

**Minutes of Meeting #3–14
Actuarial Standards Oversight Council
Toronto, ON**

Wednesday, December 12, 2014

Present: Bob Baldwin Peter Patterson
Michel Benoit Michel Sanschagrín
Jill Wagman Jacques Valotaire, *Chair*
Winston Maharaj Steven Wolff, Vice-chair
Norma Nielson Jim Christie, ex officio
Tricia O'Malley Bob Christie

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

Guests: Ty Faulds
Susan Philpott
Kevin Nye, for item 6

Jacques Valotaire, 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 3–14.1 Welcome and Introductions

Jacques welcomed Susan Philpott and Ty Faulds to the meeting and had everyone introduce themselves.

Item 3–14.2 Approval of the Agenda

Motion 3–14.2

That the agenda be approved, as presented.

Proposed by:	Michel Sanschagrín	
Seconded by:	Peter Patterson	Carried

Item 3–14.3 Approval of the Minutes

Motion 3–14.3

That the minutes of the ASOC meeting held on September, 2014 be approved, as presented.

Proposed by:	Winston Maharaj	
Seconded by:	Michel Benoit	Carried

Item 3–14.4 Report from the ASOC Nominating Committee Chair

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

1. ASOC Membership

Motion 3–14.4.1

That Jill Wagman be appointed to the ASOC as Vice-chair, effective May 1, 2015 through December 31, 2016.

Proposed by:	Michel Sanschagrín	
Seconded by:	Norma Nielson	Carried

2. ASB Membership

Motion 3–14.4.2:

That Mr. Tyrone Faulds be appointed as Vice-chair of the Actuarial Standards Board, effective October 1, 2014 through June 30, 2015.

Carried by e-mail vote on September 30, 2014

Motion 3–14.4.3

That Ty Faulds be appointed as a chair of the ASB, for a two-year term, effective July 1, 2015.

Proposed by:	Tricia O’Malley	
Seconded by:	Michel Benoit	Carried

Motion 3–14.4.4

That Alexis Gerbeau be appointed as a member of the ASB, for a three-year term, effective July 1, 2015.

Proposed by:	Michel Sanschagrín	
Seconded by:	Bob Christie	Carried

3. ASB Chair Update

Item 3–14.5 Report from the Actuarial Standards Board Chair

Jim Christie presented his report and noted the following additional comments.

The Economic Reinvestment standard is in place and the designated group has been disbanded. The ASB is continuing its work on the Use of Models. It is planning an educational note to be released at the same time as the standard which will provide more detailed information. It is anticipated that the documents will be released following the April meeting.

ISAP 1 was approved by the IAA. The ASB will attempt a convergence to change ASB standards as necessary to match ISAP 1. Concerns were raised by members about the paragraph regarding

the use of peer review and it was subsequently decided not to include it. It was suggested that an educational note be created to address best practices regarding peer review. This will be further discussed at the April meeting.

Jim provided an overview on how international standards will get incorporated into Canadian standards.

The initial Communication for Commuted Value Mortality Table has been published. Concerns have been raised about the “one-size-fits-all” blended table with the multiple employer plans having the biggest issues with these tables.

The Insurance Standard is currently being reviewed. The question was raised as to whether the DCAT standard should be expanded to address ORSA.

An environmental scan was performed by the ASB and the top areas of interest were identified, in order to be proactive instead of reactive.

- Standards for target benefit plans;
- Investment practice standards;
- Own Risk Solvency Assessments (ORSA) for insurance companies; and
- Consistency between practice-specific standards.

Jacques Valotaire questioned why there are different mortality tables for different practice areas and suggested that this be a topic for a future ASOC meeting.

Item 3–14.6 Guest Speaker: Kevin Nye

Tricia O’Malley introduced Kevin Nye, Chair of the Accounting Standards Oversight Council. Kevin provided an overview of the Accounting Standards Oversight Council.

Some topics that arose from the presentation:

- Attendance at ASB meetings;
- Extending Canadian influence internationally;
- Annual report; and
- Monitoring performance review committee.

Item 3–14.7 Update from CIA

Michel Simard gave an update from the CIA outlining the priorities of the CIA councils. In addition to the document included, the following items were noted.

The CIA’s 50th Anniversary will be celebrated at its Annual Meeting June 17–18 and ASOC will be invited to attend the gala dinner.

The Board has tasked the Governance Committee to explore and develop new tools to protect the public which include the ability to ask new applicants about prior criminal convictions and the ability to request a medical exam if necessary.

The Risk Committee compiled the results of the Risk Assessment Survey. The main risk identified is the human resource risk, i.e., appropriate volunteer resources, etc.

Action item:

- **Leona Campbell will add new members to general list servers.**

Item 3–14.8 ASOC Self-Assessment

There was positive feedback and a high level of satisfaction in all areas of the ASOC.

An area for enhancement would be to broaden expertise through sessions on various areas like economics, P&C, risk management, investments, and governance.

Responses regarding NC were varied, so there may be a need to review its structure.

An area to note was that two people felt that they did not have a deep enough understanding of ASB strategic direction and projects to make informed judgements.

Item 3–14.9 Report to the Board

Jacques Valotaire presented to the CIA Board on the work of the ASOC. A number of questions were raised about the ASOC process and activities. Jacques raised the issue of shared risk plans based on the earlier discussions of ASOC. He also presented the report on public interest and received positive responses to the effort.

Item 3–14.10 2014 Public Meeting

The new lunch format was well-received as it enabled more discussion at the tables over lunch. It was suggested that more time should be given at the end for questions and further discussions.

Action items:

- **Leona Campbell will send out public meeting survey to attendees.**
- **Leona Campbell will post link to webcast on ASOC website.**

Item 3–14.11 2014 ASOC Action Chart

Action item:

- **Website needs to be updated including membership and message from chair.**

Item 3–14.12 Review of Action Items

All action items from the last meeting were completed.

Item 3–14.13 2014 Meeting Dates

The 2013–2014 schedule of the ASOC meetings are as follows:

- December 12, 2014 – Toronto; and
- April 13–14, 2015 – Toronto.

Action Item:

- **Members are required to fill in poll for new dates.**
- **Leona Campbell will send out list of ASB meeting dates. ASOC members are welcome to attend ASB meetings as observers.**

Jacques thanked Norma Nielson for all her hard work on the council.

Item 1–14.15 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.