Case Studies in Actuarial Ethics

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1. **Purpose of Case Studies**
    - Real or hypothetical scenarios help actuaries practice applying ethical principles to messy, real-world situations.
2. **Example: Pressure to Understate Liabilities**
    - An actuary is asked by management to use overly optimistic mortality assumptions to reduce reported pension liabilities. Ethical duty requires resisting this and using best-estimate assumptions.
3. **Example: Conflict of Interest**
    - An actuary consulting for both an insurer and a reinsurer on the same deal must disclose the conflict and may need to decline one engagement.
4. **Example: Data Confidentiality**
    - An actuary discovers sensitive personal health data was not properly anonymized before analysis - a breach of confidentiality obligations that must be corrected and reported.
5. **Lessons from Case Studies**
    - Ethical breaches are rarely dramatic; they often start with small compromises under business pressure, which is why a habit of documenting and questioning assumptions matters.