

**MINUTES OF MEETING #1–22**  
**Actuarial Profession Oversight Board**  
**Video conference call**  
**February 11, 2022**

**Present:** Michel Benoit (Chair)                      Alain Paquet  
                  Danielle Boulet                              Neil Parkinson  
                  John Carter    Marian Passmore  
                  Ann Etter    Dave Pelletier  
                  Harold Geller                                        Michel St-Germain  
                  Raymond Léger                                     Kim Young  
                  Suzanne Michaud

**Absent:** Anne Kleffner

**Staff:** Leona Campbell, Lynn Blackburn, Michel Simard (ex-officio)

**Guests:** Josephine Marks (for ASB), Jean-Claude Primeau (for PCB), Amy Pun (for PCMB),  
Simon Curtis (for DTP), Jamie Jocsak (for item 8)

**Item 1–22.1 Welcome**

Michel Benoit, Chair of the Actuarial Profession Oversight Board (APOB) confirmed quorum, welcomed Ann Etter to her first meeting and called the meeting to order.

**Item 1–22.2 Approval of the Agenda**

**Motion 3–21.2.1**

**That the agenda be approved, as amended.**

**Carried**

**Item 1–22.3 Approval of the Minutes**

**Motion 1–22.3.1**

**That the minutes of the APOB meeting held on October 18, 2021, be approved, as presented.**

**Carried**

**Item 1–22.4 Report from the APOB Nominating Committee (NC) Chair**

John Carter presented the report with nominations from the February 10, 2022, NC meeting. The matrices for all boards under the APOB were updated.

*1. Actuarial Profession Oversight Board (APOB) Membership*

There is a full complement of members for 2022, but new appointments will be required starting January 1, 2023, to replace Raymond Léger and Anne Kleffner.

*2. Actuarial Standards Board (ASB)*

**Motion 1–22.4.2.1**

**That the term for Simon Nelson on ASB be extended to June 30, 2022.**

**Carried**

*3. Professional Conduct Board (PCB) Membership and Chair Appointment*

There was concern raised about the lack of diversity in the new appointments. The NC should be more aware of diversity concerns when nominating members and ensure that the chairs consider this going forward in their recruitment efforts.

It was questioned whether there are barriers to recruiting diverse members based on the criteria being used. CIA membership is not reflective of the Canadian demographic, which does cause some issues with following through on diversity commitments. The CIA is dedicated to and recently adopted a plan to ensure diversity and inclusion and has formed an Advisory Group. The CIA is also making efforts to get more diverse groups of students aware of and interested in actuarial related fields. Diversity of thinking is the key challenge and the necessary outcome.

Michel Benoit proposed that a diversity column be added to the matrices to ensure that it is considered. He also suggested that a speaker on this subject be brought in for the May joint meeting to discuss issues.

There were five excellent candidates for the role of chair of the PCB. Three members of the NC interviewed the applicants, and they agreed that Dave Dickson be appointed as the new chair. It was discussed whether more information should be provided to the APOB about the applicants, but it is the role of the NC to review and present the best qualified candidate(s) for positions.

**Motion 1–22.4.3.1**

**That Peter Gorham (effective March 1, 2022), Dominik Briault, Nicolas Beaudoin and Adelle Laniel (effective July 1, 2022) be appointed to the PCB for five-year terms.**

**Carried**

**Motion 1–22.4.3.2**

**That Dave Dickson be appointed as chair of the PCB for a five-year term, effective July 1, 2022.**

**Carried**

*4. Professionalism and Credential Monitoring Board (PCMB)*

There are no new PCMB appointments at this time.

*5. Disciplinary Tribunal Panel (DTP) Membership*

There are no new DTP appointments at this time.

**Action item:**

- **Leona Campbell will update the matrices with the new appointments.**
- **Michel Simard will contact the chair of the Advisory Board to organize a presentation for the May meeting.**

**Item 1–22.5 Report from the PCB**

Jean-Claude Primeau provided an update from the PCB. There have been two case specific meetings. One case was recently approved to go before a Disciplinary Tribunal.

**Item 1–22.6 Report from the PCMB**

Amy Pun provided an update from the PCMB. The CPD filing period is currently underway, and the deadline to file is February 28. The PCMB is currently monitoring the CPD process and reviewing exemption applications.

**Item 1–22.7 Report from the ASB**

Josephine Marks provided an overview of the report from the ASB with additional comments as follows:

Many of the mandates are currently works in process.

IFRS Standard: Standards and guidance need to be in place in 2022, even though the effective date is 2023. The previous standards will still be in effect through 2022. After consideration, the ASB concluded that promulgation would not be undertaken as part of the new IFRS 17 standard. Feedback from regulators is expected on this topic, particularly from the AMF, which had recommended that promulgation take place.

Promulgation: The AMF and OSFI have not responded to the letter outlining the ASB's decision not to promulgate. Josephine will follow up with them, particularly the AMF, to ensure they have accepted the decision. OSFI may not be pressuring for it as they have a global view, whereas the AMF is more domestic focused. Michel Simard is setting up a meeting with the AMF in the spring, and the ASB will be invited to participate.

Pensions: A lawyer from Fasken will be speaking at the March meeting regarding fiduciary duty. The topic has come up several times in relation to the pension standards, as there continues to be a question as to whether pension actuaries have a fiduciary responsibility. The possibility of him presenting to other groups has been discussed. Michel Benoit asked that Josephine provide an overview of the presentation at the next meeting, as this is a topic that may reflect on the Rules of Professional Conduct and how actuaries, particularly in the pension area, deal with client relationships.

ERM: It is being considered that ERM be a separate section of the standards. This will set the stage for new areas being included in the Standards i.e., climate change, predictive modelling. They are already looking at research and educational guidance on these topics and considering whether they may fit in the standard-setting process as well.

Third-party providers: They are looking at the Standards to see if there are other instances where we are relying on external providers to guide calculations to ensure we have processes in place.

Joint policy statement: A new designated group (DG) joint with the Accounting Standards Board was created to ensure that the joint reliance statement is well structured to reflect changes

resulting from IFRS 17 as well as concerns that accountants and actuaries were not fully aware of the current requirements. Auditing guidelines are also being reviewed and the auditors are seeking active participation from actuaries to assist in the update. It was noted that what auditors consider a guideline may be closer to our educational note or guidance.

The ASB will be having a strategic discussion to review priorities in May.

#### **Item 1–22.8 Report from the ASB Working Group**

Jamie Jocsak provided an update on work that has been done to date on the review of conflicts of interest. The working group was initially drafting conflicts of interest and code of conduct policies for the ASB, but it was determined that the issues are not unique to the ASB and that there should be consistent standards for all groups (i.e., CIA councils and committees as well as the ASB). The two documents should also be integrated into one policy given the overlap. There may be some aspects that are unique to each group given their focus, but the base policy should be consistent. These are integral to all volunteer groups and as such will be incorporated in the current review of the Rules. The group is looking to create a central repository for all related documents for easy access, particularly for new members. They will be reviewing the policies of other organizations both in Canada and internationally. This will take time to complete given the extra considerations required.

#### **Item 1–22.9 Report from the CIA**

Michel Simard provided an update of the activities of the CIA and the Head Office.

- Continued development of education pathways with an approved syllabus and revised policies.
- Continued development of our own exams and modules for the ACIA and FCIA designation.
- Micheline Dionne named as IAA president.
- Effective strategy to have strong participation on key IAA committees.
- Recent publication of a research report on issue of condominium reserve funds, which is a huge issue across Canada. Several groups have requested meetings with the researchers.
- Following a recent Board discussion, a new task force mandated to attempt to find a statement to reasonably define what is meant by the duty the CIA holds to the public and to provide a better definition of the public interest.
- Review of internal governance of the Board, and decisions finalized.
- Resignation of a CIA Board member due to conflict and disagreement with the role of Board members. The position will need to be filled.
- Design of a vaccination policy for all members attending in-person meetings. It is currently expected that the May joint ASB/APOB meeting will be held in Toronto.
- There are costs involved in performing our duty for disciplinary matters. A process for the budgeting of legal costs is being established to ensure better communication with the subgroups on costs and budgeting.

**Item 1–22.10 PCB Terms of Reference**

Michel noted that there was some confusion about the terms with respect to the chair of the PCB and proposed some changes as noted in the draft version included. Jean-Claude responded that the APOB should not be making changes to the terms of reference without consultation with the PCB, given that it is PCB's role to draft their terms. He disagrees that the term be modified to five years. The CIA Bylaws state that the APOB appoints both the chair and vice-chair; therefore that change should not be included. The PCB will submit a vice-chair candidate for APOB approval at the next meeting. The PCB will be consulted before any revisions are finalized to their Terms of Reference.

**Item 1–22.11 Meetings with Regulators**

Michel Benoit provided an update on his recent meetings with the AMF and OSFI. They regard the APOB's oversight role as very significant, and they agree that conflicts of interest and the focus on discipline are in line with the APOB's mission to ensure that the public interest is well taken care of. It was stated the regulators are constrained by rule 13, which prevents them from reporting of possible infractions of the Standards. The ongoing review of the Rules of Professional Conduct should endeavor to better understand the regulators' concerns in respect of Rule 13.

He will be meeting with CAPSA in June and hopes that these meetings with regulators continue as they are necessary.

**Item 1–22.12 Bylaw Task Force Update**

The task force is currently in consultation mode, with at least 40 comments received to date. The comment deadline was extended by one week due to website issues. Phase one is expected to be approved at the March meeting along with drafts of key related policies, so that members will have a good understanding of the new split between Bylaws and policies.

Some concern has been expressed about removing the discipline processes from the Bylaws, but the new *Policy on the CIA Disciplinary Process*, which will contain the elements removed from the Bylaws, will still be subject to member consultation going forward. There will not be a member vote on the policy, however. There also appears to be a misunderstanding related to the mental incapacity issue, and it was noted that changes to the wording may be required to clarify, in addition to better communication.

It was also noted that there have been positive responses as well in support of the changes.

**Item 1–22.13 Next Meeting**

The next meeting is scheduled to be in person on May 5-6. No more than two meetings per year will be in person; any others will be by video conference to reduce our carbon footprint and budget. The in-person meetings will also have video options for anyone not able to attend live.

**Action item:**

- **Leona Campbell will poll for a meeting date in September/October.**

**Item 1–22.14 Other Business**

There was no other business discussed.

**Item 1–22.15 In-Camera Meeting Review**

The APOB held an in-camera session.

There being no further business, the meeting was adjourned.