

Actuarial Standards Board Guidelines for Designated Groups

Introduction

Designated groups (DGs) are established by the Actuarial Standards Board (ASB), either to prepare revisions to standards of practice, or to prepare a revision of a promulgated assumption, for approval by the ASB.

This document outlines the expectations for a DG and some best practices in its operation that may assist a DG chair to effectively complete the task set out for the group.

Formation of a DG

In consultation with the ASB, the Actuarial Guidance Council (AGC) is responsible for identifying and recommending individuals who will be capable of contributing to the successful execution of each DG's mandate, taking into account any special considerations identified by the ASB.

There are no specific criteria for DG membership. The AGC would ensure that, to the extent practical, all required skills are represented on the DG (or are identified as required additional resources). The DG as a whole should reflect an appropriate range of diverse perspectives. For example, the AGC would consider choosing diverse members by practice area, geography or jurisdictional area, skill sets and experience and language preferences.

Where a practice-specific standard of practice is being revised, it is expected that the DG would include at least one active practitioner, and that the AGC would consult with the chair(s) of the relevant CIA practice committee(s) on the composition of the DG. The AGC would also consider whether a regulatory representative should be part of the DG. Regulatory representatives on DGs should follow the [Guidelines on Regulatory Representatives and Other Regulator Employees' Participation on CIA Committees](#). An individual with relevant experience who is not an actuary may also be appointed to a DG.

Role of the ASB

The ASB appoints the chair and members of the DG and ensures that the DG as a whole is appropriately qualified. The ASB provides a written description of the DG's mandate to the chair of the DG and identifies any special considerations that are pertinent to the work of the DG (e.g., the need for alignment of standards of practice with regulatory changes, concerns related to consistency of standards of practice across practice areas, external

factors or external stakeholders with a particular interest or concern related to the relevant standard of practice).

If, during the course of the work of the DG, a change is made to the initial mandate, the ASB will provide an updated version of the mandate to the chair of the DG. Similarly if, during the course of the work of the DG, new factors come to the attention of the ASB that would influence the work of the DG, the ASB would so advise the chair of the DG.

The ASB also provides its expectations to the chair of the DG as to the timelines for the first formal deliverable of the DG, namely the notice of intent or the initial communication of a proposed revision to a promulgation, as the case may be.

After the completion of each interim deliverable (e.g., notice of intent, exposure draft, revised exposure draft, or initial communication of a revised promulgation), the ASB provides its expectations, after consultation with the chair of the DG, as to the timelines for the next deliverable.

DG Structure

The role of the DG chair is key in the standard of practice development process. Therefore, the selection of the chairperson should take into account a number of factors including the volunteer's experience with standard-setting, demonstrated leadership skills, organizational ability, motivation, and technical knowledge and background in the area under consideration.

The chair of a DG may also be a member of the ASB. Where this is not the case, the ASB assigns one of its members to be a member of and a liaison to the DG.

A DG would comprise more than one person, unless there is an unusual circumstance that would justify a one-person DG. Typically, a DG would have at least three members; there is no maximum number.

Although it is expected that members of the DG will continue as members until the final standard of practice is adopted, it may be appropriate for the ASB to appoint new members to the DG or replace its members from time to time, to maintain or improve the effectiveness of the DG.

In some cases, it may be appropriate to supplement the skills of the DG with additional resources (e.g., assistance from Head Office staff, legal advice, or advice from other professionals or research). The chair of the DG is responsible for identifying any additional resources that may be useful, and for working with the ASB and the AGC to obtain such resources.

DG Operation

The DG would meet periodically as necessary either in person, by conference call or by e-mail. Minimally, the chair or liaison would provide an update on the work done by the DG at each ASB meeting. Periodically, as requested by the ASB, the chair of the DG would report to the ASB on key issues being discussed and addressed by the DG. This provides an opportunity for the chair of the DG to discuss items with the ASB for which additional

guidance is needed and to highlight aspects of the DG's mandate which are or could be controversial.

A DG is expected to follow due process as established by the ASB. Due process can be found [here](#).

Due process requires that the DG consult with various interested parties. Although the DG is expected to identify these parties, the chair may also seek input from the ASB in identifying such parties or relevant issues. The DG should also consider whether it would be useful to provide additional documentation to these interested parties (e.g., an expanded cover memo or a copy of the current standard) when distributing a notice of intent or an exposure draft.

Due process also requires that the DG identify the various forums that should be used to obtain input on a notice of intent or exposure draft. Although written submissions are always allowed, the DG may wish to encourage other forms of input (e.g., at a CIA annual conference or seminar, or at a special meeting).

Due process states that the DG should identify initially whether legal or other professional advice will be required, and comment at the exposure draft and final standard of practice stages on whether ASB legal counsel input was obtained. The chair of the DG should consult the ASB before initiating any legal review.

In accordance with due process, certain documents (e.g., a notice of intent, an exposure draft, or a final standard of practice) must be approved by the DG before they can be approved by the ASB. Normally, the level of support required for approval of a document by a DG would be the same as that established for the ASB by due process. If the DG considers that another level of support would be appropriate, the chair should seek input from the ASB.

The DG should consider whether the proposed changes to standard of practice or promulgations will enhance consistency with any international standards of actuarial practice that may be relevant.

Where a practice-specific standard of practice is being revised, it is expected that the chair of the DG will liaise periodically with the chair(s) of the relevant CIA practice committee(s).

An essential document providing guidance in the drafting of a standard of practice is the Policy and Process Manual, found [here](#), a copy of which is forwarded (along with these operating guidelines) by the Head Office on the appointment of the DG chair, who in turn should forward it to the members of the group as they are appointed.

A DG operates in a manner similar to a CIA task force. Useful references for effective operation of a DG would be the following:

- Volunteer Management Best Practices for CIA Committee/Task Force Chairpersons and Vice-Chairpersons (available [here](#)).

This document provides detailed information to committee chairs and vice-chairs on membership of committees, annual planning cycles, conducting effective committee meetings, communication, and conflict of interest guidelines.

- Volunteer Management Best Practices Summary (available [here](#)).

This is a summary in a tabular form of the above-detailed document.

- Guidelines on Regulatory Representatives and Other Regulator Employees' Participation on CIA Committees (available [here](#)).

This is a summary of the expectations related to regulatory representatives on CIA committees, which are expected to apply to Designated Groups as well.

All responses received on a notice of intent, exposure draft, or communication of a revision of a promulgation should be acknowledged by the chair of the DG. All responses should be considered by the DG and the memo to the ASB or subsequent memo to CIA members and other interested parties should contain a summary of these comments and the DG's position on them (as part of due process). There is an expectation that feedback on a notice of intent, exposure draft or initial communication of a revision of a promulgation be addressed with due care and consistently. A detailed explanation of all comments and the DG's position on them is not generally required. However, if the changes are controversial, such controversy should be highlighted (if significant), and additional detail is warranted.

Where comments are received from an individual or group outside of the CIA, the DG should also consider providing a written response directly to such individual or group.

Minutes of DG meetings are not required to be published or posted on the ASB website. However, the following document may provide some useful guidelines:

- Principles and Guidelines for Minutes Production (available [here](#)) (login required).

Reimbursement of expenses for a DG would be consistent with the reimbursement policy for committees and task forces of the CIA as outlined in the Institute's Travel Policy for Volunteers and Staff [here](#).

DG Reporting

The DG chair or an appointed member would meet with the ASB to present the work of the DG for each component of due process.

In order to provide sufficient time for review by the Head Office, legal review (if required), translation and other components of due process, the DG chair would aim to provide final documents approved by the DG well before the ASB meeting date. The length of time would depend on the complexity of the work, and be in accordance with the guidelines established with the Head Office.

DG Recognition

The chair of the DG would thank the DG's members for their contribution at the end of the project. The ASB should thank the chair for accomplishing the mandate set out for the DG.