



**Canadian
Institute
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**Institut
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des actuaires**

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Subject: Quadrennial Review, Rules 53.09 and 53.10

Thank you for your letter of November 1, 2024, and your invitation to the Canadian Institute of Actuaries (CIA) to provide input for the Quadrennial Review of Rules 53.09 and 53.10 by the Discount Rate Subcommittee of Ontario's Civil Rules Committee.

We note that the draft Rules you shared include references to real return bonds issued by the federal government. On November 3, 2022, the federal government announced that they would no longer be issuing real return bonds. Although many remain in circulation, they may no longer form a reasonable basis for regulation.

This announcement resulted in a number of complications for the actuarial profession, as our guidance has included numerous references to these bonds in areas such as the determination of pension commuted values and the setting of assumptions for hypothetical wind-up and solvency valuations. The CIA has since established working groups to determine what adjustments to our guidance are needed and what alternatives are available.

We believe that conducting an in-depth review of the proposed Rules and providing comments to you would not be productive at this time. We recommend that the current Rules be kept in place until the issue of real return bonds can be addressed.

We would be interested in engaging with you going forward on this topic as we both look for solutions. In particular, our Actuarial Evidence Committee would be in the best position to be your point of contact within the CIA. Please contact Chris Fievoli, FCIA, Actuary, Communications and Public Affairs, at 613-236-8196 ext. 119 or chris.fievoli@cia-ica.ca.

Sincerely,

Conrad Ferguson, FCIA
President, Canadian Institute of Actuaries



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