

**MINUTES OF MEETING #2–22**  
**Actuarial Profession Oversight Board**  
**Toronto and video conference**  
**May 6, 2022**

- Present:** Michel Benoit (Chair) Suzanne Michaud  
Danielle Boulet Alain Paquet  
John Carter Neil Parkinson  
Ann Etter Marian Passmore  
Harold Geller Dave Pelletier  
Anne Kleffner Michel St-Germain  
Raymond Léger Kim Young
- Absent:** Michel Simard, ex-officio
- Staff:** Leona Campbell, Lynn Blackburn
- Guests:** Simon Curtis (for DTP), Dave Dickson (for PCB), Edward Gibson (for ASB), Josephine Marks (for ASB), Amy Pun (for PCMB), Jamie Jocsak (for item 8)

**Item 2–22.1 Welcome**

Michel Benoit, Chair of the Actuarial Profession Oversight Board (APOB) welcomed members to the first in-person meeting in two years, introduced incoming chairs Dave Dickson (PCB) and Edward Gibson (ASB), confirmed quorum and called the meeting to order. Danielle Boulet, Marian Passmore, Kim Young and Lynn Blackburn participated virtually.

**Item 2–22.2 Approval of the Agenda**

**Motion 2–22.2.1**

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

**Carried**

**Item 2–22.3 Approval of the Minutes**

**Motion 2–22.3.1**

**That the minutes of the APOB meeting held on February 10, 2022, be approved, as presented.**

**Carried**

**Item 2–22.4 Report from the APOB Nominating Committee (NC) Chair**

John Carter presented the NC report, including proposed nominations from the May 6, 2022, NC meeting. The matrices for all boards under APOB were updated.

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

Several new appointments will be required starting January 1, 2023, but there are no nominations at this time.

*2. Actuarial Standards Board (ASB)*

**Motion 2–22.4.2.1**

**That the terms for Azmina Jiwani and Jamie Jocsak on the ASB be extended to June 30, 2023.**

**Carried**

**Motion 2–22.4.2.2**

**That Simon Curtis and Steve Easson be appointed to the ASB for three-year terms, effective July 1, 2022.**

**Carried**

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

**Motion 2–22.4.3.1**

**That Lyne Ramacière be appointed as vice-chair of the PCB, effective July 1, 2022.**

**Carried**

*Note: Helmut Engels completed his term on the PCB effective March 30, 2022, and Pierre Laurin, Hudson Lopez and Jean-Claude Primeau will complete their terms June 30, 2022. All leave with thanks for their tremendous contribution.*

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

A new chair will need to be recruited for the PCMB. A call for candidates will be sent out early in July. Interviews will be scheduled in September so a nomination can be approved at the fall APOB meeting.

**Motion 2–22.4.4.1**

**That the terms for Maxime-Frédéric Brochu-Leclair, Mercy Yan and Stella-Ann Ménard on the PCMB be extended to December 31, 2023.**

**Carried**

*5. Disciplinary Tribunal Panel (DTP) Membership*

A new chair will need to be recruited for the DTP. A call for candidates will be sent out early in July. Interviews will be scheduled in September so a nomination can be approved at the fall APOB meeting.

**Motion 2–22.4.5.1**

**That Rob Stapleford, Mercy Yan and James Christie be appointed to the DTP, effective July 1, 2022.**

**Carried**

*Note: Dave Oakden and Bill Weiland have stepped down from the Disciplinary Tribunal Panel, effective May 1, 2022.*

**Action items:**

- **Leona Campbell will update the matrices with the new appointments.**
- **Leona will work with Michel Benoit, John Carter and Michel Simard to draft communications for recruitment of chairs for the DTP and the PCMB.**

**Item 2–22.5 Governance and Nominations Committee (GNC) Task Force (TF)**

Naveed Irshad joined the meeting to provide an overview of the work being done by the Task Force to Review the Rules of Professional Conduct. A review of the Rules has not been done recently. There have been recent issues that precipitated this review, particularly related to rules 1, 5, 8 and 13. The TF has been doing benchmarking against other organizations. Rule 13 only appears to pertain to the actuarial profession, and there seems to be confusion from members about it. Additional education on the subject for the members should be considered, potentially in the professionalism module. The APOB would like to be kept up to date on the progress of the review. Overall, the changes being drafted are not considered to be controversial.

**Item 2–22.6 Report from the PCB**

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

Dave gave an overview of the situation with a member who has been sending complaint emails to the APOB and various other parties. He was recently charged by the PCB for non-cooperation and for not disclosing a conviction. The case will be reviewed by a Disciplinary Tribunal, but the member has been trying to dispute the process and making complaints against all people involved. The tribunal will proceed as planned.

A TF was initially formed in 2019 to review the discipline processes. Some of the changes recommended have been implemented and others are dependent on the member vote for approval of changes to the Bylaws, which will take place in June. Dave stated that his goals are to speed up the process where possible, and to manage and reduce legal costs.

In the Bylaw review being undertaken, it was decided that much of the PCB processes that are currently embedded in the Bylaws would be moved to a policy statement instead. Members of the PCB have been working with the TF doing the review of the Bylaws.

**Item 2–22.7 Report from the PCMB**

Amy Pun provided an update from the PCMB.

The CPD compliance filing process was completed for the 2020-2021 period and the audit process will be initiated shortly.

The PCMB is considering some changes to the Qualification Standard. One of the considerations relates to the issue of “double-dipping” for remedy plans. There is concern that people may take advantage of not doing enough hours, but the PCMB does review and approve the remedy plans and will not allow for repeat offenders. Members doing a remedy plan are also not considered compliant on the CIA website.

There have been issues with members who are retired but still participating on committees submitting exemption applications. The PCMB has denied some applications as they feel that members, particularly those on financial-related committees, should be CPD compliant. The PCMB would like to ask the CIA Board to consider drafting a policy on the subject. Simon noted that several members of the DTP are not CPD compliant but have significant experience. If a blanket policy does get implemented, it would be important to have a transition period. Many retired members do CPD even though they do not record it. There is concern that more members may resign if this were implemented. This subject will need to be discussed further, as it may affect the terms of reference of the APOB groups. Michel St-Germain suggested that the APOB take a position before it is brought before the CIA Board. There seems to be general consensus provided that there is a transition period and that exceptions be considered.

**Action items:**

- **Each Board is asked to review their terms of reference to determine their own changes required for CPD requirements.**
- **Amy Pun will send a memo to the CIA Board with recommendations for implementing a policy for CPD requirements for volunteers.**

**Item 2–22.8 Report from the DTP**

Simon Curtis provided an update on the current cases. Two retired justices from the Ontario Superior Court have been engaged who are or will be familiar with the CIA processes. It was suggested that a bilingual justice be included as a potential option in the event of a French case.

A webcast training session was provided to panel members by a retired justice, which was well received. It was suggested that this be done annually to keep the DTP engaged. It provides the members with knowledge to better enable them to contribute to a tribunal.

Simon does not feel that a vice-chair is required, given the nature of the panel and the role of the chair being limited to appointing members as required. A solution could be that a vice-chair be appointed six months before the end of the chair term to prepare to take on the role of chair.

As Simon is joining the ASB, he will need to step down as chair, but it was questioned as to the timing. It was decided that he would stay on until the fall following the recruitment of a new chair over the summer and approval at the fall meeting.

**Item 2–22.9 Report from the CIA**

Michel Simard provided a written report of the activities of the CIA and the Head Office. He also provided a statement that enunciates on the duty of the CIA to the public. There was some discussion as to how the document should be disseminated, and it was suggested that the

president should send it to various stakeholders, including regulators. It was asked if there was consideration as to whether a conflict of interest/bias statement should be included. It is not clear how to delineate the duty to the client vs. that of the public. The ASB has also struggled with the same issue, particularly in the pension practice area. There are conflict of interest guidelines in the operating procedures of each Board. Michel Benoit suggested that the CIA Board consider drafting a statement of best practices.

### **Item 2–22.10 Bylaw TF update**

Dave Pelletier highlighted a few areas of the updates being proposed. It will be a two-phase process that includes:

1) Structural changes to fully revamp the Bylaws by reorganizing the order completely and moving some sections to policies. A major section that is affected is the discipline process, which previously encompassed 40 of the 96 pages.

2) Substantive proposed changes with key modifications are as follows:

- The private admonishment option will be removed from the discipline process to ensure transparency for the public.
- The right of respondent to an appeal will be eliminated, if the respondent does not participate in the DT.
- Fast track/settlement options will now be reviewed by a DT for outside vetting and transparency.
- Letters of advice will be kept for five years.
- The role of secretary of the PCB will be removed.
- Suspension due to mental incapacity will be better defined.
- Suspensions would be allowed for one year only for CPD non-compliance; following that, membership will be terminated.

The sections of the Bylaws that were removed are included in whole in the policy at the Phase 1 stage to ensure nothing has been accidentally dropped. The *Rules of Practice and Procedure of a Disciplinary Tribunal* may be included in the discipline policy in the future. It was noted that changes to the Bylaws are required to be approved by members, while policies are subject only to consultation by the members, not vote.

Comments are still welcome for any of the Phase 2 changes.

### **Item 2–22.11 Report from the ASB**

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

Joint Policy Statement (JPS): In addition to reviewing the Standards, the JPS DG will also be actively involved in the review of the auditing guide.

**Third-Party Providers:** Following an issue that arose with the Bank of Canada, it was decided that it is important to be proactive in reviewing the Standards to create a structure which would address issues without having to form special groups to do so. There have been challenges in recruiting volunteers.

**IFRS Standard:** A decision was made to not promulgate with respect to discount rates, but they reserve the right to reconsider at a future date.

**Pensions:** Work is well underway, and the exposure draft was released. It is expected that the final standard will be approved at the June meeting. Some regulators have expressed concerns about target benefit plans, and given the controversy surrounding it, it will be reviewed by a separate working group. It is an evolving field and many provinces do not have regulations in place yet.

**Quinquennial Reviews 4000 and 6000:** No significant issues have arisen to date.

**Part 8000:** A new section of the standards is being created for the emerging area of enterprise risk management. The ASB will be reviewing the exposure draft at the next meeting. It will be primarily of relevance to insurance practitioners, but they have made a conscious decision to widen the scope to potentially encompass other ERM initiatives as well.

**Part 7000:** A DG was appointed, and they are starting the quinquennial review of this standard related to social security benefits.

**Target Benefit Plans:** One issue that has arisen with the Quebec regulator relates to the formula that is recommended in the standard, as it would not necessarily give very high commuted value benefits to younger members. It is being considered that perhaps this would be better served by regulation rather than a standard. Retraite Québec will not be applying the standard at this time, so further review is required to see if refinements can be made to satisfy their concerns.

**Promulgation:** As mentioned previously, the decision was made to not promulgate discount rates for IFRS 17 purposes. There is a lot of educational material published by the CIA on the topic. The ASB will continue to monitor the situation. The AMF, which has expressed concern about this issue, has also been very effective in the past at communicating with the ASB about issues with lack of convergence of practice, so they were asked if they would be proactive about communicating with the ASB if particular issues arise related to their concerns.

**Fiduciary Duty for Pension Actuaries:** The ASB had an educational session on this subject, which may be made available to all CIA members as a webcast. Lawyers from Fasken provided a good overview of case history and pension legislation that affects this topic. It is an evolving issue that has not been tested extensively in court. Fiduciary duty could come through pension legislation or through common law. The actuary's duties are not to repeat the work of the plan administrator. It is preferable to avoid being characterized as a fiduciary, as this does bring additional risks. The lawyers suggested that a key element is to ensure that mandates and obligations need to be clear, particularly in the area of disclosure.

Strategic Plan: The ASB did a self-assessment, followed by a review of their strategic plan. Potential areas to focus more attention on could include:

- Taking a more proactive role instead of reacting to emerging issues.
- Providing more communication to members about Part 1000.
- Continuing to review challenges related to conflicts of interest.
- Considering more emerging practice areas with guest speakers from different areas.
- Initiating better interaction with the APOB in both directions.

#### **Item 2–22.12 Guest Speaker**

Douglas Rienzo, a retired partner from Osler, Hoskin & Harcourt provided an overview of diversity issues, challenges and successes.

Osler’s diversity committee was created in 2010 to consider diversity issues for staff, clients and the community. They ensured that the composition of the committee was diverse, e.g., different offices, levels (junior/senior staff), gender, etc.

He suggested that the APOB/CIA should consider what benchmark to use (e.g., Canadian population, CIA membership) and the goal/target. Consideration should be given to being more proactive in recruiting diversity instead of through the traditional network.

Diversity surveys should be done by a third party to ensure confidentiality and provide assurances to the respondents accordingly.

#### **Item 2–22.13 PCB Terms of Reference**

Michel Benoit previously proposed an amendment to the PCB terms of reference to allow that the term of chairs be five years.

##### **Motion 2–22.13.1**

**That the PCB ToR be updated to reflect that the term of chair is five years.**

**Carried**

#### **Item 2–22.14 APOB Self-Assessment**

The assessment will be sent out before the end of May for the APOB to complete.

##### **Action item:**

- **Leona will send out the self-assessment survey for the APOB to complete.**

#### **Item 2–22.15 APOB Report to the CIA Board**

Michel Benoit provided the CIA Board an update on the conflict-of-interest work done to date and about the focus on discipline issues that will be considered.

**Item 2–22.16 Next Meeting**

The next meeting is scheduled for October 21. The Public Meeting will need to be scheduled at an appropriate time, potentially in November.

**Action item:**

- **Leona will contact the Education Department to determine ideal timing for the public meeting.**

**Item 2–22.17 Other Business**

Michel Benoit thanked Josephine Marks for the extensive work done during her years as Chair of the ASB.

**Item 2–22.18 In-Camera Meeting Review**

The APOB held an in-camera session.

There being no further business, the meeting was adjourned.