

**MINUTES OF MEETING #2-23
Actuarial Profession Oversight Board
Ottawa**

May 5, 2023

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

Staff: Leona Campbell, Lynn Blackburn

Guests: John Dark (for PCMB) (virtual), Dave Dickson (for PCB), Edward Gibson (for ASB), Jacques Tremblay (for TP) (virtual), Céline Castets-Renard

Item 2-23.1 Welcome

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

Item 2-23.2 Approval of the agenda

Motion 2-23.2.1

That the agenda be approved, as presented.

Carried

Item 2-23.3 Approval of the minutes

Motion 2-23.3.1

That the minutes of the Actuarial Profession Oversight Board meeting held on February 10, 2023, be approved, as presented.

Carried

Item 2-23.4 Report from the Actuarial Profession Oversight Board Nominating Committee chair

Neil presented the APOB Nominating Committee (NC) report, including proposed nominations from the May 5, 2023, NC meeting. The matrices for all boards under APOB were updated. It was suggested that years of experience be added to the matrix.

1. Actuarial Profession Oversight Board membership

There are three members of APOB who will need to be replaced at the end of 2023. Two candidates, Arvind Baghel and Nick DiRenzo, were approved by the NC at the last meeting to start on January 1, 2024, and are now being submitted for approval by APOB. They will be invited to attend the fall meeting as guests. The NC is considering two additional candidates, one who would be asked to start on January 1, 2024, and one on January 1, 2025, with the option to start sooner, if required. The NC will submit these to APOB for approval at a later time. The NC will continue to consider diversity for its nominations.

Motion 2–23.4.1

That the Arvind Baghel and Nick DiRenzo be appointed as members of the Actuarial Profession Oversight Board, effective January 1, 2024.

Carried

2. Actuarial Standards Board membership

Edward’s term will end in June 2024, so the recruitment process for a new Actuarial Standards Board (ASB) chair will need to begin in the fall. Edward asked the NC for approval to determine the willingness of four members to have their terms extended. If they agree, an email vote will be sent to APOB. It is considering adding a younger actuary to the board to assist with age diversity.

3. Professional Conduct Board membership

There are no nominations to the Professional Conduct Board (PCB) at this time.

4. Professionalism and Credential Monitoring Board membership

There are no nominations to the Professionalism and Credential Monitoring Board (PCMB) at this time.

5. Tribunal Panel membership

Motion 2–23.4.5

That Rebecca Rycroft be appointed as member of the Tribunal Panel, effective April 28, 2023.

Carried

Action item:

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

Item 2–23.5 Report from the Professionalism and Credential Monitoring Board

John Dark provided an update from the PCMB. There were no criminal convictions in 2022. The continuing professional development (CPD) filing period ended, and close to 450 members did not file by the deadline, resulting in being fined \$100. Many subsequently filed, and only 41 were suspended as of March 10, of which a few have now filed.

The audit process will begin shortly with a randomly generated list of 3% of the membership. In addition, it was decided that the majority of the retirement exempt members will be asked to

confirm that they are still eligible for the exemption following the changes to the *Qualification Standard – Requirements for Continuing Professional Development (CPD)*.

The PCMB will be looking at recruiting members this year to replace those that have been on the board since its inception in January 2020. There is an immediate requirement for French-speaking members working in the P&C and pension practice areas. The PCMB was encouraged to consider other diversity elements as well in their recruitment efforts.

Members of PCMB will be participating in a professionalism presentation at the CIA's Annual Conference to answer questions about CPD compliance and good reporting practices.

Item 2–22.6 Report from Tribunal Panel

Jacques provided an update from the TP.

A training session was provided for TP members in May that was well received.

Item 2–23.7 Report from the Professional Conduct Board

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

The case that is being monitored may have some resolution in the courts in the next few months, and will be discussed at an upcoming PCB meeting to decide next steps. One case is being reviewed by an appeal tribunal. Currently there are no other cases being reviewed.

PCB members provided good feedback on the self-assessment, which will be considered for potential areas of process improvement.

A refresher course on discipline processes is being considered for PCB members.

There is no mechanism currently in place to allow for a chair to remove a member from its board when required. Some of the issues (e.g., current Bylaws, confidentiality) were discussed. Potential options for a resolution will be considered by Dave, Michel, and Lynn and brought forward to APOB at a future meeting.

Item 2–23.8 Report from the Actuarial Standards Board

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

The *Standards of Practice* (Standards) get reviewed quinquennially. Parts 2000 (Insurance) and 3000 (Pension Plans) were recently reviewed. The review of Part 1000 (General) including use of models is currently underway. Investigation groups will look at new issues like climate change and artificial intelligence (AI) to determine if a designated group (DG) will need to be formed to further consider if any changes are required to the Standards.

The ASB recently performed a self-assessment. It was noted that meetings are long and difficult to hold virtually. Significant time is spent wordsmithing and editing documents. It would like to consider resurrecting the Standards of Practice Editing Committee to handle this outside of the meetings. In the past, there were issues getting members to volunteer for this group and Head Office took on the role of grammatical editing.

Reliance on third-party data providers is being reviewed as issues have arisen in areas such as the changes to the CANSIM series for long-term real return bonds.

The CIA's legal team provided some advice on fiduciary responsibility of actuaries. There is some thought that actuaries do not have any and should avoid it, but there is no clear answer that could be incorporated into a standard. Members need to be aware of what is being agreed to within a work product.

A DG is being formed to review "materiality" in the Standards to remove reference to it, where possible.

A request was made for the ASB to clarify the status of Part 5000, as wording in the ASB inventory of standards suggests that, under IFRS 17, Part 5000 has now been moved to Section 2800.

Item 2–23.9 Report from the CIA

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

Three education pathways are being developed. Discussions are being held with employers to answer any questions. Head Office is also conducting a survey with employers to get a grasp on how they work with new actuaries and how much time and assistance they are willing to provide their employees to attain their FCIA designation. It is carefully reviewing proctoring options for exams to reduce any risk of cheating.

The CIA is remaining active and participating with the International Actuarial Association on various issues. They are currently doing significant work on climate change and are expected to send out a notice of intent on the subject. The International Affairs Council has a focus to help members be aware of the significant involvement of the CIA in international issues and activities.

The new budget and strategic plan were recently approved. Public interest is not as high a priority in this plan as in the past, given the extensive work that has been done in recent years. Member engagement is a high priority to get more members involved in volunteering. There are currently around 700 active volunteers doing a significant amount of work.

A member satisfaction survey was recently conducted, and the results were provided. There was a good rate of response. The Head Office plans to do small surveys each year on a variety of topics. The CIA is working hard to identify and address apparent biases and ensure equality.

A virtual symposium on climate change will be conducted this summer.

The Annual Conference and Board meeting will take place in Halifax in June.

Item 2–23.10 Guest speaker Céline Castets-Renard

A presentation was provided on ethical, social and law issues with AI.

Item 2–23.11 Actuarial Standards Board-Actuarial Profession Oversight Board joint meeting

Participants were very engaged in the meeting and the interactions between APOB and the ASB were well received. ASB members are welcome to attend an APOB meeting and vice-versa. It is being considered whether a joint meeting should take place with the PCB and PCMB as well.

Item 2–23.12 Actuarial Profession Oversight Board self-assessment

The following suggestions for changes to the self-assessment were provided:

- Reduce the number of questions.
- Split the questions for each board.
- Add the same ASB strategic direction question for each of the other boards.

Action items:

- **Additional suggestions for changes are to be sent to John and Leona.**
- **Leona will update self-assessment and send out.**

Item 2–23.13 Actuarial Profession Oversight Board action chart

An action chart was drafted to ensure that APOB completes its mandate each year.

Action item:

- **Add review of the chairs of the boards.**

Item 2–23.14 Meetings with CIA and regulators

John met recently with the Canadian Association of Pension Supervisory Authorities, but he was not asked any questions. At the meeting he attended with the Autorité des marchés financiers, he found they were very engaged and interactive. Typically, it is the regulators that would invite APOB and the CIA to its meetings. The CIA (not APOB) would be responsible to take the initiative to set up meetings with regulators when necessary.

Item 2–23.15 Next meeting

The next meeting will be held virtually on October 27.

Item 2–23.16 Other business

There was no other business.

Item 2–23.17 In-camera meeting review

APOB held an in-camera session.

There being no further business, the meeting was adjourned.