

**Minutes of Meeting #2–15  
Actuarial Standards Oversight Council  
Toronto, ON**

**Thursday, August 27, 2015**

**Present:** Bob Baldwin Tricia O’Malley, Chair  
Michel Benoit Peter Patterson  
Phelim Boyle Susan Philpott (at 11:55)  
Bob Christie (by cc) Michel Sanschagrin (by cc)  
Ty Faulds, ex officio Jill Wagman, Vice-chair  
Anne Kleffner Steven Wolff  
Winston Maharaj

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

**Guest:** Chris Townsend, for item 7

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 9:00 a.m.

**Item 2–15.1 Welcome and Introductions**

Tricia O’Malley welcomed Phelim Boyle to his first official meeting as a new member.

**Item 2–15.2 Approval of the Agenda**

**Motion 2-15.2**

**That the agenda be approved, as presented.**

**Carried**

**Item 2–15.3 Approval of the Minutes**

The following changes were noted:

- Winston Maharaj’s term will go until 2018.
- Attendance needs to be modified.

**Motion 2–15.3**

**That the minutes of the ASOC meeting held on April 14, 2015 be approved, as amended.**

**Carried**

**Item 2–15.4 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 and Actuarial Standards Board (ASB) membership.

## 1. ASOC Membership

The NC recommends the appointment of John Carter and John Ilkiw to the ASOC. The NC has determined that there is still a requirement for P&C expertise and a Francophone/Québec-based non-actuary. Names are to be forwarded to Jill so that someone could be appointed prior to the December meeting.

### **Motion 2–15.4.1**

**That John Carter and John Ilkiw be appointed as members of the ASOC for a three-year term, effective January 1, 2016.**

**Carried**

## 2. ASB Membership

Camille Levesque resigned unexpectedly from the ASB for personal reasons. Tony Williams requires taking a leave from ASB of several months for health reasons and will have his term extended accordingly.

Jacqueline Friedland was approached to join the ASB and accepted.

Ty Faulds noted that the ASB will be recruiting for a P&C practitioner for the ASB to replace Jim Christie. He has approached Josephine Marks to join the ASB in 2016.

### **Motion 2–15.4.2**

**That Jacqueline Friedland be appointed as a member of the Actuarial Standards Board, effective October 1, 2015 for a three-year term.**

**Carried**

## **Item 2–15.5 Actuaries and Accountants Joint Meeting**

Tricia O'Malley attended this meeting along with Jim Christie. The minutes were included for information. The International Accounting Standards Board (IASB) is going to embark on an agenda consultation in terms of what priority projects should be considered. It was suggested that the CIA/ASB should write in on the agenda consultation to suggest that accounting standards should be updated to include the various plan designs that have developed since the accounting standard was first introduced.

Tricia and Ty will continue to monitor developments and will report back to the ASOC with any updates. It was suggested that the chair and/or vice-chair of the Accounting Standards Oversight Council (AcSOC) and Accounting Standards Board (AcSB) be invited annually to an ASOC meeting. The oversight councils need to be made aware of the necessity to ensure that relevant expertise is being deployed.

### **Action item:**

- Tricia O'Malley will develop a liaison relationship with the AcSOC and AcSB for joint briefings with ASOC on a regular basis.

## **Item 2–15.6 CIA Board Meeting**

ASOC presents annually to the CIA Board in September. Tricia reviewed what was included in the presentation by Jacques Valotaire at the 2014 meeting and asked for recommendations for

any changes required. Tricia is not able to attend the September 30 meeting and asked for volunteers to attend in her place. As no one is available, the report will be sent with regrets and Michel Simard will respond to any questions, if necessary. [Note: the ASOC update item was moved to the November 26 meeting and Tricia attended and provided the update.]

**Action item:**

- Tricia will send out the draft report to ASOC for review prior to it going to the Board.

**Item 2–15.7 Guest Speaker: Chris Townsend**

Chris Townsend from the Office of the Superintendent of Financial Institutions (OSFI) joined the ASOC meeting to provide an overview of OSFI structure and priorities and to initiate a discussion of actuarial concerns and emerging issues from an OSFI perspective. Peer review regime guidelines for Appointed Actuaries were instigated by OSFI.

Three areas currently under consideration:

- Best estimate liabilities and having better clarity.
- Own risk and solvency assessment (ORSA) and dynamic capital adequacy testing (DCAT) – do they complement or conflict?
- Models: use of governance, international issues, guidance.

It was asked, from a public interest perspective, should there be regular interaction between OSFI and ASOC to discuss emerging issues?

**Item 2–15.8 Report from the ASB Chair**

Ty Faulds reported on the activities of the ASB. In addition to the overview of the written report the following items were noted:

Use of models has been ongoing for an extended time. A draft exposure draft was reviewed at a recent ASB meeting and an educational note is going to the Practice Council next week. A statement of intent (SOI) for an international standard of models has recently been introduced.

ISAP 4 is contingent on the new accounting standards coming into effect. Michel Sanschagrín asked about Québec automobile insurance and whether it was included in the scope. Ty will follow up with the designated group (DG).

The notice of intent (NOI) for the review of the general section was more robust and is closer to an exposure draft in scope.

Non-mortality Assumptions for Pension CV: Even though there isn't a strong representation on the DG for multi-employer plans, there has been significant feedback provided following a webcast that was done on the subject.

DG for Disclosure: It was suggested that focus groups or an online questionnaire should be done to get feedback on what stakeholders require. There isn't a one-size-fits-all answer to this issue.

Insurance specific standards: there is a target date of December 2016 for completion.

There are challenges in getting volunteers to chair the DGs. The insurance area is more open to giving time to the profession and helping to set standards whereas the pension area is more concerned about billable hours.

**Action item:**

- Ty Faulds will include an ASB planning document for future meetings.

**Item 2–15.9 Public Meeting**

There is a conflict with the December meeting date with the North American Actuarial Council (NAAC) which includes the three presidents and Michel Simard. As there were challenges finding this date, it was suggested that if any of these people wanted to speak they could call in or pre-record a message. The NC will consider meeting by conference call the week prior. The ASOC meeting could begin at 8:00 a.m. in order to allow additional time for the public meeting. Lunch will be served at noon with presentation starting at 12:30 p.m.

Possible subjects include the following:

- Stories about the implementation of international standards into Canadian standards and the challenges that arise;
- Panel of senior practitioners from a variety of practice areas to discuss the risk-specific areas; and
- Ethical conundrums and common problems.

**Action item:**

- Steven, Tricia, and Peter will form a working group (WG) to determine possible speakers for the panel.

**Item 2–15.10 2015 ASOC Action Chart**

The ASOC self-evaluation will be sent out in October so that the results can be discussed at the December meeting.

Potential development speakers will be discussed at the December meeting.

**Item 2–15.11 Review of Action Items**

All items were completed.

**Item 2–15.12 2015 Meeting Dates**

The schedule for upcoming **ASOC** meetings was discussed.

The ASOC current confirmed dates are as follows:

- December 10, 2015 – Toronto downtown;
- April 12, 2015 – Toronto downtown (joint meeting and dinner with ASB);
- April 13, 2015 – Toronto downtown;
- August 24, 2016 – Toronto airport; and
- December 14, 2016 – Toronto downtown.

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

- October 7, 2015 – 9:30 a.m.–4:30 p.m. (Toronto airport);
- December 2, 2015 – 9:30 a.m.–4:30 p.m. (Toronto airport);
- February 16, 2016 – 9:30 a.m.–4:30 p.m. (Toronto airport); and
- April 12, 2016 – Toronto downtown (including joint meeting and dinner with ASOC).

**Item 2–15.13 In-Camera Session**

The ASOC ended the meeting with an in-camera session.

There being no further business, the meeting was adjourned at 3:30 p.m.