

2065

2055

2045

2035

2025

**Canadian Institute of Actuaries**

**2015**

**Annual Report**

2005

1995

1985

1975

1965

Canadian  
Institute of  
Actuaries



Institut  
canadien  
des actuaires

## // Table of Contents

/ Who We Are p. 2	/ CIA Board of Directors p. 3	/ President's Report p. 4
/ Executive Director's Report p. 6	/ CIA by the Numbers p. 7	/ Eligibility and Education Council Report p. 8
/ International Relations Council Report p. 10	/ Member Services Council Report p. 12	/ Practice Council Report p. 14
/ Professional Conduct Report p. 16	/ Secretary-Treasurer's Report p. 18	/ 2015 Volunteer Award Recipients p. 20
/ Where CIA Members Work p. 22	/ CIA Member Practice Areas p. 23	/ FCIA Employer Type p. 23
/ Summary Financial Statements p. 24		

## // Who We Are

2

The Canadian Institute of Actuaries (CIA) is the national organization and voice of the actuarial profession. The Institute is dedicated to serving the public through the provision, by the profession's 5,200+ members, of actuarial services and advice of the highest quality. In fact, the Institute holds the duty of the profession to the public above the needs of the profession and its members.

Actuaries are risk management experts who evaluate and provide guidance on the financial implications of uncertain future events. They apply their knowledge of mathematics, finance, statistics, and risk theory to ensure the financial security of organizations and individuals. Actuaries turn numbers into knowledge.

### Vision

Financial security for Canadians.

### Mission

As the trusted bilingual voice of the Canadian actuarial profession, we advance actuarial science and its application for the well-being of society.

## Values

Values shape our attitudes and influence our professional conduct. Our values are

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### COMMUNITY

We put the public interest ahead of our own. Our processes are transparent and volunteerism is at the heart of our activities.

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### INTEGRITY

We are honest and accountable professionals; we uphold strict ethical principles. We use our expertise, rigorous standards, and objectivity to deliver actuarial services and advice of the highest quality.

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### ADVANCEMENT

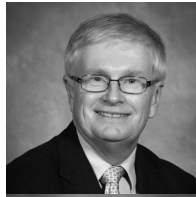
We are committed to demonstrating the value of effective risk management. We use innovation to advance actuarial science and its applications.

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## The 50<sup>th</sup> Anniversary Timeline

Since 2015 was the 50<sup>th</sup> anniversary of the CIA, the footer on each page of the 2015–2016 Annual Report displays a timeline of important milestones from each decade of the Institute's existence.

## // CIA Board of Directors



◁ **Rob Stapleford**  
BA, FCIA, FSA  
President



◁ **Dave Dickson**  
BScAct, FCIA  
President-elect



◁ **Jacques Tremblay**  
BScAct, FCIA, FSA  
Immediate Past  
President



◁ **John Dark**  
BMath, FCIA, FSA  
Secretary-Treasurer



◁ **David Congram**  
FCIA, FIA, ASA



◁ **Alan Cooke**  
BA, FCIA, FSA, MAAA



◁ **Daniel Doyle**  
BMath, FCIA, FSA,  
MAAA



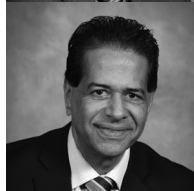
◁ **Steven Easson**  
BMath, FCIA, FSA, CFA



◁ **Claude Ferguson**  
BScAct, FCIA, FSA



◁ **Richard Gauthier**  
BScAct, FCIA, FCAS



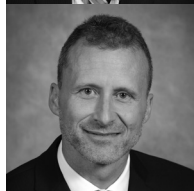
◁ **Minaz Lalani**  
BSc, FCIA, FSA, CERA,  
FCA



◁ **Denise Lang**  
BScAct, FCIA, FSA



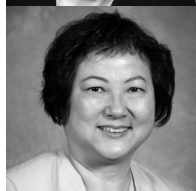
◁ **Karen Lockridge**  
BSc, FCIA, FSA



◁ **Jean-Yves Rioux**  
BScAct, FCIA, FSA,  
CERA



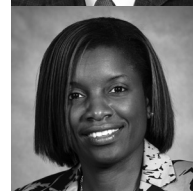
◁ **Marc Tardif**  
BScAct, FCIA, FSA



◁ **Mercy Yan**  
BSc, FCIA, FSA, MAAA



◁ **Pierre Dionne**  
BSc, FCIA, FCAS  
(Chair, Practice Council;  
ex officio)



◁ **Angelita Graham**  
BScAct, FCIA, FSA  
(Chair, Eligibility and  
Education Council;  
ex officio)



◁ **Marie-Hélène  
Malenfant**  
BScAct, FCIA, FSA  
(Chair, Member Services  
Council; ex officio)



◁ **A. David Pelletier**  
BSc, FCIA, FSA  
(Chair, International  
Relations Council;  
ex officio)



◁ **Michel Simard**  
Executive Director  
(ex officio)

/ **1965**  
Canadian Institute of Actuaries is  
created by an act of Parliament

/ **1965**  
First meeting of the CIA is  
held on April 6 in Toronto

/ **1966**  
Total number of Fellows is 419

## // President's Report

4



/ Rob Stapleford, CIA President

It has been an honour to serve as the Institute's 52<sup>nd</sup> President. The past year has been exciting and challenging. I am pleased to report on some of the highlights.

In my 2015 Annual Meeting address, I identified five key areas of emphasis for 2015–2016. Here is a brief update on how we did.

**Enhance volunteer management:** The Member Services Council (MSC) established a new Volunteer Management and Development Committee under Sharon Giffen's leadership. A more rewarding volunteer experience is an important CIA initiative and we are well-positioned to improve our support for volunteers.

**Greater consensus within the CIA:** There has been much debate about member input,

particularly on pension positions. The Board recognized that our current approaches are not meeting member expectations. As part of the work on the strategic plan, a Blue Ribbon Task Force on Public Policy (BRTF) chaired by Jacques Tremblay is looking to modify our public positions policy to require member input on key issues which go beyond technical actuarial expertise.

**Impacting public policy:** Mike Hale has effectively led the Public Positions Committee, issuing 25 submissions including public positions on healthcare, climate change, and genetic testing.

**Education:** The Eligibility and Education Council led by Angelita Graham will be releasing a syllabus for actuaries practising in Canada. We are working with our education partners in the Society of Actuaries and Casualty Actuarial Society to enhance education for Canadian actuaries. A new Practice Education Course (PEC) will be introduced in 2018.

**Employer input:** We had meetings with employers to understand their views and expectations of the CIA. We need to expand our outreach program and dialogue with employers.

### Strategic Direction

The Board assessed the CIA's strategic direction through meetings, member feedback, and external perspectives on the CIA.

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/ **1967**  
CIA adopts its motto: "Nobis Cura Futuri" (The future is our concern)

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/ **1969**  
Guides to Professional Conduct are issued

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/ **1971**  
Annual dues are \$30

*“The Institute has worked actively to increase the visibility of the Canadian actuarial profession in traditional and emerging areas.”*

This work led to four broad initiatives:

**Continued proactive approach to public policy:** The BRTF will bring a new approach with greater member involvement to the June Board meeting for approval;

**Education:** Define our long-term education strategy and revise the PEC;

**Establish an Emerging Practices Committee:** Under the direction of Claude Ferguson and the MSC, we will consolidate existing efforts and work with employers and other actuarial organizations to better understand future opportunities for actuaries; and

**Enhance CIA effectiveness:** A group led by Dave Dickson and Michel Simard and supported by an external facilitator is looking at how to make CIA operations and committees more effective.

Pensions are an important issue facing Canada and the CIA was active on them. The Pension Advisory Committee, led by Michel St-Germain, prepared two position papers and there have been numerous meetings on topics such as the Ontario Retirement Pension

Plan, Québec Bill 57, actuarial research on new funding approaches, and other means to enhance Pillar 3 of our pension system.

The Institute actively worked to increase the visibility of the Canadian actuarial profession in traditional and emerging areas. I look forward to the release of the Actuaries Climate Index and Actuaries Climate Risk Index in the next few months as an application of actuarial techniques to emerging areas.

A Board priority for the past year was to assess what it means to serve the public. After a healthy public discussion, this work has led to proposed bylaw changes related to reporting criminal convictions and the creation of a new task force to reassess CPD compliance. We are committed to fulfilling the CIA’s first guiding principle of putting the interest of the public ahead of that of the profession.

Our work is accomplished by many volunteers and by staff at the Head Office. Thanks to everyone for your efforts. The CIA is well-positioned for an exciting and fulfilling future. //

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/ **1972**  
J. Clunas McKibbin becomes the first woman elected to the CIA Council

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/ **1973**  
Bilingualism Committee is established

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/ **1976**  
Actuarial examination is offered in both English and French for the first time

## // Executive Director's Report

6



/ Michel Simard, Executive Director

The year 2015–2016 was definitely rich in interesting events and important changes. The successful celebration of our 50<sup>th</sup> anniversary is behind us, a federal election brought a new government to Ottawa, recent developments on the pension legislation front in New Brunswick, Québec, and Ontario changed the rules of the game most Canadians were used to, and every nation in the world gathered in Paris to mitigate climate change-related risks.

The CIA navigated those uncharted and sometimes troubled waters, keeping the public interest as its ultimate beacon. We had our successes as well as our challenges, but the year, all in all, was an exciting and productive one. Our volunteers and staff once again demonstrated their dedication and talents

in matching operations to the delivery of Board vision and strategy. They deserve the highest level of respect and gratitude and I am confident that you will add your praises to mine once you have been through this report.

As you will see, our undertakings are numerous and range from defining professionalism, establishing our own Canadian education syllabus, performing our University Accreditation Program (UAP) first principles review, creating a Volunteer Management and Development Committee, as well as reviewing various policies and processes in order to streamline our delivery.

Needless to say, we are also enthusiastic about doing our share in moving the CIA towards 2065. Our new strategic plan focuses on improved governance, an autonomous education system, influencing public policy, and emerging practices. It takes a significant step towards a bright future. We are also looking forward to launching a new customer relationship management system that will modernize our day-to-day communications with members and other significant stakeholders.

I often tell the staff that my goal for the CIA Head Office is that it be a great place to work (it is!) and that the CIA become the best actuarial professional association in the world. The latter still remains to be proven as we continue to keep our eyes on the ball. In order to succeed we must first believe that we can ... //

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/ **1977**  
Formal bilingualism  
policy is adopted

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/ **1977**  
Insurance Company Financial  
Reporting Standards are issued

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/ **1978**  
First CIA employee is hired

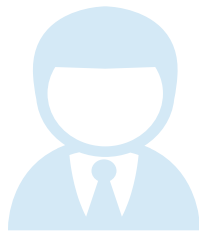
## // CIA by the Numbers

### NUMBER OF MEMBERS

5,284



1,709



3,575

#### AFFILIATE

13



4 9

#### ASSOCIATE

1,365



529 836

#### CORRESPONDENT

22



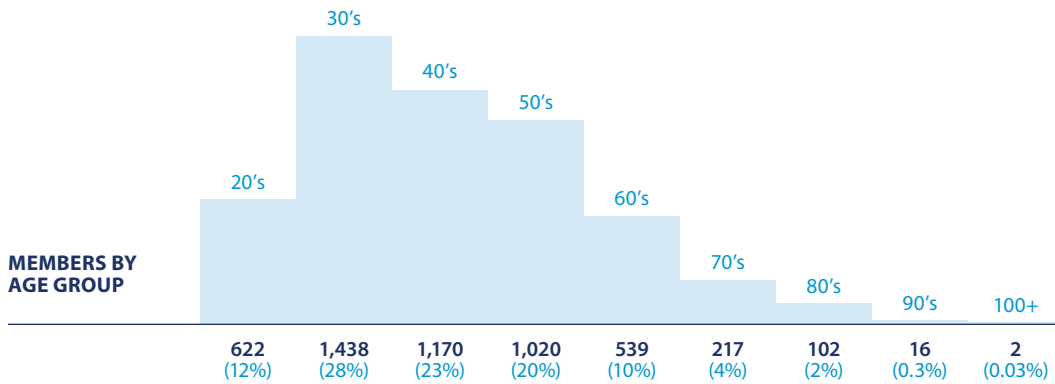
8 14

#### FELLOW

3,884



1,168 2,716



Graphic does not include members whose age was not provided.

26

staff

143

committees,  
subcommittees,  
and task forces

555

volunteers

4

councils

Figures effective as of June 8, 2016.

#### / 1978

Movie *The Billion Dollar Bubble* recounts a major insurance and stock market scandal

#### / 1980

Colin Jack, a former CIA President, is hired as the first Executive Director

#### / 1980

Standards on the valuation of pension plans are issued



## // Eligibility and Education Council Report

8



/ Angelita Graham, Chair

It was another year full of activities for the Education and Eligibility Council (EEC). We completed numerous initiatives started in 2014–2015 and are well on our journey with new ones which began this past year. Below are a few highlights of 2015–16.

### Practice Education Course (PEC)

The PEC is changing. Since 2000, the PEC has been a valuable component of our education system, providing an interactive and practical venue for Fellowship-level candidates to share knowledge and learn.

The new, more comprehensive PEC – PEC 2.0 – should roll out in 2018, addressing some of the skills required for us to compete in a rapidly changing environment, today and into the future. In addition to track-specific workshops,

PEC 2.0 will incorporate communication, business acumen, and professionalism content. A significant focus will be on using case studies and group workshops to enhance learning.

The PEC transition plan will be presented at the June 2016 Board meeting for approval, and shared with the wider community in the coming months.

### Task Force on the Future Vision of CIA Education

The EEC recently formed the Task Force on the Future Vision of CIA Education to take a holistic view of the CIA education system, including the overall design and a cost-benefit analysis of our various delivery methods—whether delivered through our valued education partners or through our own CIA offerings.

The task force will discuss its preliminary findings with the Board this June and present the final report to the Board by September 2016.

### Committee on Continuing Education (CCE)

The CCE commenced a review of continuing professional development (CPD) delivery to our membership. This review will look not only at the content we deliver, but also the structure and timing of the current seminars to ensure that they meet our members' needs. Should we revisit meeting format/length? Should we collaborate with relevant non-actuarial firms?

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/ **1980**  
CIA adopts its first logo

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/ **1983**  
Publication of the first  
valuation technique paper

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/ **1984**  
Rules of Professional  
Conduct are introduced

The answers to these questions will inform how we move forward in CPD delivery. The result of this review is expected later this year.

### Additional Accomplishments

The EEC awarded two new scholarships under the Graduate Scholarship Program for the upcoming 2016–17 academic year. The selection committee was impressed by the calibre of the scholarship applicants.

We also finalized the CIA’s first education syllabus, to be posted on the CIA’s website in the next few months.

We completed the University Accreditation Program (UAP) first principle review, which showed that the program has been very successful since its inception. Over the past four years we have granted over 350 UAP credits.

In addition, the EEC added South Africa to our list of actuarial organizations with which we have mutual recognition agreements (MRAs). Our other MRAs are with the United Kingdom, Australia, and Ireland.

I would like to thank all the committee and council members for their efforts in making this year another successful one for the EEC. A special thank you to the Head Office staff, who are truly a set of committed and dedicated individuals. My time as a member, as well as chair, of the EEC has been a great and rewarding adventure. I strongly recommend volunteering with the CIA to my fellow colleagues. //

350

University Accreditation Program credits

2

graduate scholarship recipients

4

mutual recognition agreements with international actuarial organizations

*“We completed the University Accreditation Program first principle review, which showed that the program has been very successful since its inception.”*

## // International Relations Council Report

10



/ A. David Pelletier, Chair

The International Relations Council (IRC) was formed in June 2014, so this is just our second annual report as a council. Given our start-up nature, this past year we needed to modify the mandates of both the IRC and some of its committees to reflect what we actually do and what we and the rest of the CIA feel we should be doing. Two of the changes bear mentioning.

We considerably refined the IRC's mandate, with the approval of the Board. The most significant change was the introduction of another element: "To actively develop and maintain an international strategy for the CIA." International developments in the actuarial sphere, in terms of relationships, professional and technical matters, and education, are

becoming ever more important. The CIA will benefit from a strategic framework as it makes decisions in these areas.

The other significant mandate change was for our International Insurance Accounting Committee (IIAC), which had been limited to "provide input ... to the development of new international accounting and actuarial standards for the valuation of insurance products." The IIAC had been actively submitting comments to the International Accounting Standards Board (IASB) and the International Actuarial Association (IAA) as their guidance was developing. However, it wasn't clear which CIA committee should lead in communicating ongoing developments to the appropriate CIA committees and to provide initial thoughts on both the impact in Canada and possible additional Canadian guidance where appropriate. Following discussion with several other relevant CIA committees, the IIAC agreed to take on this role.

Over the past year, the IRC worked with the IIAC and two of its other committees, the International Pension and Employee Benefits Standards Committee and the International Insurance Regulation Committee, in making several submissions to the IASB, the IAA, the International Public Sector Accounting Standards Board (IPSASB), and the International Association of Insurance Supervisors (IAIS). Another part of the IRC's role is to ensure that the CIA participates effectively within the IAA.

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/ **1990**  
"Crawford One", also known as the CIA's Guiding Principle #1, is introduced

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/ **1991**  
Total number of Fellows is 1,584

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/ **1991**  
New disciplinary process is introduced, providing more disclosure

We appoint strong CIA delegates to the various IAA committees where all associations have the right to appoint a delegate. We also propose CIA members for IAA leadership positions as well as positions on important “limited membership” IAA committees; we now have eight CIA members in these key positions, a significant increase over past years.

The year 2026 might seem far away, but the IAA has initiated the bidding process for the quadrennial International Congress of Actuaries to be held that year. An IRC task force working closely with Head Office staff is spearheading our bid to host it in Vancouver. However, there is competition; this is not a done deal. But we hope to have good news to report by this November when the IAA Council reaches a decision.

The IRC agreed that the CIA would be a financial sponsor of an interesting study that the IAA is carrying out internationally on the profession and its prospects. The initial phase is a survey of the various professional associations; it will be interesting to see how views vary worldwide and what the professional organizations both internationally and in Canada should be doing to ensure future success. //

7

submissions to IASB, IAA, IPSASB\*, IAIS\*\*

15

CIA members on IAA committees

4

CIA members on two new IAA working groups (Banking and Big Data)

46

volunteers on IRC and its subcommittees

*“The most significant change was the introduction of another element: ‘To actively develop and maintain an international strategy for the CIA.’”*

\* International Public Sector Accounting Standards Board

\*\* International Association of Insurance Supervisors

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/ **1993**  
Insurance Companies Act enshrines the role of the Appointed Actuary in Canadian legislation

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/ **1993**  
First disciplinary tribunal is held

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/ **1994**  
Continuing Professional Development (CPD) requirements are introduced

## // Member Services Council Report

12



/ Marie-Hélène Malenfant, Chair

It's been a busy year for the Member Services Council (MSC). With two of the four objectives in the Board's new strategic plan relating to areas under the MSC, this coming year promises to be even busier.

### Emerging Practices

We continued to support emerging practices with the following developments in the last year: creation of the Predictive Modelling Committee and the Committee on Emerging Practices; Climate Change and Sustainability Committee activities including the publication of a research paper and a website resources page; and the Enterprise Risk Management Applications Committee liaised with external organizations and committees and created a website resources page.

### Public Positions

The Public Positions Committee with Mike Hale as Chair published six public positions on topics including meeting the needs of Canada's future retirees (developed by the Pension Advisory Committee, chaired by Michel St-Germain) and a national pharmacare plan (developed by the Health Committee, chaired by Pierre-Yves Julien).

As part of the new strategic plan, the Board created the Blue Ribbon Task Force on Public Policy to review the CIA's strategy and approach to influencing public policy while supporting the public interest. Its recommendations will drive the content of future public positions.

### Research Committee (ResCo)

Research plays an important role in supporting the CIA's initiatives, in particular, public positions and emerging practices. In 2015–2016, ResCo published 16 documents. In 2016–2017, for the first time, the CIA will support three academic projects. Co-sponsorship opportunities with other actuarial organizations are also being pursued, which could reduce the cost associated with some projects.

### Volunteering

Volunteer initiatives included a New Members Committee survey of 268 new CIA members (under five years of membership). The committee will report to

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#### / 1995

Release of the exposure draft of the Consolidated Standards of Practice (CSOP), aka "the Green Monster"

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#### / 1996

Canada wins bid to host International Actuarial Association (IAA) Secretariat in Ottawa

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#### / 1998

Committee on Professional Conduct replaces the committees on discipline and review

the MSC later this year. In addition, the new Volunteer Management and Development Committee oversees the implementation of the CIA's volunteer management system and related services, including volunteer recruitment and support, promotion of CIA website tools, assistance for new chairs, and the Volunteer Applicant Registry.

### Administrative Tools

MSC members developed two administrative tools to help make the work of the CIA and its volunteers more transparent and effective. The new master checklist for research reports allows MSC members to better follow the steps done before approving a paper, as some projects can take months or even years to complete. The new CIA council liaison position guide helps to ensure proper communication and coordination of information and activities.

I would like to personally thank all volunteers under the MSC structure and my colleagues on the council for the good work accomplished this year. Thank you, because together we make a difference. And thank you to the wonderful staff from the Head Office who are so dedicated to supporting us day after day. I look forward to the upcoming new challenges! //

250+

volunteers under the MSC

13

\$422k

for research projects

3

new committees

*“The new CIA council liaison position guide helps to ensure proper communication and coordination of information and activities.”*

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/ **1998**  
CIA offers a \$100 discount in annual dues to members who opt to receive electronic publications only

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/ **2000**  
Practice Education Course is created

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/ **2000**  
CIA is restructured, establishing the Board and three councils

## // Practice Council Report

14



/ Pierre Dionne, Chair

Over the last year, the Practice Council released 12 educational notes and two research papers. These included the usual yearly educational notes such as the Guidance for the 2015 Valuation of Insurance Contract Liabilities of Life Insurers, the 2015 Guidance to the Appointed Actuary for Property and Casualty Insurers, and the Assumptions for Hypothetical Wind-Up and Solvency Valuations with Effective Dates between December 31, 2015 and December 30, 2016, along with quarterly updates.

Other new or revised educational notes published in 2015–2016 included Investment Assumptions Used in the Valuation of Life and Health Insurance Contract Liabilities, Use of Models (draft), Subsequent Events, Determination of Best Estimate Non-Economic

Assumptions for Public Personal Injury Compensation Plan Liability Calculations, Determination of Best Estimate Discount Rates for Going Concern Funding Valuations, and Development of the Equilibrium Risk-Free Market Curve for the Base Scenario. Research papers published included Risk Aggregation and Diversification, and the Report on the CIA ORSA [Own Risk and Solvency Assessment] Survey.

Publishing educational notes and research papers is only one facet of the Practice Council. The council, through its 10 committees and one task force, works closely with the Actuarial Standards Board (ASB), the Office of the Superintendent of Financial Institutions (OSFI), the Financial Services Commission of Ontario, the Autorité des marchés financiers, and other provincial regulators to shape future standards and regulations. For example, we provided pre-release comments on the new Life Insurance Capital Adequacy Test published by OSFI and responded on behalf of the CIA once the draft guideline was published. As Chair of the Practice Council, I attend all ASB meetings and provide comments on proposed changes to the actuarial standards. Along with the CIA leadership, we have yearly meetings with all the above-noted regulators.

This year, the Practice Council took ownership of the Skills and Knowledge Inventories (SKIs), updating them and creating a dedicated landing page on the CIA website. The SKIs'

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/ **2001**  
Volunteer Recognition Awards  
Program is launched

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/ **2002**  
Final release of the CSOP

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/ **2005**  
Jack Nicholson stars in *About Schmidt* as an actuary for  
an insurance company

suggested resources will be continuously updated as new educational notes are published and regulation evolves in Canada.

Another initiative we are currently working on with OSFI is to examine the duplication of efforts between dynamic capital adequacy testing and ORSA, taking into account the different owners and audience. We will share more on this with the membership in the coming year.

All this work could not be done without the more than 120 volunteers on the council and committees. I would like to take this opportunity to express my heartfelt thanks to all of them for their dedication and efforts. //

12

educational  
notes

4

SKIs published

15

10

committees + 1  
task force

120

volunteers under the  
Practice Council

*“The council ... works closely with the Actuarial Standards Board, the Office of the Superintendent of Financial Institutions, the Financial Services Commission of Ontario, the Autorité des marchés financiers, and other provincial regulators to shape future standards and regulations.”*



## // Professional Conduct Report

16



/ Doug Brooks, Chair, Committee on Professional Conduct

The Committee on Professional Conduct's (CPC) primary role is to reinforce the CIA's goal of professionalism and protection of the public. As such, the CPC does not have objectives in the sense of measurable activities. While statistics are maintained on the number of cases dealt with, there is no "right" target. We would all like the CPC to be out of work, but the reality is that there will always be some situations that require investigation.

Cases come in front of the committee in several ways. Most commonly, an actuary lays a complaint against another actuary because of a perceived breach of the Rules of Professional Conduct or Standards of Practice. In 2015, 12 of the 16 cases that

were begun were in this category (eight of these were a group of related cases).

Occasionally a non-actuary makes a complaint against an actuary. In 2015, there were two of these.

The other route through which cases come to the CPC is through monitoring of media for mention of actuaries. These often involve cases in front of the courts or where an actuary may be mentioned in a negative light in a news story. There were two of these cases initiated in 2015.

Unfortunately, because of the need to do thorough work in investigating cases, both to ensure we achieve the objectives noted above, but also to ensure the actuary involved is treated fairly, cases take time to work through. In 2015, there were four cases that were closed. However, of these, three were cases that arose prior to 2015, and the one 2015 case was dismissed after determination that there was no material breach of standards based on an initial review by the CPC. Two of the new 2015 cases were dismissed early in fiscal 2016.

There are common themes in the cases that are dealt with. Naturally, many cases deal with the proper application of actuarial standards—particularly in the pension area. However, other situations involve general conduct, and in particular in 2015, the need to cooperate with the CPC was an issue that

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/ **2007**  
Actuarial Standards Oversight  
Council (ASOC) is created

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/ **2008**  
CIA Head Office hires its  
first staff actuary

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/ **2008**  
CIA Bulletin goes electronic and  
the *(e)Bulletin* is launched

was dealt with in some cases. Actuaries are obligated to cooperate fully with the CPC under the Rules of Professional Conduct, and it is important that everyone understand that and ensure, where applicable, that their clients understand this as well.

It is important to note that the CPC does not respond to hypothetical situations brought forward by members. These questions are more appropriately dealt with by specific practice committees. We did receive several inquiries of this type that were forwarded to other committees as appropriate. //

4

cases closed

16

new cases

*“We would all like the CPC to be out of work, but the reality is that there will always be some situations that require investigation.”*

### Guiding Principles

**GUIDING PRINCIPLE #1:** In carrying out its activities and programs, the Institute holds the duty of the profession to the public above the needs of the profession and its members.

**GUIDING PRINCIPLE #3:** The Institute develops standards of professional practice and rules of professional conduct and, through its disciplinary process, ensures their compliance by its members.

/ **2009**  
First annual filing of CPD  
Compliance Statements

/ **2010**  
Micheline Dionne becomes the  
first female CIA President

/ **2011**  
University Accreditation  
Program (UAP) is established

## // Secretary-Treasurer's Report

18



/ John Dark, Chair, Human Resources, Finance, and Audit Committee (HRFA)

**T**he “HR” part of our activities encompassed the following: annual review of salary increase “envelope” for implementation in April 2016; approval of new position supporting marketing; and an HRFA recommendation which the Board accepted, to expand Head Office space to the space adjacent to our office. This allows for expanded meeting space and reduced crowding while allowing capacity for future expansion if required.

There was some staff turnover during the year, but at the time of writing we are at full staff complement.

On the “A” for audit side, I am pleased to report we received a clean audit opinion.

That brings me to “F” for finance.

In 2015–16, the CIA recorded a deficit of \$244,361 on total revenue of \$6.5 M, compared to a planned deficit of \$498,600, for a positive variance of \$254,239. We reduced the deficit through increased revenues and decreased expenses: increase in membership, membership dues, and realized investment revenue; delayed customer relationship management (CRM) project; 50<sup>th</sup> Anniversary activities less expensive than planned; funds not required for public and government relations to the extent originally planned; and savings in travel and meeting costs.

CIA investment assets are recorded at market value rather than at their purchase price, so any unrealized gain or loss on them is reflected in the statement of operations. During 2015–16, the Institute incurred an unrealized loss of \$204,265.

Two 2015–16 budget initiatives affected our results.

**Research Budget** – No longer a balancing item in the budget, in recognition of the increasing importance of research to our value proposition and strategic plan, we have switched so 9.5% of net dues revenue will be budgeted for the Research Committee (ResCo) as its budget for research commitments. The 2016–17 research commitment will be approximately \$459,000. The entire budgeted amount will be restricted annually,

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/ **2012**  
ACIA designation for  
Associates is introduced

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/ **2012**  
Ten-year education strategy is set

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/ **2014**  
Board establishes the International  
Relations Council (IRC)

even if ResCo is unable to completely fulfil its budget, with any surplus accumulating towards future research. Thus, \$183,705 has been carried over from 2015–16.

**Discipline Costs** – In past years we had an estimated budget amount to fund potential discipline tribunals. It is not possible to predict what this cost will be. Our operational budget going forward will contain amounts for the non-tribunal-related costs of running the discipline process. These are more or less predictable. Tribunal costs will be paid from a new restricted surplus item designated specifically for this purpose. This fund was set at \$750,000 (derived from an analysis of historic costs). In 2015–16, \$213,720 was spent on a tribunal. In light of the projected deficit, we chose not to return the restricted fund to the \$750,000 level but will do so as soon as fiscally possible.

### Three-Year Business Plan

Using reports prepared by our resident actuary, Chris Fievoli, we prepared three-year projections of dues and matched those with three-year projections of expenses, allowing us to forecast what the unrestricted surplus will be three years out. Our unrestricted surplus level has been a concern as it crept above our goal of 50–80% of one year’s expenses.

Our unrestricted surplus is \$4,433,678, which represents 69% of planned revenues of \$6,465,676 contained in the Board-

approved 2016–17 fiscal year budget (well within our guideline). The overall budget for 2016–17 is expected to generate a deficit of \$181,800. While a second consecutive deficit is not generally desirable, the trend is decreasing and there are a number of carry over items causing this. In the long term, with growth in membership, we see a return to a surplus position. //

**\$244,361**  
deficit in 2015–16

**\$181,800**  
projected deficit in 2016–17

*“In the long term, with growth in membership, we see a return to a surplus position.”*

## // 2015 Volunteer Award Recipients

20

### Gold Recipients



Michael Banks

Leonard Pressey

### Silver Recipients

Stephen Cheng, Alexis Gerbeau, Sharon Giffen, Michel Giguère, Angelita Graham, Ian Karp, Denise Lang, Denis Latulippe, B. Dale Mathews, Robert McKay, Deborah McMillan, Jean-Claude Ménard, Bernard Naumann, Johanne Papillon, Mario Robitaille, Peter Treichel, A. Kim Young

### Bronze Recipients

Rohana Ambagaspitiya, Alison Begley, Jeremy Bell, Luc Bergeron, Claire Bilodeau, Isabelle Bouchard, Jacques Boudreau, Margaret Brandl, Maxime-Frédéric Brochu-Leclair, Benoît Carrier, France Déziel, Wesley Foerster, Edward Gibson, Ashley Goorachurn, Lynn Grenier-Lew, Frédéric Jacques, Melissa Kirshenbaum, Julie-Linda Laforce, Isabelle Larouche, Richard Larouche, Stéphane Levert, Linda Maillet, Raul Martin, Jared Mickall, Michael Millns, Michel Montambeault, Dean Newell, Kamran Quavi, Martin Raymond, Nikolai Serykh, Peter Snyder, Evelyn Somer, Rémi Villeneuve, Carole Vincent, Stanley Warawa, Michael Williams

### Past Presidents

Historically, past CIA Presidents, having already attained the highest level of CIA recognition, were excluded from volunteer recognition in order to focus attention on and encourage everyday volunteers. In honour of the 50<sup>th</sup> anniversary, this policy changed so that all members, including past presidents, who achieve a volunteer award level are now recognized.

### Gold Recipients

James A. Brierley, Robert L. Brown, M. David R. Brown, Morris W. Chambers, Christopher D. Chapman, Kenneth T. Clark, J. Dickson Crawford, Micheline Dionne, Marc Fernet, L. Blake Fewster, Normand Gendron, Yves Guérard, Michael A. Hale, Neville S. Henderson, Peter C. Hirst, Jacques Lafrance, Robin B. Leckie, Mike Lombardi, Jean-Louis Massé, W. Paul McCrossan, C.S. (Kit) Moore, Peter F. Morse, James H. Murta, David J. Oakden, Harry H. Panjer, A. David Pelletier, Michael Rosenfelder, Kurt K. von Schilling, Stuart F. Wason

### Silver Recipients

Jacques Cloutier, Robert C. Dowsett, Charles T.P. Galloway

### Bronze Recipients

John T. Birkenshaw, E. Sydney Jackson

# 50th ANNIVERSARY

21

**A** milestone year, 2015–2016 was filled with events recognizing our 50<sup>th</sup> anniversary.

Celebrations began with a special CIA video webcast (Celebrating 50 Years of Actuarial Excellence – Highlights of the CIA's History and Its Vision for the Future) on March 18, 2015, the 50<sup>th</sup> anniversary of the federal Act that established the CIA. Over 1,500 members participated.

Over 600 people attended the 2015 Annual Meeting in Ottawa, whose highlight for many was the 50<sup>th</sup> anniversary gala reception and dinner. Keynote speakers Rex Murphy, Jeff Rubin, and David Suzuki helped mark the event along with a panel of notable Canadian journalists who received top marks for their session. Six outstanding CIA volunteers received the esteemed President's Award from then President Jacques Tremblay.

The CIA received congratulatory letters from Governor General David Johnston, then Prime Minister Stephen Harper, Ontario Premier Kathleen Wynne, Ottawa Mayor Jim Watson, and International

Actuarial Association President Fred Rowley. In October, the Institute of Actuaries in Japan presented a commemorative gift to President Rob Stapleford.

A special 50<sup>th</sup> anniversary logo branded the Institute's communications during 2015–2016. The Institute launched a new program, Back to School, to help high school students learn about the actuarial profession. Eighteen CIA members made 28 presentations to a total audience of 1,100 students. Back to School was so well-received that it has become an annual program.

The anniversary year closed with the printing of the CIA's commemorative oral history book, *Our history. Our achievements*. Over 40 CIA members shared memories of their experiences with the CIA, presenting the organization's history in a very personal way.

The CIA has evolved during its 50-year history, and will continue to do so. The 50<sup>th</sup> anniversary celebrations helped us to remember where we have been and to look forward ... towards 2065. //

ACTUAIRES  
PROFSSIONNELS DE L'AVENIR



ACTUARIES  
PROFESSIONALS OF THE FUTURE

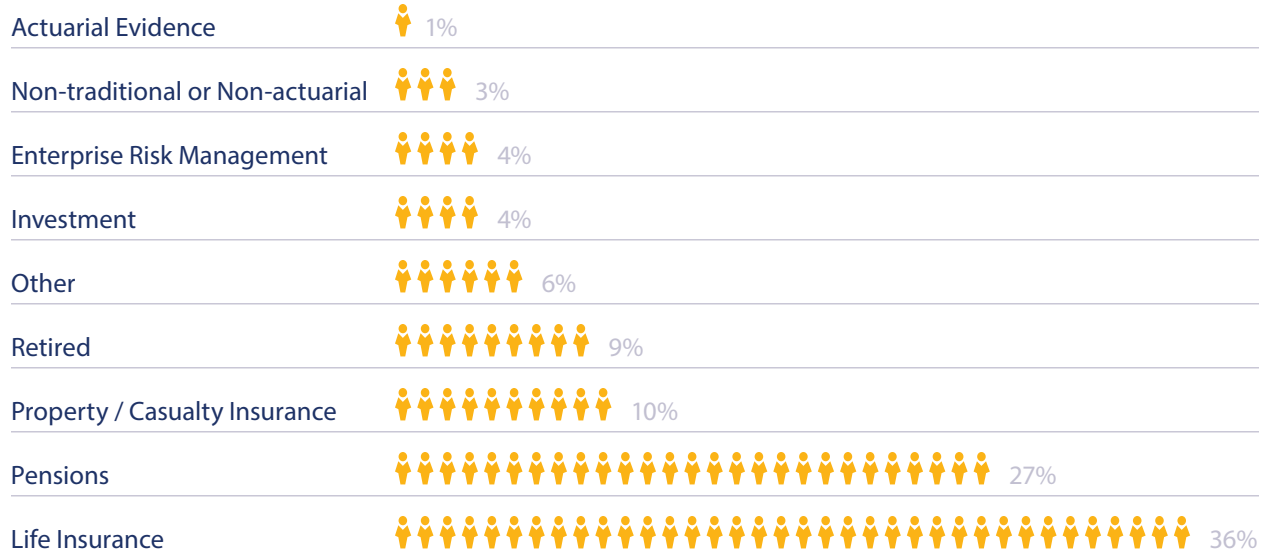
// Where CIA Members Work

22



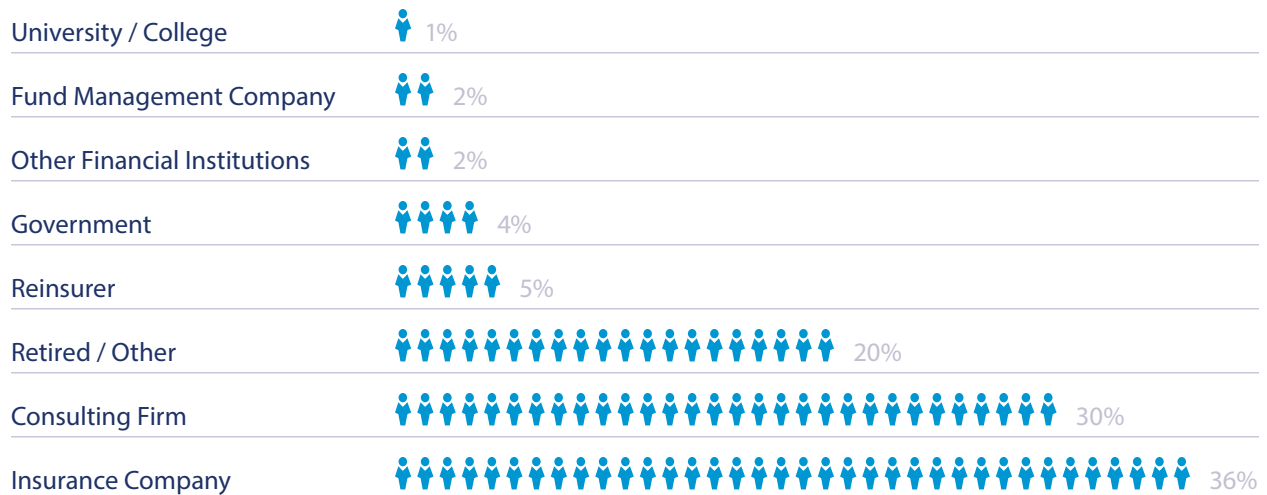
- / 10% WESTERN AND NORTHERN CANADA
- / 47% ONTARIO
- / 30% QUEBEC
- / 2% EASTERN CANADA
- / 11% INTERNATIONAL

## // CIA Member Practice Areas



Graphic does not include members who did not specify a practice area (including "other").

## // FCIA Employer Type



Graphic does not include members who did not specify employer type (including "other").





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## Report of the Independent Auditor on the Summary Financial Statements

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### To the members of the Canadian Institute of Actuaries

The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2016 and the summary statement of operations for the year then ended and related note, are derived from the audited financial statements of the Canadian Institute of Actuaries for the year ended March 31, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated June 7, 2016.

The summary financial statements do not contain all the statements and disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Canadian Institute of Actuaries.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the basis described in Note 1.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Canadian Institute of Actuaries for the year ended March 31, 2016 are a fair summary of those financial statements, in accordance with the basis described in Note 1.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
June 27, 2016

## // Summary Financial Statements

<b>Summary statement of financial position as at March 31, 2016 with 2015 Comparisons</b>	<b>2016 (\$000's)</b>	<b>2015 (\$000's)</b>
<b>Assets</b>		
Current		
Cash	\$ 2,512	\$ 2,685
Accounts receivable	21	9
Prepaid expenses	264	298
Investments	431	418
	<u>3,228</u>	<u>3,410</u>
Investments	4,067	4,118
Tangible and intangible capital assets	493	378
	<u>\$ 7,788</u>	<u>\$ 7,906</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 671	\$ 691
Deferred revenue	1,284	1,138
	<u>1,955</u>	<u>1,829</u>
<b>Net Assets</b>		
Invested in tangible and intangible capital assets	493	378
Internally restricted – Discipline Tribunals	536	–
Internally restricted – Research	370	209
Unrestricted	4,434	5,490
	<u>\$ 7,788</u>	<u>\$ 7,906</u>
<b>Summary statement of financial position as at March 31, 2016 with 2015 Comparisons</b>		
<b>Revenues</b>		
Membership dues	\$ 4,528	\$ 4,248
General meetings and seminars	1,665	1,416
Change in fair value of investments	(204)	202
Investment income	192	174
Advertising and miscellaneous	73	80
	<u>6,254</u>	<u>6,120</u>
<b>Expenses</b>		
General meetings and seminars	\$ 1,099	\$ 806
Salaries and staff benefits	2,551	2,263
Rent and operating expense	314	326
Professional fees	892	804
Travel reimbursements, meeting expenses and volunteer awards	499	420
Publishing, translation, supplies and services	330	319
Other staffing, travel and miscellaneous	338	363
Research studies and surveys	261	256
Discipline tribunals	214	–
	<u>6,498</u>	<u>5,557</u>
<b>Excess of revenues over expenses</b>	<b>\$ (244)</b>	<b>\$ 563</b>

### Note 1:

The summary financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations as at March 31, 2016 and for the year then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- the summary financial statements include the statement of financial position and statement of operations;
- management determined that the statements of changes in net assets and cash flows do not provide additional useful information and as such, have not included them as part of the summary financial statements;
- information in the summary financial statements agrees with the related information in the complete audited financial statements including comparative information and all major subtotals and totals; and
- in all material respects, the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited financial statements.

Copies of the March 31, 2016 audited financial statements are available on the CIA's website.

## **Canadian Institute of Actuaries**

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des actuaires