



Memorandum

To: All members of the Canadian Institute of Actuaries and other interested parties
From: Edward Gibson, Chair
Actuarial Standards Board and Designated Group
Date: May 22, 2024
Subject: **Minor Revision – Part 4000 Practice-Specific Standards for Actuarial Evidence**
Document 224067

Introduction

The Actuarial Standards Board (ASB) has been informed of a minor typographical error in the formula in paragraph 4530.18 of Part 4000 of the *Standards of Practice* (Standards) on actuarial evidence. Given the modest nature of the required changes, the ASB created a one-member designated group to review and recommend what actions, if any, were required.

Background

A member of the CIA Head Office noted an inconsistency between the English and French versions of paragraph 4530.18 of the Standards.

Paragraph 4530.18 reads as follows in English:

.18 The actuary should determine the interest rates as:

- First 20 years $i_{0-20} = G_L + 0.50\%$
- After 20 years $i_{20+} = 4.75\%$

Prior to calculating the capitalized value, the actuary should round the rate of interest for the first 20 years determined in accordance with this paragraph to the nearest multiple of 0.1%. [Effective January 1, 2023]

However, the French version of that same paragraph reads as follows:

.18 L'actuaire devrait déterminer les taux d'intérêt de la façon suivante :

- 20 premières années $i_{0-20} = G_L + 0,50\%$
- Après 20 ans $i_{15+} = 4,75\%$

Avant de calculer la valeur actualisée, l'actuaire devrait arrondir le taux d'intérêt pour les 20 premières années déterminé conformément à ce paragraphe au multiple de 0,1 % le plus proche. [En vigueur à compter du 1^{er} janvier 2023]

Review and recommendations

After reviewing the relevant paragraph, the chair of the ASB consulted with the chair of the Actuarial Evidence Practice Committee and determined that this was a minor error and that i_{15+} should be changed to i_{20+} in the French version of the Standards.

Section E of the ASB's *Policy on Due Process for the Adoption of Standards of Practice* includes the following provisions for dealing with such situations:

Occasionally, after final standards have been published, the ASB discovers that a minor error (typographical or similar) has been made. The due process for minor revisions to standards, as detailed in section H below, is not required to correct the minor error. Instead, the chair of the ASB or another ASB member appointed by the chair, will work with the Head Office to correct the error and communicate the correction to CIA members and other interested parties.

The chair of the ASB concluded that the modification described above is to correct a minor error under ASB's policy on due process. Therefore, there was no additional consultation involved in arriving at this recommendation.

Due process

The author of this memorandum confirms that due process has been followed.

Date of adoption

This change has been approved by the chair of the ASB and, co-incident with the publication of this memorandum, will be reflected in the version of the Standards on actuarial evidence **effective May 22, 2024**, plus all subsequent versions already published.

Effective date

The change is effective immediately. Early implementation is irrelevant.

EG



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