

**MINUTES OF MEETING # 1-13
ACTUARIAL STANDARDS OVERSIGHT COUNCIL
TORONTO, ON**

THURSDAY, MARCH 28, 2013

Present:

Bob Baldwin	Michel Sanschagrin
Michel Benoit	Jacques Valotaire, <i>Chair</i>
Bob Christie	Jill Wagman
Jim Christie	Steven Wolff, <i>Vice-chair</i>
Winston Maharaj	Dave Pelletier, <i>ex officio</i>
Norma Nielson	Michel Simard, <i>ex officio</i>
Tricia O'Malley	Leona Campbell, <i>CIA staff</i>
Peter Patterson	

Guest: Paul McCrossan, *guest speaker for Item 5*

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. Jacques welcomed Leona Campbell as the new support person to the ASOC, and Winston Maharaj and Jim Christie as new members. He also thanked Dave Pelletier whose term is ending June 30, 2013, for his contributions as Chair of the ASB and member of the ASOC.

Item 1-13.1 Approval of the Agenda

The agenda was approved as presented and the following motion was presented.

Motion 1-13.1 That the agenda be approved, as presented.

Proposed by: Michel Sanschagrin

Seconded: Peter Patterson

Carried

Item 1-13.2 Approval of the Minutes

The minutes of the ASOC meeting held on December 13, 2012, previously approved by e-mail vote on February 7, 2013, were provided for information only.

Item 1-13.3 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 ASB membership.

1. ASOC Membership

The ASOC membership matrix as of January 1, 2013 was discussed. The following motion was presented.

Motion 1-13.3.1 That the ASOC NC recommends to the ASOC the appointment of Bob Baldwin and Bob Christie for an additional two years.

Proposed by: Norma Nielson

Seconded: Michel Sanschagrin

Carried

2. ASB Membership

Steven thanked Jim Christie for his first report and for presenting his recommendations. Jacques brought to the attention of the ASOC that the ASB will require a new vice chair. If anyone has any suggestions, they are to forward those names to Jim Christie. This will be discussed further at the next meeting.

Motion 1-13.3.2 To extend Michael Banks for an additional one year term.

Proposed: Emilian Groch

Seconded: Bob Rutherford

Carried

Motion 1-13.3.3 That the ASOC NC recommends to the ASOC the appointments of Tony Williams, effective January 1, 2014 for a 3 year term and Edward Gibson effective July 1 for a 3 year term, to become members of the ASB.

Proposed: Tricia O'Malley

Seconded: Michel Sanschagrin

Carried

Item 1-13.4 Report from the Actuarial Standards Board Chair

Dave Pelletier provided an updated from the ASB. In addition to the written report provided, the following items were noted.

- The post-employment benefit plans project has been delayed but will be published next week with an effective date of June 30, 2013.
- IASB is looking to get their exposure draft (ED) published in the next couple of months with an effective date of January 2018. It was questioned whether IFRS 4 will be extended again but Tricia and Dave believe that the current proposed timeline is accurate as the report should be completed in 2014 and there needs to be a 3 year time period to set up which makes 2018 feasible.
- The actuarial evidence (AE) standards are moving slower than anticipated but going well. It is expected that there will be something to vote on at the June meeting. It is not known whether it will be a revised ED or a final standard. The ASOC discussed concerns with the AE Standard and the role and qualifications of AE experts depending on the situation. It was suggested that an educational note be included and to ensure that all members have received clear communication of the standard.
- Bob Howard has agreed to be the new chair for the modelling designated group (DG) and they will be looking to staff the group. A new notice of intent (NOI) will be produced in June and an ED in December. Even though the models will be generic to all practice areas to

ensure consistency throughout, it was stressed that how shared risk plans will be considered needs to also be addressed.

- The consistency in reporting designated group is ready to have its ED approved but it will be postponed as it was decided to expand the mandate to include ISAP consistency issues.
- It was suggested that if the ED of the recognition of liabilities is delayed past June, that the effective date should be delayed.

Item 1-13.5 Guest Speaker: Paul McCrossan

Jill Wagman introduced Paul McCrossan who presented on the topic of the shared benefit plan version of target benefit pension plans.

Paul suggested to the ASOC that the CIA should be actively developing standards on risk management. There may also be a need to have standards on solvency which would link to this. The US has created two new standards on risk management which were also reviewed by the IAA but these were shot down. It will likely be considered again.

Changes in mortality have a significant impact which introduces the question what is the ASB/ASOC role in this.

Traditional financial reporting that doesn't include risk analysis is an issue. Size of plan affects the use of tables.

Research should be started now so that we can move quickly when it becomes required.

A study should be done by the ASB to determine if the standards are adequate. It was questioned that given that this is a matter of public interest, and an immediate issue, what is the ASB plan of action?

Item 1-13.6 ASB Code of Conduct

A draft ASB code of conduct was approved by the ASB at its meeting on March 27, 2013. As the approved version was not available, it will be offered for approval at the September meeting. New changes were suggested to the existing document and will be reviewed by the ASB.

Item 1-13.7 ASOC Terms of Reference/2013 ASOC Public Meeting

Bob Christie presented options to increase participation in the public meeting. The preferred option is to have it adjacent to the Pension Seminar. Due to schedule conflicts, it was suggested that the ASOC consider looking at doing this in 2014 instead but for this year, the option exists to have the meeting videotaped and made available as a webcast, either live or recorded.

Item 1-13.8 Update from CIA

Michel Simard presented the long term goals of the CIA and responded to questions about membership.

Item 1-13.9 2013 ASOC Action Chart

The draft 2013 ASOC action chart was reviewed by members and the following additions are to be included:

- Leona Campbell will update the code of conduct and the terms of reference per comments received.
- The 2014 meeting schedule will be reviewed with respect to options for the public meeting.
- The note being sent to PPFRC will be discussed to determine next steps.

Item 1-13.10 Review of Action Items

All action items from the last meeting were completed.

Item 1-13.11 Other Business

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

- September 18, 2013—Montréal, QC;
- December 12, 2013—Toronto, ON;
- April 9, 2014—Location TBC (April 8 afternoon, ASB/ASOC joint session and dinner).

Item 1-13.12 In-Camera Session

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

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