
Annual Report **2017–18**

Canadian
Institute of
Actuaries



Institut
canadien
des actuaires

Table of Contents

2	Who We Are	7	Secretary-Treasurer’s Message	12	Core Activities
3	President’s Message	8	Education	15	Volunteer Impact and 2017 Award Recipients
4	CIA Board of Directors	9	Emerging Practices	16	CIA by the Numbers
5	Executive Director’s Message	10	Public Policy	17	Auditor’s Report
6	The CIA Community	11	Governance and Process Optimization	18	Summary Financial Statements

Who We Are

The Canadian Institute of Actuaries (CIA) is the national, bilingual organization and voice of the actuarial profession in Canada. Its members are dedicated to providing actuarial services and advice of the highest quality. The Institute puts the public interest ahead of the needs of the profession and those of its members.

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

COMMUNITY

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

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.

ADVANCEMENT

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

President's Message



Sharon Giffen

Reflecting on the past two years as President-elect and President of the CIA, I am honoured to be in a leadership position in this world-class organization. I am humbled by the enormous effort of a wide group of dedicated volunteers, supported by a small Head Office team, that has gone into the accomplishments you will read about in this report.

As I have indicated for the last two years, I am a huge advocate for getting involved with the CIA. We all, as professionals, benefit from a cross section of membership engaged in all of our activities. Diversity of views makes us better.

I will not recap the achievements of our many volunteers and our Head Office team. I can only say that it is nothing short of astonishing. I do want to

highlight three initiatives—some that are foundational for the CIA as we look to the future.

First, of all the governance matters, I am personally most excited by the prospect of welcoming a newer FCIA to the Board as a Director. Hearing perspectives from our future leaders will enhance our relevance to the entire profession.

Second, our first level-2 public statement is nearing its first exposure for member comment. Being proactive and taking a stand on a public policy issue is not business-as-usual for the CIA, and reflects the wish expressed by our stakeholders for us to say what we think.

And third, a little-advertised project at Head Office is going to revolutionize how our team works—eliminating many of the manual steps required on administrative tasks. Our employees' time will be redirected to add value to the real work of the CIA—to regulate the profession and to support our members.

These activities, along with many others, will help transform the profession. We have terrific members, deeply interested in volunteering. We have new and emerging areas of practice that need work and will provide employment to a growing membership. We have a bright future.

If I think about the CIA of the future, I imagine a member will be able to

- Follow committees and task forces that interest them, staying informed about initiatives;
- Easily volunteer for a task force—a specific work deliverable—well-defined and time-bound;
- Repeat that volunteer experience in a variety of strategic areas;
- Serve on a committee accountable for planning, organizing, and implementing the work of task forces;
- Lead such a committee;
- Join a council that decides what should be done—truly starting to influence the CIA direction;
- Lead a council and participate in the annual strategic planning session at the Board table;
- Run for election to the Board, having built a broad network of connections through volunteer experience; and
- Run for President-elect—the beginning of a three-year term in the CIA's highest office.

This is the volunteer career path—open to all.

Optimistic? You bet I am!

There is no shortage of interesting work in many areas to build our practices and liaise with external bodies that enhance our reputation and fulfil our mission. I hope you are inspired to get involved.

CIA Board of Directors



1 SHARON GIFFEN
BMath, FCIA, FSA
President

2 JOHN DARK
BMath, FCIA, FSA
President-elect

3 DAVID DICKSON
BScAct, FCIA
Immediate Past President

4 MINAZ LALANI
BSc, FCIA, FSA, CERA, FCA
Secretary-Treasurer

5 BARBARA ADDIE
BMath, FCIA, FCAS

6 PATRICK CHAMBERLAND
BScAct, FCIA, FSA, CFA

7 MICHAEL CORREA
BComm, FCIA, FSA

8 RENÉE COUTURE (not pictured)
BA, FCIA, FSA

9 CLAUDE FERGUSON
BScAct, FCIA, FSA

10 ANGELITA GRAHAM
BScAct, FCIA, FSA

11 RAHIM HIRJI
BMath, FCIA, FSA, MAAA

12 PIERRE-YVES JULIEN
BSc, FCIA, FSA

13 ANDRÉ L'ESPÉRANCE (not pictured)
BScAct, FCIA, FCAS, MAAA

14 DENISE LANG
BScAct, FCIA, FSA

15 MARC TARDIF
BScAct, FCIA, FSA

16 JASON VARY
BMath, FCIA, FSA

17 FAISAL SIDDIQI
BMath, FCIA, FSA
(ex officio; Chair, Practice Council)

18 BENOIT MICLETTE
BSc, FCIA, FSA
(ex officio; Chair, Member Services Council)

19 JACQUES TREMBLAY
BScAct, FCIA, FSA, MAAA
(ex officio; Chair, International Relations Council)

20 RÉMI VILLENEUVE
BScAct, FCIA, FSA
(ex officio; Chair, Education and Eligibility Council)

21 MICHEL SIMARD
Executive Director
(ex officio)

Executive Director's Message



Michel Simard

The Canadian Institute of Actuaries draws its strength from our ability to work together collectively and collaboratively. For our dedicated volunteers on the CIA Board, councils, committees, and task forces, as well as Head Office staff, 2017 was a year focused on improvements and foundational changes in our organizational structure, in providing services to members, and in support of the profession overall.

An annual report cannot possibly include all of the Institutes' significant accomplishments. This year, we highlight the status of our goals from the 2017–2019 Strategic Plan: enhancing our education and qualification system, increasing the number of actuaries in non-traditional roles, influencing public policy, improving our governance model, and enhancing volunteer engagement. We also look at accomplishments in our core activities, including research, continuing professional development, professional practice, and international relations.



As you read these pages, you will see that we made great progress in all of our activities, with a concerted effort to meet challenges, work hard, and achieve success. We should celebrate what we have accomplished, with an eye to the future and what we still want to do.

Looking ahead, our operating environment will continue to be shaped by rapid changes with far-wider implications than ever before. Against this backdrop, it is especially important to adapt when necessary

without abandoning the things that matter most to our members. Moving forward, you will see the CIA continue to excel—a proven capability of ours—with significant opportunities in front of us. We will also find ways to be more productive with our precious but limited resources. At the same time, the CIA will strive to evolve in ways that create real value for all of our stakeholders.

In all of this, our people are key. I have the good fortune to work closely with our volunteers and staff and I am inspired by their energy and enthusiasm, not just because they care about the CIA's long-term success as an organization, but because they also care about the long-term success of our members and stakeholders who are the backbone of the Institute. Their common understanding of our *raison d'être*, combined with their passion to live up to our brand, are why the CIA continues to grow and deliver results. I am grateful to all of them.

The CIA Community

	Members	Affiliates	Associates	Correspondents	Fellows
	1,921	2	688	9	1,222
	3,543	10	1,019	10	2,504
	5,464	12	1,707	19	3,726

28

staff

79

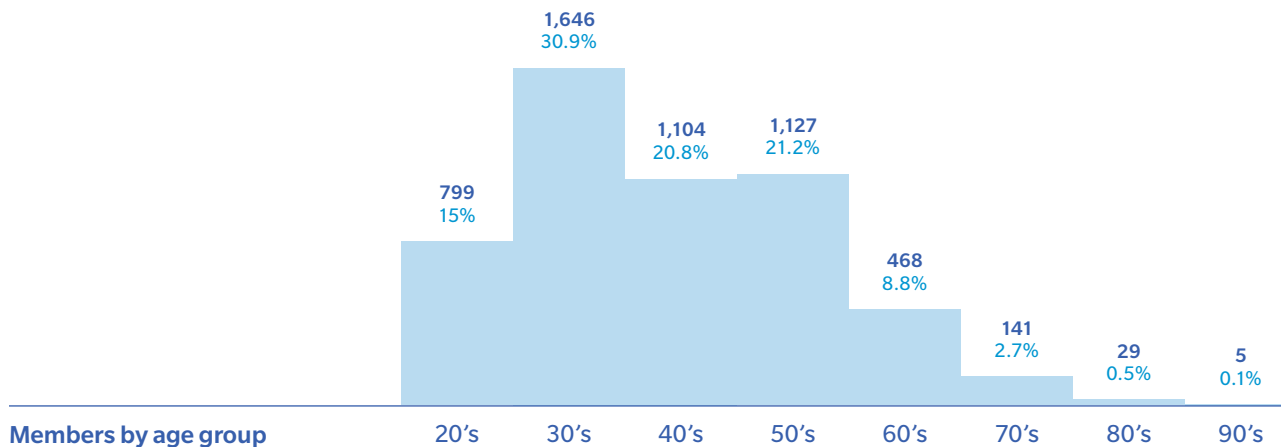
committees, subcommittees,
and task forces

543

volunteers

4

councils



Members by age group

Graphic does not include members whose age was not provided.

Figures effective as of June 5, 2018.

Secretary-Treasurer's Message



Minaz Lalani, Chair, Human Resources, Finance, and Audit Committee (HRFA)

The “HR” part of our activities encompassed an annual review of a salary increase “envelope” for implementation in April 2018.

In February 2018, the HRFA approved the additions of the following Head Office positions: full-time manager, finance and membership; manager, research (contract previously); French editor; marketing content writer; associate director, communications and public affairs (replacement); and manager, volunteer services. The first four positions have been filled. We are actively

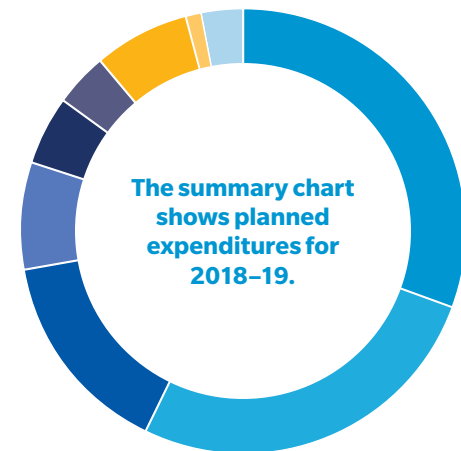
recruiting for the others. In December, our executive assistant retired and was replaced.

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 2017–18, the CIA recorded a surplus of \$54,284 (surplus of \$402,773 in 2016–17), compared to a planned balanced budget, for a positive variance of \$54,284 (\$584,573 in 2016–17).

CIA investment assets are recorded at market value rather than at their purchase price, therefore unrealized gains or losses are reflected in the statement of operations. During 2017–18, the Institute incurred unrealized losses of \$116,427 (gains of \$139,676 in 2016–17).

Our unrestricted surplus is \$4,474,004 (\$4,464,638 in 2016–17), which represents 62% of planned revenues of \$7,230,500 contained in the Board-approved 2018–19 fiscal year budget (well within our guideline). The overall budget for 2018–19 shows a planned deficit budget of \$71,100. The HRFA budgeting process was based on the assumption that an increase for inflation is effectively the same as no increase, as the vast majority of expenses are expected to rise with inflation.



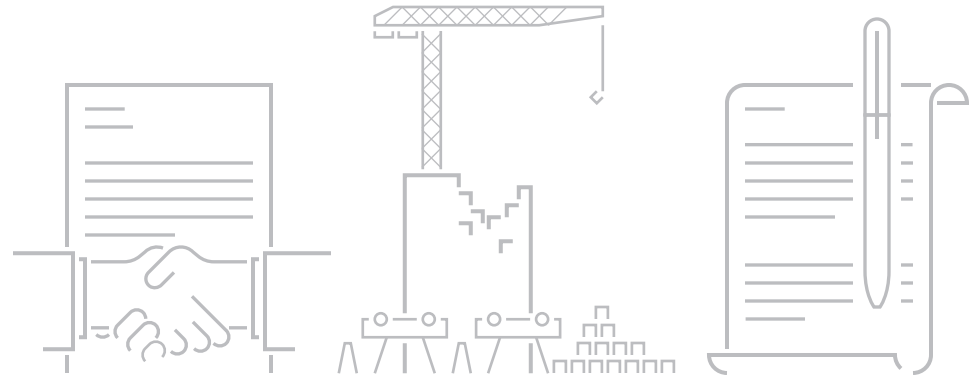
The summary chart shows planned expenditures for 2018–19.

Member Services	31%
Education	27%
Governance, Admin. and Support	15%
Research	8%
Public Interest	5%
International Relations	4%
Public Policy	7%
Emerging Practices	1%
Professional Practice Guidance	3%

Education

GOAL: ENHANCING THE CIA EDUCATION AND QUALIFICATION SYSTEM.

The CIA's accountability for the quality of its professional designations is key to protecting the public interest. A Canadian-designed education system that is tailored to our unique and evolving environment also helps the CIA foster a strong and early connection with actuarial students who are our future ACIAs and FCIAAs.



STATUS:

The Eligibility and Education Council (EEC) and Head Office education department staff have completed all education goals in the CIA Strategic Plan.

CHALLENGE:

Significant work, but no major challenges.

FUTURE:

Add property and casualty track to the Practice Education Course, evolve the CIA syllabus for emerging practices and skill sets, employer survey of actuarial education in Canada, IFRS 17 education, and continuing education.



“The CIA has clearly confirmed its role in education in 2017–2018 through the adoption of our second education syllabus and the implementation of the memorandum of understanding (MOU) with the Society of Actuaries.”

Rémi Villeneuve
Chair, Eligibility and Education Council

Implementation of memorandum of understanding with the SOA

Redesigned Practice Education Course

Revised education syllabus

Emerging Practices

GOAL: INCREASING THE NUMBER OF ACTUARIES IN NON-TRADITIONAL ROLES.

Actuaries have a unique skill set that they can apply to a wide variety of fields where they have not traditionally practised in great numbers. The CIA can identify these non-traditional areas of practice, and promote the role of actuaries in these areas to employers and the public.



STATUS:

Identified foundational changes to properly identify and track emerging trends in non-traditional employment, roles, and techniques. Supported the development of our profession in two emerging fields: predictive modelling and banking.

CHALLENGE:

Identifying future trends for which we can realistically deploy key supportive initiatives.

FUTURE:

Banking represents a promising area of practice as a natural extension of current actuarial talents and know-how.



“The goal behind the Emerging Practices Committee is to develop and connect leadership to embrace innovations that are expected to transform the profession, building on existing strengths and emerging opportunities.”

Claude Ferguson
Chair, Emerging Practices Committee

Identified key challenges and support needed for 6 emerging practices

Actuaries’ Climate Index™ seasonal updates

25 representatives of major banks met to discuss developing and supporting a role for actuaries in banking in Canada

Public Policy

GOAL: INFLUENCING PUBLIC POLICY.

Meaningful and timely contributions to public dialogue allow the CIA to serve the public interest and the actuarial profession, and to be recognized as a key player in matters of public policy.



STATUS:

Twenty submissions to provincial, national, and international organizations or regulatory bodies.

CHALLENGE:

Finding volunteers with the requisite knowledge and experience to draft submissions, often under tight deadlines.

FUTURE:

Three level-2 public statements on climate change, retirement age, and risk classification will move closer to publication.



“Our work has been noticed. Regulators and other organizations are now asking for the CIA’s input on a variety of topics. The media has also noticed our recent submissions and published stories about them.”

Bernard Morency
Chair, Public Statements Committee

20 submissions on topics including pensions, social security systems, corporate governance, and discount rate guidance

3 level-2 public statements under development

Increased media coverage of CIA submissions

Governance and Process Optimization

GOAL: IMPROVING THE CIA'S GOVERNANCE MODEL AND ENHANCING VOLUNTEER ENGAGEMENT.

The CIA is optimizing its governance structure to ensure more efficient and effective operations, making the best use of its human and financial resources.



STATUS:

Developed Bylaw changes to support a new governance structure, presented at Annual Meeting 2018, and progress made on recruiting and managing volunteers.

CHALLENGE:

The breadth of the changes being contemplated and the very real issue of implementing significant change into a volunteer-driven organization.

FUTURE:

A more modern governance system that is inviting and open to all members interested in getting involved and able to invest the time to do so.



“While in and of themselves these Bylaw changes are not significantly material, they do lay some groundwork for a more modern, inclusive Board which has clear line of sight into the strategically and financially important aspects of the work of the Institute.”

Sharon Giffen
Chair, Governance Committee

Comprehensive member consultation on governance changes

New Fellows pilot project with Volunteer Management and Development Committee

Groundwork for customer relationship management system

Core Activities

Research

10

research papers and
1 member paper

Hired full-time
research manager



"This is our third year sponsoring the Academic Research Grant program and we can see its impact with important papers published and interesting new research proposals being funded."

Keith Walter
Chair, Research Executive Committee

Continuing Professional Development

20

webcasts

Live streaming of sessions
introduced to allow remote
participation



"As our work environment evolves, the CE committee is adapting the delivery of professional education to meet the emerging needs of members."

Alison Rose
Chair, Continuing Education (CE) Committee

Professional Practice

31

practice-related documents (educational notes, guidance, notices of intent, etc.)

Preparatory IFRS 17 work



“The Practice Council continues to be very busy reviewing and approving educational notes and supplements that increase actuarial professionalism and improve the guidance to actuaries.”

Faisal Siddiqi
Chair, Practice Council

International Relations

15

candidates proposed for International Actuarial Association (IAA) committees

8

submissions to international regulatory bodies



“The IRC enhances the CIA’s international presence through strategic activities including supporting the IAA, connecting with members who work internationally, and facilitating the awareness and portability of the FCIA designation.”

Jacques Tremblay
Chair, International Relations Council

Core Activities *(cont'd.)*

Professional Conduct

7

volunteers trained to sit on investigative teams

1

charge filed

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.

Branding: Canada 150 Ad Campaign



"The shape of things to come", the CIA's 2017 national advertising campaign told the stories of how actuaries have made contributions to Canada's social programs like the Canada Pension Plan (CPP), Employment Insurance (EI), and Workers' Compensation. This milestone year was a very fitting time to inform Canadians about the profession's significant contributions to our country.

Volunteer Impact and 2017 Award Recipients

New volunteer pilot project to develop new volunteers and enhance volunteer pool

Posting open volunteer positions in weekly CIA announcements

Gold



Conrad Ferguson



Scott McGaire

Silver

Danielle Harrison
Thomas Hinton
Patricia Hladun
Trevor Howes

Ben Meckler
Stella-Ann Ménard
Rémi Villeneuve

Bronze

Wendy Achoy
Réjean Besner
Sarah-Salimah Bhanji
David Campbell
René Chabot
Mei-Hsuan Chao
August Chow
Erin Crump
Bernard Dupont
Ian Edelist
Stéphanie Fadous
Lyna Gendron
Diane Gosselin
Patrick Kavanagh
Pierre Laurin
Claude Lockhead
Cathy Macdonald
Jason Malone

Benoit Miclette
Lisa Miolo
Bernard Morency
Terence Narine
Sunny Oh
Haripaul Pannu
Diana Pisanu
H. Clare Pitcher
Heike Reck
Barbara Sanders
Erika Schurr
Ernest Segal
David Stalker
Natalie Thompson
Andrei Titoura
André Veilleux
Mercy Yan

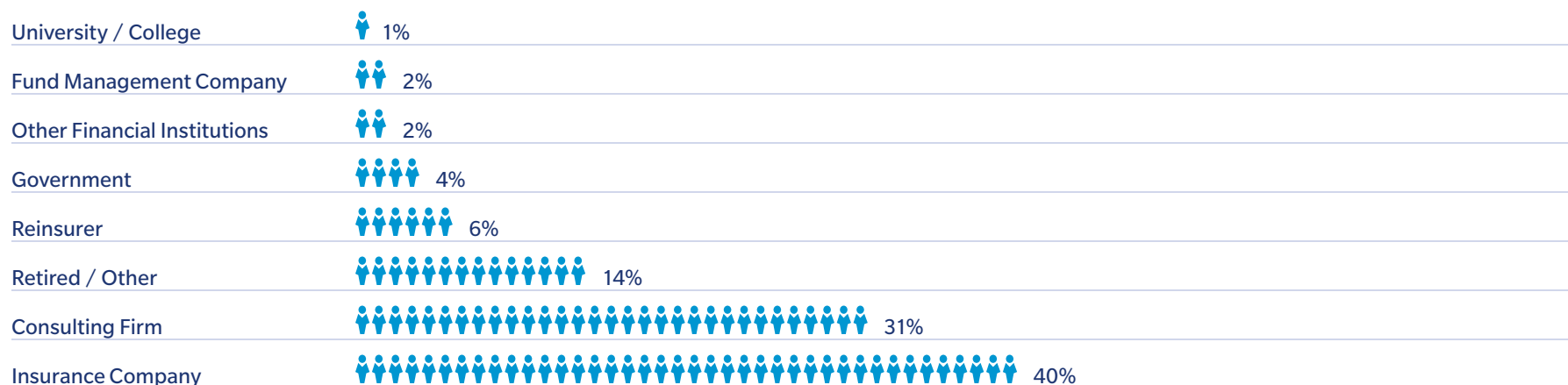


“The volunteer pilot project is a perfect example of how to make volunteering clearer and more accessible through well-defined opportunities.”

Benoit Miclette
Chair, Member Services Council

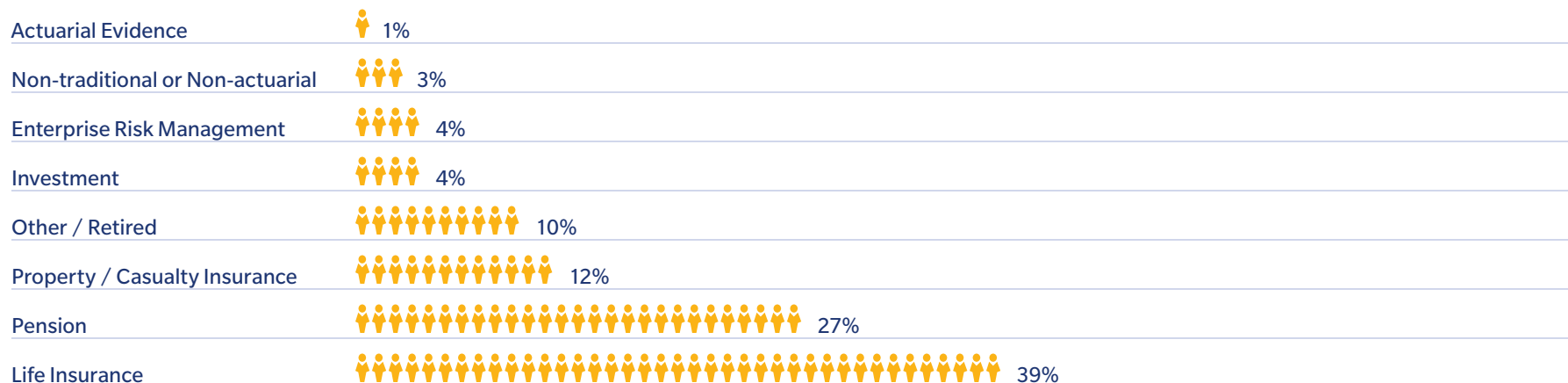
CIA by the Numbers

Actuarial Employer Type



Graphic does not include members who did not specify employer type.

Member Practice Areas



Graphic does not include members who did not specify a practice area.



Tel: 613 739 8221
Fax: 613 739 1517
www.bdo.ca

BDO Canada LLP
Suite 100 - 1730 St-Laurent Boul.
Ottawa, ON K1G 5L1

Auditor's Report

Report of the Independent Auditor on the Summary Financial Statements

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, 2018 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, 2018. We expressed an unmodified audit opinion on those financial statements in our report dated June 20, 2018.

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, 2018 are a fair summary of those financial statements, in accordance with the basis described in Note 1.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario

June 20, 2018

Summary Financial Statements

Summary statement of financial position as at March 31, 2018 with 2017 comparisons

	2018 (\$000's)	2017 (\$000's)
Assets		
Current		
Cash	\$ 2,958	\$ 2,480
Accounts receivable	42	18
Prepaid expenses	337	272
Investments	527	384
	<u>3,864</u>	<u>3,154</u>
Investments	4,324	4,432
Tangible and intangible capital assets	531	549
	<u>\$ 8,719</u>	<u>\$ 8,135</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 978	\$ 837
Deferred revenue	1,451	1,062
	<u>2,429</u>	<u>1,899</u>
Net Assets		
Invested in tangible and intangible capital assets	531	549
Internally restricted – Discipline Tribunals	716	698
Internally restricted – Research	569	524
Unrestricted	4,474	4,465
	<u>\$ 8,719</u>	<u>\$ 8,135</u>

NOTE:

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, 2018 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:

- a) The summary financial statements include the statement of financial position and statement of operations;
- b) 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;

Summary statement of operations for the year ended March 31, 2018 with 2017 comparisons

	2018 (\$000's)	2017 (\$000's)
Revenues		
Membership dues	\$ 5,000	\$ 4,836
General meetings and seminars	1,494	1,353
Change in fair value of investments	(116)	140
Investment income	180	201
Advertising and miscellaneous	60	60
	<u>6,618</u>	<u>6,590</u>
Expenses		
General meetings and seminars	\$ 963	\$ 854
Salaries and staff benefits	2,734	2,667
Rent and operating expense	422	378
Professional fees	733	770
Travel reimbursements, meeting expenses and volunteer awards	467	492
Publishing, translation, supplies and services	386	296
Other staffing, travel and miscellaneous	451	373
Research studies and surveys	374	305
Discipline tribunals	34	52
	<u>6,564</u>	<u>6,187</u>
Excess of revenues over expenses	\$ 54	\$ 403

c) 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

d) 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, 2018 audited financial statements are available on the CIA's website.