

Minutes of Meeting # 3-11
ACTUARIAL STANDARDS OVERSIGHT COUNCIL (ASOC)

THURSDAY, SEPTEMBER 1, 2011

Present:

ASOC Chairperson: **Emilian Groch**

ASOC Members: **Bob Baldwin**
 Gilles Bernier
 Bob Christie
 Mark Daniels
 Norma Nielson
 Bob Rutherford
 John Solursh
 Jacques Valotaire
 Jill Wagman
 Steve Wolff

Ex officio Members: **Dave Pelletier**
 Michel Simard

Invited Guests: **Julie Dickson**, *Federal Superintendent, Office of the Superintendent of Financial Institutions*
 Jim Doherty, *Office of the Superintendent of Financial Institutions Senior Director, Insurance Risk Management and Strategy*

Also in attendance: **Erin Waldegger**, *Canadian Institute of Actuaries Staff*

REPORT FROM THE ASOC NOMINATING COMMITTEE CHAIRPERSON

Jacques Valotaire, Chairperson of the ASOC Nominating Committee (NC) reported on the activities of the NC.

- Potential candidates are being sought in anticipation of the ends of terms of several ASOC members in 2012.
- Motions were passed to approve the appointments of Michel Benoit, Peter Patterson and Tricia O'Malley to the ASOC effective January 1, 2012 for three-year terms.
- A motion was passed to re-appoint Norma Nielson as a member of ASOC effective January 1, 2012 for a second three-year term.
- A motion was passed to approve the extension of Stephen Butterfield's term on the ASB until December 31, 2011.
- A motion was passed to approve the extension of Nancy Yake's term on the ASB until December 31, 2012.

- A motion was passed to approve the extension of the term of Dave Pelletier as the Chairperson of the ASB to June 30, 2013.

REPORT FROM THE ACTUARIAL STANDARDS BOARD CHAIRPERSON

A report from Dave Pelletier, ASB Chairperson, summarizing the activities and status of ABS projects since March 2011 was circulated to the ASOC members prior to the meeting.

ASB Activity and Project List:

Dave Pelletier presented the report and provided comments on the following projects:

- CV on marriage breakdown;
- Mortality Improvement;
- Review of General Standards;
- Property and casualty ratemaking;
- Subsequent events;
- Post employment benefit plans;
- Dynamic Capital Adequacy Testing;
- Preparing for the revised IFRS on insurance contracts;
- Bill C-57;
- Actuarial Evidence Standards;
- Pensions: Hypothetical Wind-Up and Solvency Valuations;
- Life insurance pricing standards;
- Modeling;
- Due Process;
- "Peer review" standard;
- Style manual review;
- Pensions;
- Consistency in reporting and disclosure standards;
- Dividend recommendations;
- Revised calibration criteria for stochastic models;
- Insurance valuation standards;
- Comment on proposed international standard on general actuarial practice.

ASB Resource Funding:

The ASOC members continue to agree on the need for additional resourcing for the ASB.

ASB Due Process Document:

A preliminary draft of revisions to the ASB due process was provided to the ASOC for their input. The ASOC will review the document prior to it being finalized.

ACTUARIAL STANDARDS BOARD 2011-12 STRATEGIC PLAN

The draft proposed strategic direction and specific priorities of the ASB until the end of 2012 was provided to the ASOC in advance. Dave Pelletier noted that further input will be

sought from the Practice Council of the CIA and its practice committees, from the CIA Board of Directors and from other key stakeholders. A final version of the strategic plan will be provided to the ASOC at the December meeting. The ASOC members provided their comments on the draft strategic plan.

GUEST SPEAKER: JULIE DICKSON, FEDERAL SUPERINTENDENT, OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS

Julie Dickson, Federal Superintendent, Office of the Superintendent of Financial Institutions (OSFI) and her colleague Jim Doherty, OSFI Senior Director, Insurance Risk Management and Strategy, joined the meeting as invited guests.

Julie Dickson provided her views on the role of an oversight council and the key issues relating to actuarial standards and insuring that the public interest is served.

OVERVIEW OF THE CANADIAN INSTITUTE OF ACTUARIES

Michel Simard, Executive Director of the CIA and *ex officio* member of the ASOC, presented an overview of the CIA. He explained how the CIA operates, the route followed to become a Fellow of the CIA, the strategic priorities of the CIA, and provided various statistics on the work of actuaries in Canada.

SELF-ASSESSMENT BY THE ACTUARIAL STANDARDS BOARD

A report from Dave Pelletier summarizing the results of the ASB self-assessment survey was circulated to the ASOC members prior to the meeting. He noted that overall the results were favourable and provided a number of recommendations for improvement going forward.

2011 ASOC PUBLIC MEETING

The next public meeting will be held in Toronto on December 14, 2011. The ASOC members reviewed the draft agenda, the list of invitees and the invitation letter.

IN-CAMERA SESSION

The ASOC ended the meeting with an in-camera session to discuss:

- Performance Evaluation of the ASB Chairperson;
- ASOC Self-Assessment Survey;
- Meeting Review.

There being no further business, the meeting was adjourned at 3:10 p.m. The next ASOC meeting is scheduled for Wednesday, December 14, 2011 in Toronto (regular and public meetings).