

## ACTUARIAL STANDARDS OVERSIGHT COUNCIL (ASOC)

Meeting # 1-10

FRIDAY, MARCH 26, 2010

**Present:**

**ASOC Chairperson:** John Solursh

**ASOC Members:** Gilles Bernier  
Mark Daniels  
Emilian Groch  
Hugh Mackenzie  
Norma Nielson  
Bob Rutherford  
Jacques Valotaire  
Jill Wagman  
Steve Wolff

***Ex officio* Members:** Charles McLeod  
Daniel Lapointe

**Also in attendance:** Dave Pelletier, *incoming Actuarial Standards Board Chairperson*  
Erin Waldegger, *CIA Staff*

**Absent:** Michael Mackenzie

### MEETING SUMMARY

#### REPORT FROM THE ACTUARIAL STANDARDS BOARD CHAIRPERSON

Charles McLeod, Chairperson of the Actuarial Standards Board (ASB), updated the ASOC on the progress of the major ASB projects:

- Pension Funding Standards: A revised exposure draft was issued in February 2010 with a comment deadline of the end of March 2010. The target date for approving the final Standards is at the ASB meeting in June 2010, with an effective date of the end of 2010.
- Public Personal Injury Compensation Plans—Part 5000: The objectives of the proposed revisions to the current Standards are to reflect evolving practices and new developments (including the introduction of IFRS), to clarify the wording, and to expand the Standards to provide improved guidance to members, require additional disclosures and narrow the range of practices. A joint ASB-ASOC meeting was held on March 25 to discuss this subject. The ASOC members commented and provided feedback on the issues and the wording of the proposed draft exposure draft.

- Capitalized Value of Pensions—Marriage Breakdown: A revised exposure draft with respect to marriage breakdown was approved and published in December 2009 with a comment deadline of the end of February 2010. The ASB designated group is currently reviewing all comments. Following the designated group's review of the comments, the ASB will issue a second revised exposure draft. The ASOC members thanked the ASB Chairperson for his clear and comprehensive report on this controversial issue. They were pleased with the ASB's efforts to consider all points of view on this topic. They agreed that achieving consistency between Standards for marriage breakdown and Standards for pension commuted values is in the public interest.
- Preparing for IFRS Phase II—Insurers: The International Accounting Standards Board (IASB) is developing a revised version of IFRS 4 (accounting standards for insurance contracts) that is expected to result in policy liabilities for insurance contracts being valued differently than the current Canadian methods. The ASB is in the process of deciding what guidance should be developed to support the revised IFRS 4.

Charles McLeod briefly updated the ASOC on the progress of the other projects:

- Review of General Standards;
- Subsequent events;
- Property and Casualty ratemaking;
- Treatment of secular trends for insurance and annuitant mortality;
- Life Insurance—mortality improvement;
- DCAT/Stress testing; and
- Post-employment benefit plans.

#### **REPORT FROM THE NOMINATING COMMITTEE**

Emilian Groch, Chairperson of the ASOC Nominating Committee (NC), reported on the activities of the committee.

- The ASOC members approved a motion to approve the appointments of Michael Banks and Stephen Haist as members of the ASB effective July 1, 2010 for three-year terms.
- Potential ASOC candidates are being sought.

#### **REVIEW OF THE ASOC TERMS OF REFERENCE**

Pursuant to the ASOC Terms of Reference, a review of the terms of reference and operating procedures shall occur at least every three years. The ASOC members performed the review and agreed on various amendments and additions. The amended ASOC Terms of Reference will be presented to the CIA Board of Directors for approval at a future meeting.

### **PERFORMANCE EVALUATION OF THE ASB**

The ASOC members discussed what the formalized process should be to review the performance of the ASB.

### **OTHER BUSINESS/ADJOURNMENT**

The next ASOC meeting is scheduled for Wednesday, September 1, 2010 in Toronto. There being no further business, the meeting was adjourned at 15:00.