

Jill Wagman, Chair of the ASOC Nominating Committee (NC), reported on the meeting held by conference call on December 2, 2016 to discuss ASOC, NC, and ASB membership.

1. ASOC Membership

The NC recommended that Raymond Léger, who has labour experience, be appointed to ASOC. The NC will require some new members, as Jill Wagman and Bob Baldwin will be completing their terms. John Carter and Suzanne Michaud volunteered to be on the NC.

Motion 3–16.4.1

That Raymond Leger be appointed to the ASOC for a three-year term starting January 1, 2017.

Carried

Motion 3–16.4.2

That Michel Benoit be appointed as Vice-chair of the ASOC for one year, effective January 1, 2017.

Carried

Motion 3–16.4.3

That Winston Maharaj be appointed as Chair of the NC, effective January 1, 2017.

Carried

Motion 3–16.4.4

That John Carter and Suzanne Michaud be appointed to the NC, effective January 1, 2017.

Carried

2. ASB Membership

There were two candidates for chair of ASB. Conrad Ferguson was chosen for the position. The second person may be considered in the future. David Oakden has been heavily involved in the General Standards review, and has P&C and regulatory background, which are hard to replace, so Ty would like to extend his term by one year.

Motion 3–16.4.5

That Conrad Ferguson be appointed as Vice-chair of the ASB, effective January 1, 2017, and then as Chair, effective July 1, 2017.

Carried

Motion3–16.4.6

That the term of David Oakden be extended by one year to December 31, 2017.

Carried

Item 3–16.5 Report from the ASB Chair

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

There have been two meetings of the ASB since the last ASOC meeting. It will be meeting by conference call in January and February to aid in keeping projects moving forward.

Use of Models: The standard was approved and will have an effective date of January 1, 2018, but early adoption will be encouraged. It is largely convergent with the International Standard of Actuarial Practice model standard that was recently released.

Calibration Criteria: Due to a conflict of interest, Tony Williams stepped down as Chair of the Designated Group (DG). Todd Saulnier has agreed to be Chair, and Mario Marchand will be Vice-chair and ASB liaison. The changes in leadership have delayed the expected delivery date of the exposure draft, but the group recognizes the importance of it and is hoping to have it ready for release in the spring of 2017. Calibration of other types of assumptions (i.e., inflation) could be investigated, but it would delay the outcome. A surprisingly large number of comments was received. A commitment has been made that feedback will be considered and discussed in subsequent documents.

Mortality Improvement Rates: Due to delays in release of information by Statistics Canada, the mortality improvement tables have not been updated. Other sources of data are being resourced, but are not as comprehensive.

Pension Commuted Values: Issues were brought to ASB regarding the spread assumed and the discount rate, as well as regarding target benefit plans. The ED is expected to be brought to ASB early in 2017.

General Section: Originally it was discussed that peer review should be added as part of the mandate, but as it could be contentious, it was decided to have this reviewed by a separate DG, which would consider this issue and do an NOI.

ISAP 4: IASB is finalizing IFRS 17. Final Standard is expected by June 2017. The IAA is working on a draft model standard. Some concern has been raised that it may not be as tight around range of practice as is the norm in Canada and will need to be reviewed.

Part 2000: It is expected to be finalized imminently, though there aren't any major changes expected.

Item 3–16.6 ASB Recruitment Process

Anne Kleffner presented a report on the work done to date by the working group, made up of Susan, Jill, and Anne. They interviewed former chairs of the ASB, and there seems to be agreement on their experiences on the ASB, and on what worked and what could be improved. Diversity of practice areas is a constant challenge.

Ty did not agree that it was necessary to start with a two-year term. When there is a problem with a member, a discussion with the individual is usually sufficient to determine whether that person will either step up to expectations or choose to be replaced on the ASB.

The vice-chair should be in place for at least a year to get that person up to speed on all ASB activities. Ideally, the chair would appoint a new vice-chair shortly after his or her own appointment begins. The length of term of the vice-chair may affect the length of term of the chair.

The findings need to be aligned with what the ASB has proposed in its strategic plan. As Conrad was integral to the formulation of the strategic plan, a discussion with him should be scheduled.

It was proposed that extension of terms could be done by the ASB chair.

It would be helpful to document an operations plan for the ASB once the terms of reference and strategic plan are finalized.

Item 3–16.7 ASB/ASOC Terms of Reference (ToR)

It was suggested that support for the CIA or the profession should not be included as part of the objectives or mission.

The WG will start working on the ASOC ToR in January, aiming for discussion of a preliminary draft at the April joint meeting. “Shall” needs to be removed from all ASB and ASOC documents.

The discussion at the April joint meeting should include:

- The history of the creation of the ASOC/ASB, and the purpose;
- Accountability (to whom);
- Support to the CIA vs direct protection of the public; and
- Clarification of the issues raised by ASOC on the ToR.

Action items:

- **The WG will draft the updated ToR.**

Item 3–16.8 Report from CIA

Michel Simard reported on the activities of the Board, which include the following:

- Approval of bylaw change to require mandatory declaration of criminal convictions (the process is now being implemented);
- Retention of services of criminal conviction lawyer, who helped prepare case studies to aid in the assessment of any conviction declarations;
- Review of the potential for a bylaw change related to the Policy for Public Statements;
- Review of CPD process at consultation stage, which will restrict the exemptions available and the need to apply for the exemption;
- An ongoing governance review process, with discussions about structure and the need to reduce redundancy within the committees, as well as an emphasis on the regulatory aspect of the actuarial profession in Canada to create tangible public control; and
- Education, with potential autonomy on exam system, as well as changes to UAP to include CIA exams.

Item 3–16.9 Report to the CIA Board

The Board did not have any questions following the presentation made by Tricia at the December meeting. Neville Henderson from OSFI presented at a KPMG conference recently, and commented on the perception of the lack of independence in the actuarial world and that it should be looking longer

term at items that require standard-setting. Tricia feels that a response should be made to Neville so that the charge does not continue to be perpetuated. It should be discussed at the April joint meeting.

Item 3–16.10 2017 ASOC Action Chart

The action chart was reviewed.

Action items:

- **Move ToR item to April meeting.**
- **Tricia will send out a request for agenda items in advance of the meeting.**
- **Suggestions for guest speakers are to be sent to Tricia for April and August meetings.**

Item 3–16.11 Review of Action Items

Two items will be carried forward. Action items should be sent immediately following the meeting.

Item 2-16.4 Report from the ASB Chair

- **Tricia will provide to ASB a report on feedback from ASOC following each meeting.**

Item 2-16.6 ASB/ASOC Terms of Reference

- **ASOC members are to review ASB ToR and provide any comments to Ty and Tricia.**
- **The WG (Ty, Tricia, Michel B., Michel S., Susan) will review the ASB and ASOC ToR and provide new drafts at the December meeting.**

Item 3–16.12 2017 Meeting Dates

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

- April 3, 2017 – Toronto (Joint ASB/ASOC meeting and dinner)
- April 4, 2017 – Toronto
- August 22, 2017 – Toronto
- November 22, 2017 (public meeting) – Montréal

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

- January 17, 2017 – noon to 3:00 p.m. (teleconference)
- February 21, 2017 – noon to 3:00 p.m. (teleconference)
- April 3, 2017 – 10:00 a.m.–5:30 p.m. (Toronto downtown) followed by ASB/ASOC dinner
- June 6, 2017 – 9:30 a.m.–4:30 p.m. (Toronto airport)

Item 3–16.13 ASOC Self-Assessment

Overall, the assessment results were positive, with improvement in areas that were previously noted as lacking. The noted lack of knowledge of P&C has been rectified by having Suzanne on

the committee. It was suggested that someone who specializes in ethics could be valuable on the ASOC. It was proposed that having the in-camera session at the beginning of the meeting may be beneficial.

It may be helpful to create a strategic and/or operational plan for ASOC.

Item 2-16.9 Public Meeting

It was suggested that in future, ASOC should consider doing only a webcast for the public meeting. This could allow for a longer, more in-depth presentation. Updates and detailed presentations could be alternated each year to ensure variety.

Action items:

- **Leona will send out survey for public meeting attendees.**

Item 2-16.13 In-Camera Session

The ASOC held its in-camera session.

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