Actuarial & Insurance Solutions (AIS)
Deloitte Consulting Ltd.
Bermuda



Eric Gitau

Assistant Manager
Actuarial & Insurance Solutions (AIS)
Deloitte Consulting Ltd.
Bermuda

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The Actuaries' Code

[Updated 25 September 2025]

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.”

— *Warren Buffett*



Code/Rules of Professional Conduct and The Actuaries' Code

Fundamental Principles



Canadian
Institute
of Actuaries



Institute
and Faculty
of Actuaries



The Actuaries' Code

Fundamental Principles



“Members must act honestly and with integrity.”

“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.”



The Actuaries' Code

Fundamental Principles

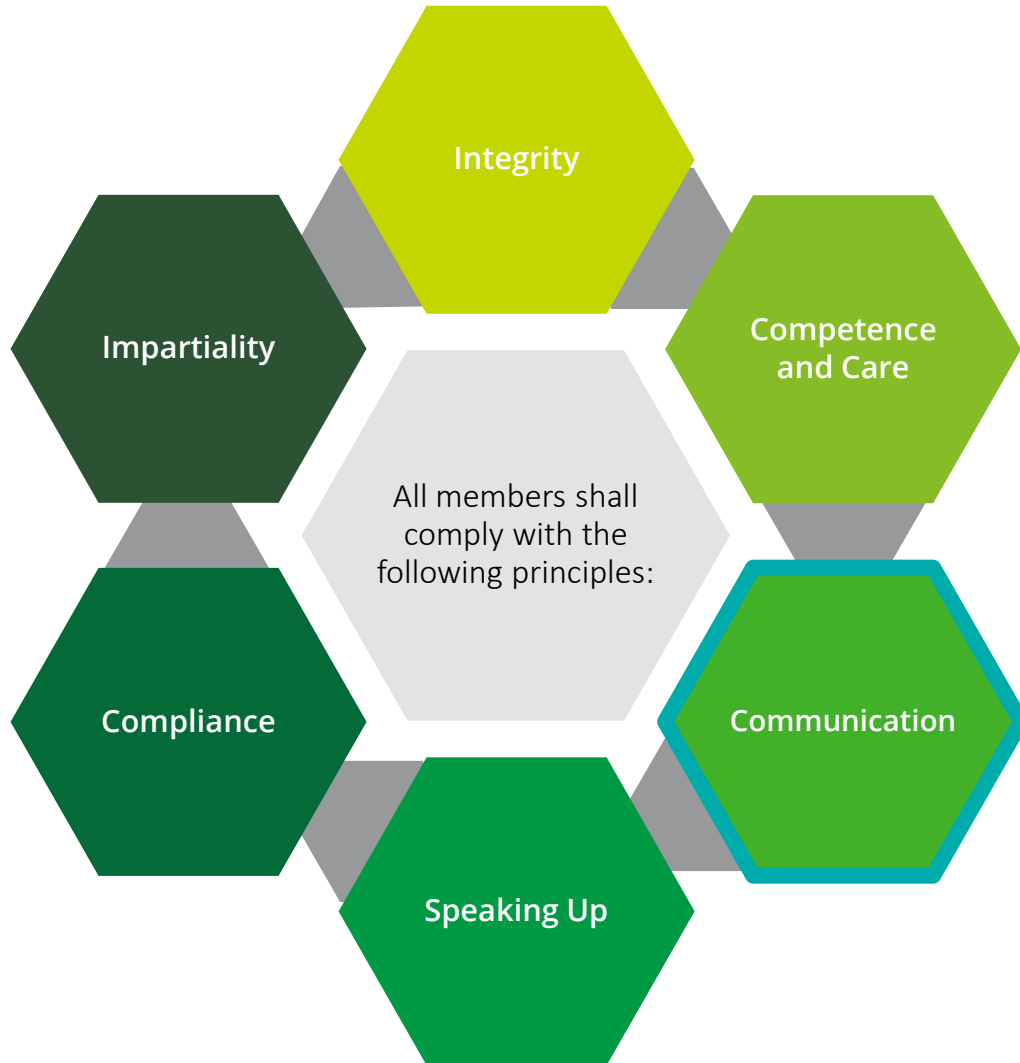


“Members **must** carry out work **competently and with care.**”

“An Actuary shall perform Actuarial Services with **skill and care.**”

The Actuaries' Code

Fundamental Principles

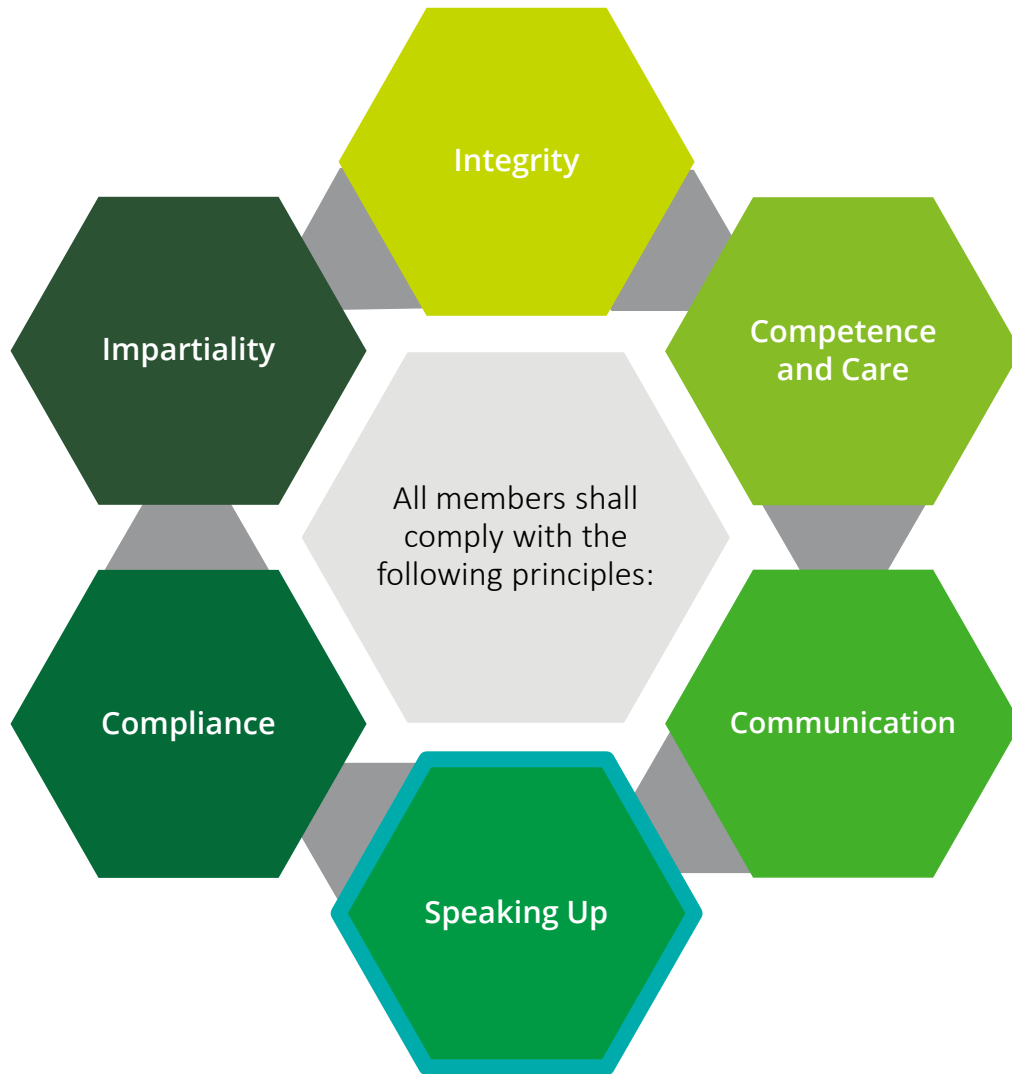


“Members **must communicate appropriately.**”

“An Actuary who issues an Actuarial Communication shall take appropriate steps to ensure that the Actuarial Communication is **clear and appropriate** to the circumstances and its intended audience and satisfies applicable standards of practice.”

The Actuaries' Code

Fundamental Principles

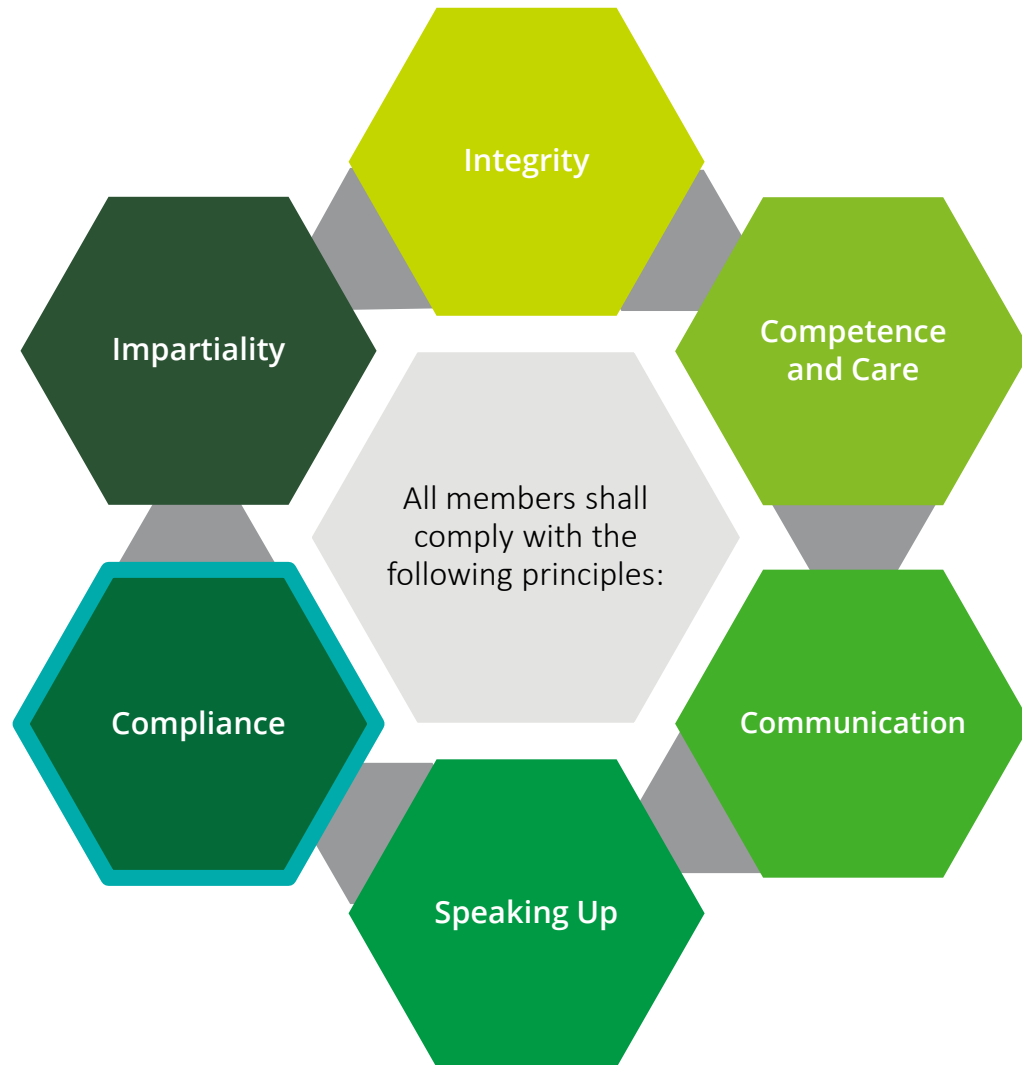


“Members should **green up** if they believe, or have reasonable cause to believe, that a course of action is **unethical or is unlawful**.”

“An Actuary with knowledge of an apparent, unresolved, material **violation of the Code** by another Actuary should consider discussing the situation with the other Actuary and attempt to **resolve the apparent violation**. If such discussion is not attempted or is not successful, the Actuary **shall disclose such violation to the appropriate counseling and discipline body of the profession**, except where the disclosure would be contrary to Law or would divulge Confidential Information.”

The Actuaries' Code

Fundamental Principles



“Members must comply with all relevant legal, regulatory and professional requirements.”

“An Actuary shall not provide Actuarial Services for any Principal if the Actuary has reason to believe that such services may be used to violate or evade the Law or in a manner that would be detrimental to the reputation of the actuarial profession.”

“An Actuary shall ensure that Actuarial Services performed by or under the direction of the Actuary satisfy applicable standards of practice.”

The Actuaries' Code

Fundamental Principles



“Members must ensure that their professional judgement is not compromised, and cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.”

“An Actuary shall not knowingly perform Actuarial Services involving an actual or potential conflict of interest unless:

- the Actuary’s ability to act fairly is unimpaired;
- there has been disclosure of the conflict to all present and known prospective Principals whose interests would be affected by the conflict; and
- all such Principals have expressly agreed to the performance of the Actuarial Services by the Actuary.

Refresher Quiz



Actuaries' Code Refresher Quiz

Question 1

How did the 2025 revisions expand the scope of Principle 5 (Speaking Up) compared with previous versions of the Actuaries' Code?

- A. By restricting speaking up to matters of legal non-compliance only
- B. By introducing a duty to speak up where others are treated unfairly or excluded unreasonably
- C. By transferring responsibility for speaking up to employers and firms
- D. By making speaking up optional rather than expected

Answer Codes

A

B

C

D

Actuaries' Code Refresher Quiz

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Answer Codes

A

B

C

D

Actuaries' Code Refresher Quiz

Question 2

What new requirement has been added to the Actuaries' Code in the most recent version?

- A. Members must disclose the use of artificial intelligence and automated tools in all actuarial communications
- B. Members must maintain formal written records of all professional judgements for regulatory inspection.
- C. Members must not subject others to bullying, victimization or harassment.
- D. Members must obtain independent peer review for all material actuarial advice to third parties.

Answer Codes

A

B

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Actuaries' Code Refresher Quiz

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Answer Codes

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Actuaries' Code Refresher Quiz

Question 3

An AI-based reserving model materially improves predictive accuracy but cannot be readily explained to senior management or auditors. Which is the most ethically defensible conclusion under the Actuaries' Code?

- A. Use is acceptable because improved accuracy outweighs lack of transparency
- B. Use is acceptable provided limitations are disclosed once results are final
- C. Use may be unethical if lack of explainability prevents appropriate communication and challenge
- D. Use is prohibited unless the AI model is fully open-source

Answer Codes

A

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Actuaries' Code Refresher Quiz

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Answer Codes

A

B

C

D

Actuaries' Code Refresher Quiz

Question 4

Which principle from the Code includes the following amplification:

'Members should challenge others on their non-compliance with relevant legal, regulatory and professional requirements.'?

- A. Integrity
- B. Speaking up
- C. Compliance
- D. Communication

Answer Codes

A

B

C

D



Actuaries' Code Refresher Quiz

Question 4

Which principle from the Code includes the following amplification:

'Members should challenge others on their non-compliance with relevant legal, regulatory and professional requirements.'?

- A. Integrity
- B. Speaking up**
- C. Compliance
- D. Communication

Answer Codes

A

B

C

D



Actuaries' Code Refresher Quiz

Question 5

How does the IFoA's Ethical and Professional Guidance on Data Science and Artificial Intelligence relate to the Actuaries' Code?

- A. It introduces AI-specific rules that override the principles of the Actuaries' Code.
- B. It provides practical examples and considerations to help Members apply the existing principles of the Actuaries' Code to data science and AI work
- C. It applies only to Members working within the UK geographic scope and replaces relevant Technical Actuarial Standards.
- D. It establishes enforceable disciplinary standards specific to artificial intelligence projects.

Answer Codes

A

B

C

D

Actuaries' Code Refresher Quiz

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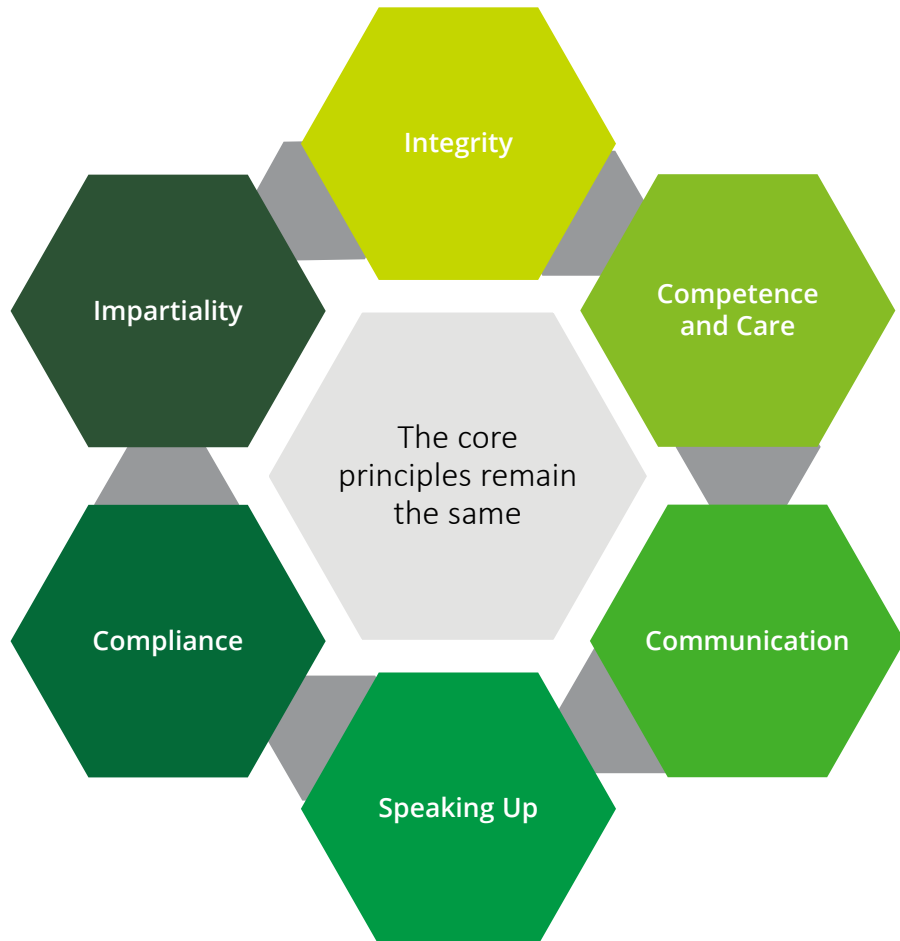
Updates to the code



Updates to the code

Code Update Overview

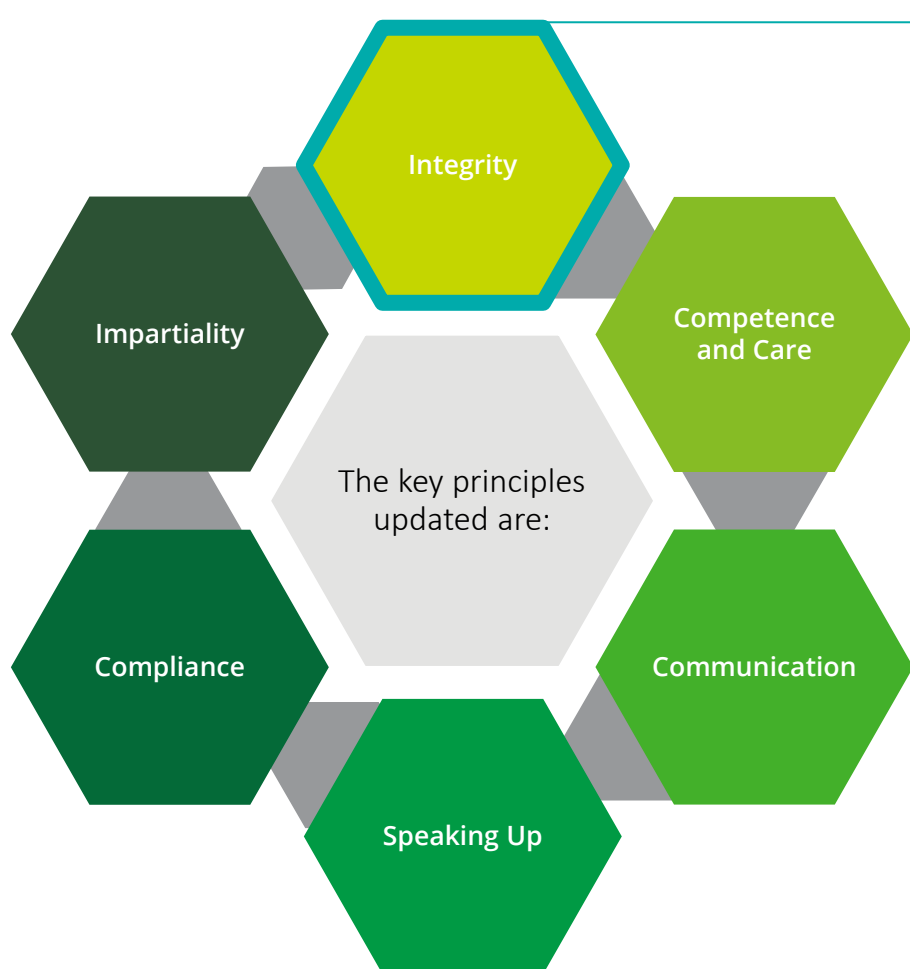
The updated Actuaries' Code became effective September 2025



Updates to the code

Code Update Overview

The updated Actuaries' Code became effective September 2025



The Principles

Integrity

- 1 *Members must act honestly and with integrity.*
- 1.1 Members must show respect for others in the way they conduct themselves.

The Principles

Integrity

- 1 *Members must act honestly and with integrity.*
- 1.1 Members must show respect for everyone.

The wording has been tightened from “others” to “everyone”, signalling that respectful behaviour is expected universally and not limited to formal professional relationships.

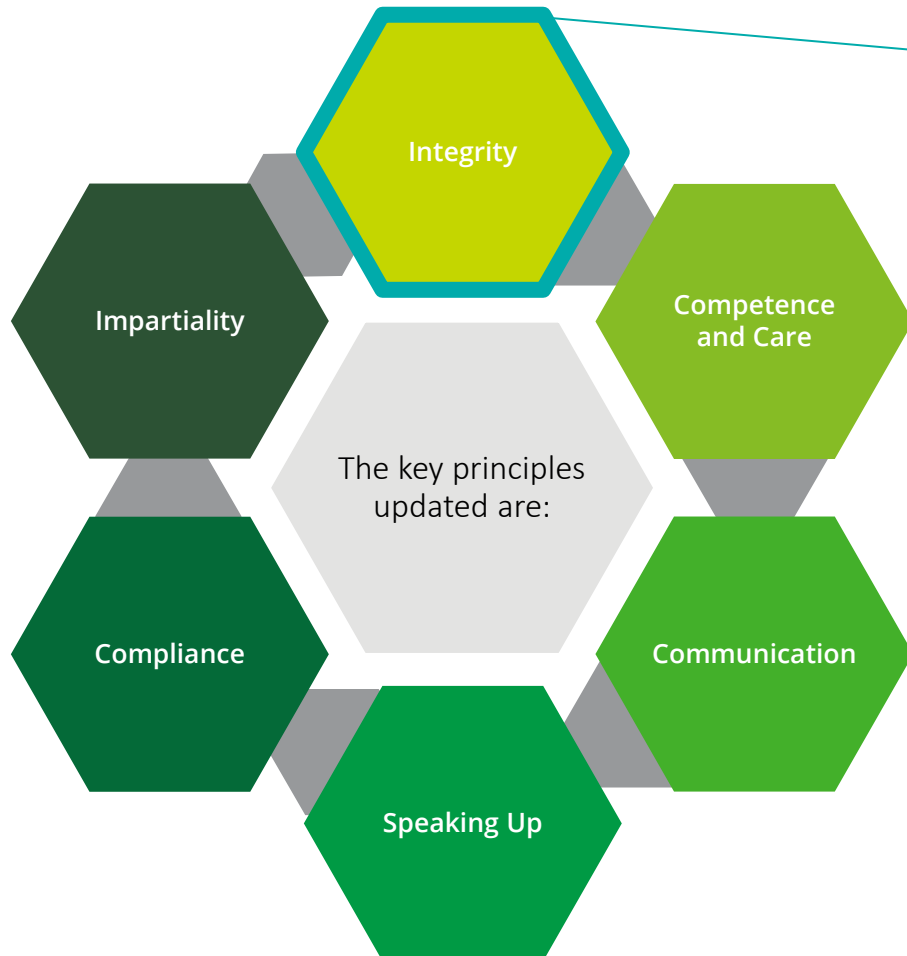
Further, it moves away from us vs them wording



Updates to the code

Code Update Overview

The updated Actuaries' Code became effective September 2025



The Principles

Integrity

- 1 *Members must act honestly and with integrity.*
- 1.1 Members must show respect for everyone.
- 1.2 Members must not subject others to bullying, victimisation or harassment.

The Code now explicitly prohibits bullying, victimisation, and harassment, making clear that such behaviours are incompatible with actuarial professionalism.



Updates to the code

Code Update Overview

The updated Actuaries' Code became effective September 2025



Speaking up

- 5 *Members should speak up if they believe, or have reasonable cause to believe, that a course of action is unethical or is unlawful.*
- 5.1 **Members should challenge others on their non-compliance with relevant legal, regulatory and professional requirements.**
- 5.2 **Members should speak up if they believe that others are being treated unfairly or excluded unreasonably.**

The Code now explicitly expects members to speak up where they see unfair treatment or unreasonable exclusion, signalling that fairness and inclusion are professional responsibilities.

“Should” requirement: This sets a clear expectation that members speak up about unfair treatment where they can, while recognising practical, legal, and personal constraints and allowing professional judgement in difficult situations

Case Study 1

Project Alaska



Case Study 1

Project Alaska

Brief synopsis

Can communication channels intended for one purpose be repurposed for another? A modern dilemma shaped by today's tech and work habits.

While on holiday, Senior Manager Rod casually responds via Teams/WhatsApp to a colleague's, Rachel, requests for information, giving casual off the cuff responses. Unbeknownst to him, Rachel treats these messages as reliable information leading to potentially serious business consequences.





Case Study Video (Project Alaska) available on the IFoA's Virtual Learning Environment website for members

Link: <https://vle.actuaries.org.uk/course/view.php?id=2502>

Case Study 1

Use of Social Media?

1. Is it acceptable to use informal channels for significant business decisions, and should there be boundaries around how messaging platforms are used for official work, especially during holidays?
2. What is the difference between stating something is ‘within your authority’ versus explicitly exercising that authority? Should Rachel have known that she was overstepping by acting on informal approval? Was the information passed to her informal?

Case Study 1

Use of Social Media?

3. Should Rod have responded at all while on holiday? And what are the risks of acting on partial information in a relaxed, non-work environment?
4. Who was ultimately responsible for the decision that led to the pricing error? Was it Rachel for acting on an ambiguous message or Rod for not being clearer when responding?

Case Study 2

Lying A.I.s



Case Study 2

The Lying A.I.s

Brief Synopsis

The year is 2026. 1-GEN is one of the top three general insurers in the UK and top 10 in the EU. Like all other GI companies, 1-GEN uses AI (Artificial Intelligence) systems to dynamically price and underwrite policy applications and employ optimization techniques to maximize profit within the allocated risk budget across policy lines.

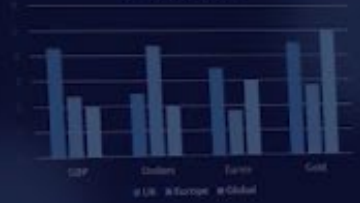
Simon, an experienced Actuary and Data Scientist, has been doing some tail risk analysis on the contents lines and has done a 'deep dive' into the data that drives the systems. He finds inconsistencies but it doesn't look like it's a glitch in the system, rather an issue in how the AI has been programmed to maximize profits. He raises his concerns with Veronique who is the statutory reporting actuary. Veronique wonders whether, given that it could be a company-wide or industry-wide issue, should she report it immediately or give herself more thinking time and raise it once she better understands the scale of the problem.

1-Gen Currently held assets

As a visionary company, 1-Gen stands as a formidable force in the market, fortified by a robust portfolio of financial assets. Boasting a diversified and dynamic investment strategy, 1-Gen's current financial assets reflect a judicious blend of stability and growth.

With a keen eye for emerging opportunities and a commitment to financial excellence, 1-Gen has positioned itself as a leader in navigating the ever-evolving landscape of economic trends.

Reserving Assets



Case Study Video (Lying AI's) available on the IFoA's Virtual Learning Environment website for members

Link: <https://vle.actuaries.org.uk/course/view.php?id=2127>

Case Study 2

How do we deal with use of AI?

1. What principles of the Actuaries' Code come into play?
2. Does AI add extra risks to the actuarial world?
3. How skeptical should actuaries be about AI?



Ethical Use of AI

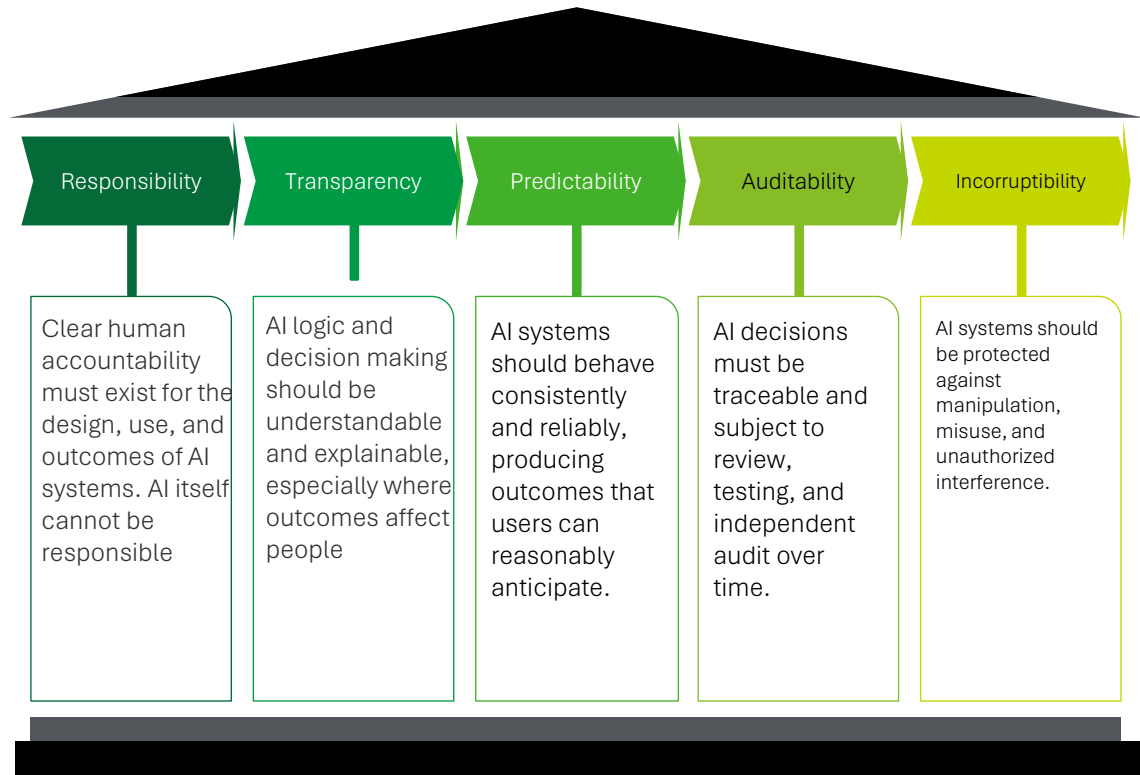
How do we respond as actuaries?



Ethical Use of AI

The Society of Actuaries (SOA) and IFoA have publications on Ethical Use of AI.

We note that the SOA publication is based on an individual author Contribution and do not represent the officiation position of the SOA. The author proposes a five-pillar system



This non-mandatory IFoA guidance does not impose new obligations. It provides practical support on how existing Actuaries' Code principles apply to Artificial Intelligence (AI).



Ethical Use of AI

AI must be used in a way that promotes ethical outcomes and the public interest.



Actuaries are expected to actively manage ethical risks arising from AI models, including the risk of unfair, discriminatory, or harmful outcomes.

This includes:

- Safeguarding sensitive data
- Ensuring appropriate consent for data use
- Clearly defining governance and accountability over AI systems.

Failure to challenge inappropriate or unethical use of AI may lead to significant societal harm and undermine trust in the profession.

Ethical Use of AI

AI systems should only be designed, used, or relied upon where the actuary has sufficient understanding and oversight.



Actuaries involved in AI work must ensure they have (or obtain) adequate knowledge of the models, data, and limitations involved, including risks specific to advanced AI techniques such as Generative AI and LLMs.

This includes understanding model behaviour, robustness, bias, security, and explainability, exercising professional judgement when relying on third-party AI tools, and ensuring appropriate review, validation, and risk mitigation.

Ethical Use of AI

AI methods and outputs must be communicated clearly, accurately, and in a way users can understand.



Given the complexity and opacity of many AI systems (including generative AI), actuaries must ensure AI-driven results, limitations, assumptions, and risks are explained clearly and are not misleading.

Particular care is required where AI outputs are not easily explainable, not fully reproducible, or are communicated to non-technical stakeholders such as management, customers, or regulators

Ethical Use of AI

Concerns about unethical, unsafe, or unlawful AI use must be escalated.



Actuaries should raise concerns where AI systems are being used in an unethical, unsafe, unreliable, or unlawful manner.

This includes situations where there is:

- insufficient transparency or explainability,
- weak governance or controls,
- excessive ethical or operational risk,
- inadequate human oversight, or
- concerns regarding fairness, security, bias, or model limitations.

Where AI outputs could materially influence decision making, customer outcomes, or the public, actuaries are expected to escalate concerns to the appropriate stakeholders and support responsible remediation.

Ethical Use of AI

Concerns about unethical, unsafe, or unlawful AI use must be escalated.



Actuaries must ensure AI applications comply with applicable laws and regulations, including data protection, consumer protection, cybersecurity, copyright, and AI-specific regulation (e.g. model governance and transparency requirements).

Compliance obligations may apply across jurisdictions, particularly where AI systems are developed or used remotely, and stakeholders' confidence depends on demonstrable regulatory compliance.

Examples include:

- Compliance with cyber security regulations.
- Compliance with local regulations could mean that certain types of data cannot be used for particular purposes

Ethical Use of AI

Concerns about unethical, unsafe, or unlawful AI use must be escalated.



AI models can unintentionally embed or amplify bias present in data or design choices. Actuaries must identify, understand, and transparently communicate known or potential biases in AI systems, ensure fairness is explicitly considered in model development and use, and take steps to mitigate unjustified or discriminatory outcomes.

Professional judgement must not be compromised by commercial pressure, automation bias, or undue influence from others.

Questions?





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