

MINUTES OF MEETING #1-23
Actuarial Profession Oversight Board
Video conference
February 10, 2023

Present: Danielle Boulet (12:30) Geoffrey Melbourne
 John Carter, Chair Suzanne Michaud
 Ann Etter Alain Paquet
 Dick Freeborough (12:30) Neil Parkinson
 Harold Geller Marian Passmore
 Anne Kleffner Dave Pelletier
 Raymond Léger Michel Simard, ex officio

Absent: Charlene Butler, Fanny Guertin

Staff: Leona Campbell, Lynn Blackburn

Guests: John Dark (for PCMB), Dave Dickson (for PCB), Edward Gibson (for ASB), Jacques Tremblay (for TP)

Item 1-23.1 Welcome

John Carter, the new Chair of the Actuarial Profession Oversight Board (APOB) welcomed members and called the meeting to order.

Item 1-23.2 Approval of the agenda

Motion 1-23.2.1

That the agenda be approved, as presented.

Carried.

Item 1-23.3 Approval of the minutes

Motion 1-23.3.1

That the minutes of the APOB meeting held on October 21, 2022, be approved, as presented.

Carried.

Item 1-23.4 Report from the APOB Nominating Committee (NC) chair

Neil Parkinson presented the NC report including proposed nominations from the February 10, 2023, NC meeting. The matrices for all boards under APOB were updated. The NC had an in-depth discussion on diversity.

1. APOB membership

Dick Freeborough was recently appointed to APOB by email vote. At least three members will need to be replaced later in the year. Two candidates were approved by the NC who will be submitted at the May APOB meeting for approval so that if approved, can attend the fall meeting as guests for orientation.

If anyone has suggestions for potential nominations to APOB, they should pass them on to Neil.

2. Actuarial Standards Board (ASB)

There are no nominations to the ASB at this time.

3. Professional Conduct Board (PCB) membership

Motion 1-23.4.3.1

That Marthe Lacroix, José Legault and David Morton be extended on the PCB by one year.

Carried.

Motion 1-23.4.3.2

That Cecilia Tse and Daniella Vega be appointed to the PCB for five-year terms, effective February 1, 2023.

Carried.

4. Professionalism and Credential Monitoring Board (PCMB)

There are no nominations to the PCMB at this time.

5. Tribunal Panel (TP) membership

Motion 1-23.4.5.1

That Valérie Adelson, Simon Curtis, Angelita Graham, Karen Lockridge, Jason Malone and Christopher Townsend be appointed as members of the TP, effective March 1, 2023.

Carried.

Action item:

- **Leona will update the matrices with the new appointments.**

Item 1-23.5 Report from the PCMB

John Dark provided an update from the PCMB. The audit of the member continuing professional development (CPD) activities was completed with good results. They are finding that many members are asking for exemptions for retirement even though they are still doing some work. Often it is found that these members likely are compliant but do not want to record CPD. The

PCMB has been fairly strict that members who are participating on boards are not eligible for a CPD exemption. Members who have been approved for a CPD exemption for retirement will be audited in the future. It was noted that Rule 13 would take effect if any member is aware of another member that is doing work but is currently exempt.

The number of members who have filed their compliance statement to date is ahead of last year at this time largely due to the fact that the majority of members were required to complete the professionalism module by December 31.

The PCMB will be looking at recruiting members this year to replace those who have been on the board since its inception in January 2020.

Item 2-22.6 Report from the TP

Jacques Tremblay provided an update from the TP.

They have a large number of members on the panel for various reasons including

- members who serve on an appeal tribunal will not be able to serve on a disciplinary tribunal (DT) to prevent any perception of bias; and
- settlement agreements will now need to be approved by a DT.

There are currently three members who are not CPD compliant and will be asked to be compliant or resign. They will also be looking to have another bilingual judge on the roster.

There will be a training session for TP members to ensure all are aware of responsibilities, key issues, concepts and the management of a case.

One case is currently going to an appeal tribunal.

Item 1-23.7 Report from the PCB

Dave Dickson, Chair of the PCB provided an update on PCB activities.

Several cases were completed in 2022 and there is currently only one active case, one that is being monitored and one that is at an appeal tribunal.

The PCB recently did a self-assessment that will be discussed by the PCB at their next meeting. Good feedback was received, and suggestions will be considered for improvement areas.

The PCB believes that a better job is required at educating members on the rules of professional conduct and how to follow them. A webcast on this was done in 2022 that was well received with good feedback. They are looking to do another one in 2023.

Item 1-23.8 Report from the ASB

Edward Gibson provided an overview of the report from the ASB with additional comments as follows:

There are currently seven parts to the *Standards of Practice* but Part 8000 will be added in June 2023 related to enterprise risk management. Each standard is reviewed quinquennially. IFRS 17 created a lot of work particularly in Section 2000 related to insurance. There was a significant amount of review done in the pension areas and with Section 4000. The remaining standards will be reviewed in 2023.

A few meetings with regulators have recently taken place. Some issues are being raised by regulators that are not considered to be issues by the CIA. Further discussions will be had to determine how to respond to ensure that it is clear that all comments and feedback are considered even if there is no resolution at this time.

There was further discussion on merging the ASB and the Actuarial Guidance Council to ensure proper oversight of the Standards and guidance, but the concern is about the potential workload by volunteers. The CIA Board voted to not merge the two groups at this time though it may be considered again in the future.

They will be recruiting new members in the upcoming year and will focus on diversity and inclusion.

Dave Pelletier mentioned that the International Actuarial Association (IAA) is in the early stages of creating an International Standard of Actuarial Practice in the area of climate change and assumption setting which should be considered by the ASB.

It is expected that the workload for the ASB will be reduced over the next few years as compared to recent years. They may consider setting up an editing group to review all changes to standards to ensure consistency.

Item 1-23.7 APOB documents

Terms of references: All have been updated with new bylaw references and links and now include the requirement that all members must be CPD compliant.

One significant change is to remove the term for TP members to allow members to stay on indefinitely given that most will not actually participate on a tribunal.

PCB terms also include the references to the new *Policy on the CIA Disciplinary Process*.

The PCMB report on criminal convictions will only be once per year given that few or no disclosures are received each year.

Statement of operating procedures: Each group (except the TP) approves their own operating procedures but are provided to APOB for information. The TP and the PCMB have reviewed and

approved their changes, and the PCB and the ASB will be reviewing them at their next meeting. It was decided to remove the requirement for the vice-chair to not be allowed to participate on a DT.

Policy on the review of a PCMB determination: Remove “s” on “determination” in the title.

Procedures for the Appointment of a CIA Appeal Disciplinary Tribunal: Fix number formatting in item 8.

APOB info for prospective members: Document was updated with changes that have been implemented. The document can be used by APOB members speaking with prospective recruits to the board.

Motion 1-23.8.1

That the revised terms of reference for APOB, the ASB, the PCB, the PCMB and the TP be approved, as presented.

Carried.

Motion 1-23.8.2

That the revised *Tribunal Panel Statement of Operating Procedures* be approved, as amended.

Carried.

Motion 1-23.8.3

That the *Policy on the Review of a PCMB Assessment of a Criminal Conviction for an Applicant to the CIA* be approved, as presented.

Carried.

Motion 1-23.8.4

That the *Policy on the Review of a PCMB Determination Regarding Non-compliance with, or Ineligibility for an Exemption from, the CIA Qualification Standard – Requirements for Continuing Professional Development* be approved, as amended.

Carried.

Motion 1-23.8.5

That the *Procedures for the Appointment of a CIA Appeal Disciplinary Tribunal* be approved, as amended.

Carried.

Item 1-23.9 Report from the TF to review the Rules

A communication went out to members in December. The revisions that were incorporated are included for information. Many comments were received and are being discussed by the TF.

The main issue that has been raised relates to work and conduct outside of the actuarial world in relation to Rule 1. The updated Rules are based on the UK's model of broad rules with guidance to explain that one's conduct can reflect poorly on the profession even if not in the provision of actuarial services.

Rule 5 is being enhanced and clarified and will include an introduction of a concept of impartiality. It was suggested to remove "undue" from "undue influence."

Final comments will be discussed at the CIA Board meeting in March.

Item 1-23.11 Report from CIA

Michel Simard provided a written report of the activities of the CIA and the Head Office. He highlighted the following items:

New educational pathways: There has been communication with key stakeholders particularly students, which has resulted in positive feedback. A link to actuarial employers was developed to provide an explanation of the pathways and how they could potentially integrate with their recruitment and salary strategies.

Professional development: A series of webcasts on a variety of topics has attracted a significant number of participants.

Research: A new policy was implemented with a focus on quality research. A key priority will be to develop Canadian research for the P&C market.

Climate change: A steering committee has been formed. Work is being performed but it is not clear yet as to what is required to advance. Efforts are being demonstrated while leveraging work done by the IAA who is considering a potential standard.

Gender issues: There was a recent Superior Court judgment in Quebec that will significantly change rules on gender issues and may have a potential impact on the actuarial profession, particularly in the pension sector.

General list forum: The list currently has only about 500 members for a variety of reasons, but there has been discussion that there needs to be a better forum for discussion on various topics with all members. There is a new IT framework and data management system being implemented which may incorporate a forum to allow for discussion and debate.

Item 1-23.12 ASB/APOB joint meeting

The Actuarial Standards Oversight Council was originally set up to oversee the ASB but now that APOB has oversight of other groups as well, it was discussed whether the joint meeting format should be modified. It was suggested to alternate years, one year with the ASB and the alternate

year with the PCB and the PCMB. It was decided to continue in May with just the ASB. Head Office will consider options to present at the next meeting.

Potential topics of discussion/guest speakers:

- gender/transgender issues
- climate change potentially from the P&C perspective
- biodiversity
- regulator perspective

Action items:

- **Michel will draft proposal for future joint meetings.**
- **John and Michel will discuss potential speakers/topics for the May meeting.**

Item 1-23.13 Meetings with the CIA and regulators

John will provide updates following any meetings that he participates in but there have not been any since the last APOB meeting.

Item 1-23.14 Next meeting

The May 4/5 meeting will be held in Ottawa. The following meeting is scheduled for October 27.

Item 1-23.15 Other business

John welcomed Dick Freeborough to his first meeting.

Item 1-23.16 In-camera meeting review

APOB held an in-camera session.

There being no further business, the meeting was adjourned.