

March 27, 2018

Michel Sanschagrin
Chair, Panel of Experts on Automobile Insurance Contributions
400 boulevard Jean-Lesage, local 265
Québec City, Québec G1K 8W1

Re: Proposed Insurance Contributions for 2019–2021

Dear Mr. Sanschagrin,

The Canadian Institute of Actuaries (CIA) thanks you for bringing this consultation to our attention. As you will recall, we offered comments in 2015 on the proposed contributions for 2016–2018. We consulted with the CIA members who contributed to that submission, and they confirmed that they agree with the actuarial aspects of the approach used to determine the current proposed contributions, and support the direction outlined in the consultation document.

We also understand that you expressed an interest in the impact of IFRS 17 on the Société de l'assurance automobile du Québec (SAAQ). We acknowledge that the change to the accounting standards will have a significant impact on any insurance entities that are affected. Both the Actuarial Standards Board (ASB) and the CIA's Practice Council are developing revised standards and guidance that will aid CIA members as they apply the new standards ahead of the January 2021 implementation date.

The ASB is reviewing International Standard of Actuarial Practice (ISAP) 4 to determine the best way to integrate it into Canadian standards. This review will result in substantial revisions to the CIA standards of practice, with some material being transferred to educational notes. ISAP 4 is also undergoing some late changes, which presents a further complication for the revision process. That being said, we expect to present an exposure draft to CIA membership later this spring.

The CIA has established an IFRS 17 Steering Committee to coordinate activity across the organization, which includes reviewing the International Actuarial Notes (IANs) produced by the International Actuarial Association (IAA) to aid in the implementation of IFRS. The International Insurance Accounting Committee is working on an educational note that will identify the key differences in the valuation of contract liabilities under IFRS 17, as compared to the existing Canadian Asset Liability Method (CALM), also expected to be delivered later in the spring. In light of these ongoing developments, we believe it is premature to present any information on the impact of IFRS 17 until the standards and guidance have been completed and formally approved.

Once again, we thank you for reaching out to us on this.

Yours truly,

[original signature on file]

Sharon Giffen
President, Canadian Institute of Actuaries