

December 16, 2019

Climate Risk Task Force
International Actuarial Association
1203-99 Metcalfe
Ottawa ON K1P 6L7
climaterisk.comments@actuaries.org

Subject: Comments on Draft Statement of Intent (SOI) for IAA Activities on Climate-related Risks

Dear IAA Climate Risk Task Force,

The CIA is pleased to submit our comments on the Draft Statement of Intent (SOI) for IAA Activities on Climate-related Risks. In the transmittal form, we have included three comments that we would like to draw your attention to:

- We recommend ensuring engagement with other stakeholders whose work has been important to the identification and qualification of risks from climate change.
- It would be advantageous to leverage the work already done by other full member associations, in order to more quickly develop guidance.
- The proposed activity to develop a paper for 2021-2024 should begin in 2020.

Given the importance of this topic and the relative early stages at which the IAA appears to be in this area, we strongly recommend and support accelerating these activities as much as possible.

The CIA appreciates the opportunity to provide feedback, and we would welcome further discussion with you throughout this process.

If you have any questions, please contact [Chris Fievoli](#), CIA Staff Actuary, Communications and Public Affairs, at 613-656-1927.

Sincerely,

[original signature on file]

Marc Tardif, FCIA
President, Canadian Institute of Actuaries

The Canadian Institute of Actuaries (CIA) is the national, bilingual organization and voice of the actuarial profession in Canada. Our members are dedicated to providing actuarial services and advice of the highest quality. The Institute holds the duty of the profession to the public above the needs of the profession and its members.

IAA Comment Template

Draft Statement of Intent (SOI) for IAA Activities on Climate-related Risks

1. Do you agree that the IAA should launch a new strategic initiative related to climate related risks as proposed in the draft SOI?

Yes

No

2. Are any of the proposed activities inappropriate for the IAA to engage in?

Yes

No

If yes, please explain why the particular activity should not be commissioned.

3. What other activities should be included in SOI?

Please cover why you wish to include the proposed activity, and if appropriate provide an example to support your proposal. Please note that IAA activities are not intended to address unique, country-specific issues. Member associations and local organizations would be better placed to address such issues.

- Coordination and collaboration with other stakeholders (regulators, supervisors, policy-makers, and other professional associations [accountants, engineers, economists, climate scientists]) to develop strategic cross-functional opportunities and partnerships (and ensure that actuaries are not trying to develop work that has already been developed by others).
- Propose the following addition to the 2020 activities:
 - Review of existing IAA's IFRS publications to identify and address any climate-change related gaps, e.g., climate change considerations when setting risk adjustment assumptions and confidence levels.
- Propose that the following recommended activity for 2021-2024 be prioritized to begin in 2020 as it will be important to advance actuarial approaches related to asset and liability risk management under climate change scenarios, particularly in the presence of a growing concentration of financial institutions that have pledged early adoption of TCFD recommendations. We want to position actuaries to be strategic advisors of climate change impacts and foster this development sooner than later.
 - *A paper on the application of climate-related risk scenarios to asset portfolios with an important subsidiary goal of encouraging consistency between assets and liability modeling.*

4. Please use this space for any additional comments not covered above.

- Ensure that the IAA works closely with FMAs as noted at the end of section 4 on Scope and Content, namely to ensure that work already developed by FMAs, e.g. the [IFoA's practical guides by practice areas](#) can be developed into IAA-sanctioned material to benefit all FMAs.

5. Please provide the name of the person completing the consultation response, association and email address for further clarifications (if needed).

Name	Gaetano Geretto
Organisation	Canadian Institute of Actuaries
E-mail address	gaetano.geretto@pelecanusadvisory.com
Type of response	<input type="checkbox"/> Personal <input checked="" type="checkbox"/> Organization

IMPORTANT:

Please check if the relevant check boxes are ticked appropriately and save the file renamed with the organization's or individual's name (e.g., IAA_CommentTemplate_[NAME].Doc).

E-mail the file as an attachment to climaterisk.comments@actuaries.org, with "SOI for Climate Risk" in the e-mail header. **Please respond by 31 December 2019.**