

Minutes of Meeting #1–16
Actuarial Standards Oversight Council
Toronto, ON

April 13, 2016

Present: Bob Baldwin Winston Maharaj
 Michel Benoit Tricia O’Malley, Chair
 Phelim Boyle Peter Patterson
 John Carter Susan Philpott
 Ty Faulds, *ex officio* Jill Wagman, Vice-chair

Staff: Michel Simard, ex officio
 Leona Campbell, CIA staff

Guests: Rob Stapleford (*for items 6 and 7*)
 Karen Lockridge (*for item 6*)

Absent: John Ilkiw, Anne Kleffner

Tricia O’Malley, Chair of the Actuarial Standards Oversight Council (ASOC), welcomed the ASOC members, verified that a quorum was present, and called the meeting to order at 9:10 a.m.

Item 1–16.1 Welcome and Introductions

Tricia O’Malley welcomed John Carter to his first official meeting as a new member of the council.

Item 1–16.2 Approval of the Agenda

Motion 1-16.2

That the agenda be approved, as presented.

Carried

Item 1-16.3 Approval of the Minutes

Motion 1–16.3

That the minutes of the ASOC meeting held on December 12, 2015 be approved, as presented.

Carried

Item 1–16.4 Report from the ASOC Nominating Committee Chair

Jill Wagman, Chair of the ASOC Nominating Committee (NC), reported on the meeting held immediately before the ASOC meeting to discuss ASOC, NC, and Actuarial Standards Board (ASB) membership.

1. ASOC Membership

The NC is currently looking for a French candidate from the P&C area as well as a labour representative. Several names were provided to the NC including Raymond Leger who will be contacted by Bob Baldwin.

2. ASB Membership

The ASB would like to extend the term of Edward Gibson for an additional year. Ty also presented Mario Marchand as a potential candidate to the ASB.

Motion 1–16.4.1

That Edward Gibson have his term extended on the ASB for one additional year to June 30, 2017.

Carried

Motion 1–16.4.2

That Mario Marchand be appointed to the ASB, effective July 1, 2016, for a three-year term.

Carried

Item 1–16.5 Report from the ASB Chair

Ty Faulds provided an overview of his report with the following additional notes:

Use of Models: This continues to be one of the most controversial projects of the ASB.

ISAP2: ASOC expressed concern about the comment received with respect to the inability of actuaries to be able to opine on sustainability of a social security program. A qualified sustainability statement should be included with a disclosure on the assumptions on which it was based.

Calibration Criteria: There was an extensive discussion at the ASB meeting and a high level of support to make the guidance work for both pension and life groups and ensure consistency between the two areas. The ASB also discussed what “forward looking” means. The notice of intent (NOI) will likely go out before the June ASB meeting.

LICAT: There is some urgency to completing the review given the timing of the change, although changes should be minimal.

Terms of Reference (ToR): The ASB is reviewing and expects to have a final version to review at their June meeting. ASOC will create a working group to review the ASB ToR and propose changes to the ASOC ToR at the August meeting. In order to have these approved to come into effect January 2017, they need to be reviewed at the November CIA Board meeting. Susan volunteered to be part of the working group (WG).

It was suggested that the chart headings should align with the report in order to facilitate easier correlation. It would also be helpful to include the level of urgency, impact and importance for each project.

The list of stakeholder recipients of ASB documents (i.e., NOIs, EDs) was assessed. The list should be reviewed regularly to determine if new stakeholders should be added for circulation of specific documents. It should be compared to the list of invitees to the public meeting.

Action items:

- **Working group to be established once ASB ToR is finalized.**
- **Ty, Leona, and Michel to review stakeholder lists.**

Item 1–16.6 Guest Speaker

Karen Lockridge, Chair of the Climate Change and Sustainability Committee, presented on climate change and sustainability as an emerging practice area.

Item 1–16.7 Report from the CIA

Michel reported on the activities of the Board which included the following:

- Overview of the strategic goals of the CIA, specifically the key focus areas determined through a SWOT (strengths, weaknesses, opportunities, threats) analysis:
 - Core business and CIA governance model;
 - Review of operational activities by each committee and council to ensure efficiency;
 - Education
 - Review of the PEC and its content and future model;
 - Develop a big picture model and cost benefit analysis;
 - Develop and evolve with emerging practice areas; and
 - Influence public position.
- Bylaw changes:
 - Non-practicing to be added to designation for those not working as an actuary and not doing CPD—this change has been put on hold based on member feedback. A more comprehensive discussion will be initiated by a special task force formed to review further.
 - Criminal conviction declaration and required reporting (rule 11)—this will be voted on by membership at the June Annual Meeting.
 - Public pronouncement of opinion/public position statement (bylaw 1901)—Blue Ribbon Task Force to review the bylaws to ensure clarity.
- Volunteer Management and Development Committee formed.
- Publication of several public positions.
- Launch of new marketing/branding campaigns focusing on emerging practices and healthcare.

Item 1–16.8 Review of Joint Meeting with the ASB

There was very good interaction between the two groups. Winston suggested that next year ASOC should lead a section of the meeting. Strategy should not be main focus every year; it could be about emerging issues. The topic for next year will be discussed at the December meeting.

More time would have been beneficial to enable greater discussion. Materials should be distributed ahead of time and it should be assumed that it is read so that it is not necessary to rehash, and thus enable the ability to go straight to discussion.

Item 1–16.9 Public Meeting Survey

Some respondents noted that they would have liked to get a better update from the ASB and ASOC. It was suggested that a separate webcast could be created to discuss ASB priorities in more detail. Members have several avenues to learn about what ASB is doing but the public meeting also includes non-members who potentially would not receive the updates. A written annual report from ASOC should be published on the website. A longer networking time following the presentation would provide attendees time to speak with ASOC.

Item 1–16.10 2016 ASOC Action Chart

The ASOC and ASB Terms of Reference and operating due process procedures will be reviewed simultaneously at the August meeting in order to go to the Board for the November meeting.

Suggestions for emerging issue speakers for the August and December meetings can be sent to Tricia. Potential topics could include the following: high-level modelling—process, governance, and issues (Bob Howard), controversial issues on calibration criteria or social security.

Action items:

- **Add drafting of Annual ASOC report for website to chart in January of each year.**
- **Add review of the ASB and ASOC ToR to August meeting.**

Item 1–16.11 Review of Action Items

All items were completed.

Item 1–16.12 2016 Meeting Dates

The schedule for upcoming **ASOC** meetings is as follows:

- August 24, 2016 – Toronto Airport
- December 14, 2016 – Toronto
- April 3, 2017 – Toronto (joint ASB/ASOC meeting and dinner)
- April 4, 2017 – Toronto

The schedule for upcoming **ASB** meetings is as follows:

- June 1, 2016 – Toronto airport
- August 10, 2016 – conference call
- October 5, 2016 – Toronto airport
- December 7, 2016 – Toronto airport
- April 3, 2017 – Toronto (joint ASB/ASOC meeting and dinner)

Action item:

- **Leona will poll for August and November 2017 dates.**

Item 1–16.13 In-Camera Session

The ASOC held its in-camera session.

There being no further business, the meeting was adjourned at 2:54 p.m.