



**Canadian
Institute
of Actuaries**

**Institut
canadien
des actuaires**

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CAPSA Secretariat
capsa-acor@fsrao.ca

Subject: Feedback on an ‘inclusive’ Guideline on Risk Management to include ESG, Leverage and Cyber

The Canadian Institute of Actuaries (CIA) is pleased to provide our comments on this consultation.

Pension plans are exposed to many risks, including financial risks (such as asset-liability mismatch, investment risks including those related to leverage, inflation risk, longevity risk, other demographic risks, etc.), operational risks (including fraud, cyber risk, etc.) and external risks (including geo-political risk, climate-related and environmental risks, etc.). The CIA believes that it is critical that plan sponsors and administrators manage these risks in a holistic manner rather than in silos. A holistic approach allows plan sponsors to understand:

- how the various risks interact;
- which risks are more material than others and therefore need to be monitored more closely;
- which risks can be managed vs. those that are beyond the control of the plan sponsor and administrator; and
- which risks need to be managed more closely and therefore should have more resources devoted towards them.

Consequently, we are supportive of an inclusive Guideline on Risk Management that supports this vision of holistic risk management, rather than issuing multiple separate guidelines which do not have a clear connection.

However, since some risks are newer, less familiar to plan sponsors and/or more complex than others, the CIA would be supportive of CAPSA issuing more detailed guidance on certain topics (e.g., climate change) vs. others (e.g., demographic risks). Such additional guidance could be included in the main guideline, as an appendix to the main document, or issued as a separate detailed document as long as the separate document is referenced and placed in the appropriate context in the main guideline.

The CIA appreciates the opportunity to provide feedback on this issue, and we would welcome further discussion with you throughout this process. We would like to note that CAPSA has recently released several consultations at the same time and with a relatively short review period and similar due dates. In order for our volunteers to provide appropriate feedback, we kindly request that consultations are released with more time and throughout different times of the year as much as possible.

If you have any questions, please contact Chris Fievoli, FCIA, Actuary, Communications and Public Affairs, at 613-236-8196 ext. 119 or chris.fievoli@cia-ica.ca.

Sincerely,

Hélène Pouliot, FCIA
President, Canadian Institute of Actuaries



The Canadian Institute of Actuaries (CIA) is the qualifying and governing body of the actuarial profession in Canada. We develop and uphold rigorous standards, share our risk management expertise, and advance actuarial science to improve lives in Canada and around the world. Our more than 6,000 members apply their knowledge of math, statistics, data analytics, and business in providing services and advice of the highest quality to help Canadian people and organizations face the future with confidence.