

1100 Introduction

1110 Application

- .01 These Standards of Practice apply to actuarial work in Canada. Responsibility for these Standards of Practice vests in the Actuarial Standards Board (Canada) and approval of standards and changes to standards are made through a process that includes consultation with the actuarial profession and other interested parties. They are intended for the benefit of the public. The work in Canada of a member of a professional actuarial organization is expected to conform to these Standards of Practice.
- .02 The existence of standards is not a substitute for professional judgment or consideration for the needs of the user(s) when performing specific work.
- .03 The authority of these Standards of Practice derives from the powers of those bodies that recognize them for actuarial work in Canada. Among others, these include professional actuarial bodies and relevant laws such as those regulating pensions and insurance. Compliance with these Standards of Practice is also likely to be taken into account when the quality of actuarial work is being considered in a court of law or in other contested situations. However, in such circumstances, deviation from any provision of these Standards of Practice should not, in and of itself, be presumed to be malpractice.

1120 Definitions

- .01 Each term set over dotted underlining has the meaning given in this subsection. A term that is not set over dotted underlining has its ordinary meaning.
- .02 Accepted actuarial practice is the manner of performing work in accordance with these Standards of Practice. Unless the context requires otherwise, it refers to work in Canada. [*pratique actuarielle reconnue*]
- .03 Actuarial cost method is a method to allocate the present value of a benefit plan's obligations to time periods, usually in the form of a service cost and an accrued liability. [*méthode d'évaluation actuarielle*]
- .04 Actuarial evidence work is work where the actuary provides an expert opinion with respect to any area of actuarial practice in the context of an actual or anticipated dispute resolution proceeding, where such expert opinion is expected or required to be independent. A dispute resolution proceeding may be a court or court-related process, a tribunal, a mediation, an arbitration, or a similar proceeding. Actuarial evidence work may include the determination of capitalized values in respect of an individual, or the provision of an expert opinion with respect to a dispute involving an actuarial practice area, such as pensions or insurance, or questions of professional negligence. [*travail d'expertise devant les tribunaux*]

- .05 Actuarial present value method is a method to calculate the lump sum equivalent at a specified date of amounts payable or receivable at other dates as the aggregate of the present values of each of those amounts at the specified date, and taking into account both the time value of money and, where appropriate, contingent events. [*méthode de la valeur présente actuarielle*]
- .06 Actuary, as it is used in these standards, means a member of a professional actuarial organization whose work in Canada is expected to conform to these standards. [*actuaire*]
- .07 Anti-selection is the tendency of one party in a relationship to exercise options to the detriment of another party when it is to the first party's advantage to do so. [*antisélection*]
- .08 Appointed actuary of an entity is an actuary formally appointed, pursuant to legislation, by the entity to monitor the financial condition of that entity. [*actuaire désigné*]
- .09 Appropriate engagement is one that does not impair the actuary's ability to conform to the precepts of ethical and professional conduct such as those that may be found in the Rules of Professional Conduct of the Canadian Institute of Actuaries or relevant law or regulation. Unless the context otherwise requires, wherever the word "engagement" is used in these standards it refers to an appropriate engagement. [*mandat approprié*]
- .10 Automatic balancing mechanisms automatically adjust contributions, benefits, and/or parameters of a plan in order to restore the balance between its source of financing and its benefits. The mechanism is prescribed by a set of predetermined measures to be taken, either immediately or later as prescribed, upon being triggered by certain demographic, economic, or financial indicators. [*mécanismes automatiques de compensation*]
- .11 Benefits liabilities are the liabilities of a plan in respect of claims incurred on or before a calculation date. [*obligations liées aux prestations*]
- .12 Best estimate means without bias. [*meilleure estimation*]
- .13 Calculation date is the effective date of a calculation; e.g., the calculation date in the case of a valuation for financial statements. It usually differs from the report date. [*date de calcul*]
- .14 Case estimate at a calculation date is the unpaid amount of one of, or a group of, an insurer's reported claims (perhaps including the amount of claim adjustment expenses), as estimated by a claims professional according to the information available at that date. [*évaluation du dossier*]
- .15 Claim adjustment expenses are internal and external expenses in connection with settlement and administration of claims. [*frais de règlement des sinistres*]
- .16 Claim liabilities are the portion of insurance contract liabilities in respect of claims incurred on or before the calculation date. [*passif des sinistres*]

- .17 Contingent event is an event that may or may not happen, or that may happen in more than one way or that may happen at different times. [*éventualité*]
- .18 Contribution is a contribution by a participating employer or a plan member to fund a benefit plan. [*cotisation*]
- .19 Contribution principle is a principle of policyholder dividend determination whereby the amount deemed to be available for distribution to policyholders by the directors of a company is divided among policies in the same proportion as policies are considered to have contributed to that amount. [*principe de contribution*]
- .20 Credibility is a measure of the predictive value attached to an estimate based on a particular body of data. [*crédibilité*]
- .21 Credit spread, for a fixed-income asset, is the yield to maturity on that asset minus the yield to maturity on a risk-free fixed income asset with the same cash flow characteristics. [*écart de crédit*]
- .22 Definitive refers to a matter that is final and permanent rather than tentative, provisional, or unsettled. [*décision définitive*]
- .23 Development of data with respect to a given coverage period is the change in the value of those data from one calculation date to a later date. [*matérialisation*]
- .24 Enterprise risk management is a process, effected by an entity's board of directors, management and/or other staff, applied in conducting business and strategy setting across the enterprise, designed to identify potential risks that may affect the entity, and manage the impact of those risks to be within the entity's risk appetite, to provide reasonable assurance regarding the achievement of the entity's objectives. [*gestion du risque d'entreprise*]
- .25 Enterprise risk management framework is a set of components, including governance, policies, and practices through which enterprise risk management is effected. [*cadre de gestion du risque d'entreprise*]
- .26 Explanatory text is text that appears outside of a box in these standards. [*texte explicatif*]
- .27 External user is a user other than the actuary's client or employer. Internal user and external user are mutually exclusive. [*utilisateur externe*]
- .28 External user report is a report whose users include an external user. [*rapport destiné à un utilisateur externe*]
- .29 Financial condition of an entity at a date refers to its prospective ability at that date to meet its future obligations, especially obligations to policyholders, members, and those to whom it owes benefits. Financial condition is sometimes called "future financial condition". [*santé financière*]

- .30 Financial position of an entity at a date is its financial state as reflected by the amount, nature, and composition of its assets, liabilities, and equity at that date. [*situation financière*]
- .31 To fund a plan is to dedicate assets to its future benefits and expenses. Similarly for “funded” and “funding”. [*provisionner*]
- .32 Funded status is the difference between the value of assets and the actuarial present value of benefits allocated to periods up to the calculation date by the actuarial cost method, based on a valuation of a pension plan, ~~post-employment non-pension employee future~~ benefit plan, or social security program. [*niveau de provisionnement*]
- .33 Going concern valuation is a valuation that assumes that the entity to which the valuation applies continues indefinitely beyond the calculation date. [*évaluation en continuité*]
- .34 Indexed benefit is a benefit whose amount depends on the movement of an index such as the consumer price index. [*prestation indexée*]
- .35 Indicated rate is the best estimate of the premium required to provide for the corresponding expected claims costs, expenses, and provision for profit. [*taux indiqué*]
- .36 Insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance contract includes group insurance, third-party contracts where the owner of the contract and the person who is compensated (the policyholder) differ, and all like arrangements substantively in the nature of insurance. [*contrat d'assurance*]
- .37 Insurance contract liabilities in an issuer's statement of financial position are the liabilities at the date of the statement of financial position on account of the issuer's insurance contracts, including commitments, that are in force at that date or that were in force before that date. [*passif des contrats d'assurance*]
- .38 Insurer is a federally or provincially licensed insurance company that is an issuer of insurance contracts. Insurer includes a fraternal benefit society and the Canadian branch of a foreign insurer, but does not include a public personal injury compensation plan or a ~~post-employment non-pension employee future~~ benefit plan. [*assureur*]
- .39 Internal user is the actuary's client or employer. Internal user and external user are mutually exclusive. [*utilisateur interne*]
- .40 Internal user report is a report all of whose users are internal users. [*rapport destiné à un utilisateur interne*]

- .41 Issuer is the party under an insurance contract that accepts significant insurance risk. [*émetteur*]
- .42 Margin for adverse deviations is the difference between the assumption for a calculation and the corresponding best estimate assumption. [*marge pour écarts défavorables*]
- .43 Model is a practical representation of relationships among entities or events using statistical, financial, economic, or mathematical concepts. A model uses methods, assumptions, and data that simplify a more complex system and produces results that are intended to provide useful information on that system. A model is composed of a model specification, a model implementation, and one or more model runs. Similarly for “to model”. [*modèle*]
- .44 Model implementation is one or more systems developed to perform the calculations for a model specification. For this purpose “systems” include computer programs, spreadsheets, and database programs. [*implémentation du modèle*]
- .45 Model risk is the risk that, due to flaws or limitations in the model or in its use, the actuary or a user of the results of the model will draw an inappropriate conclusion from those results. [*risque de modélisation*]
- .46 Model run is a set of inputs and the corresponding results produced by a model implementation. [*exécution d’un modèle*]
- .47 Model specification is the description of the components of a model and the interrelationship of those components with each other, including the types of data, assumptions, methods, entities, and events. [*spécifications du modèle*]
- .48 New standards means new standards, or amendment or rescission of existing standards. [*nouvelles normes*]
- .49 Periodic report is a report that is repeated at regular intervals. [*rapport périodique*]
- .50 Plan administrator is the person or entity with overall responsibility for the operation of a benefit plan. [*administrateur d’un régime*]
- .51 Policy liabilities in an insurer’s statement of financial position are the liabilities at the date of the statement of financial position on account of the insurer’s policies, including commitments, that are in force at that date or that were in force before that date. Policy liabilities consist of insurance contract liabilities and liabilities for policy contracts other than insurance contracts. [*passif des polices*]

- .52 Policyholder is a party that has a right to compensation under an insurance contract if an insured event occurs. [*titulaire de police*]
- .53 Premium liabilities are the portions of insurance contract liabilities that are not claim liabilities. [*passif des primes*]
- .54 Prescribed means prescribed by these standards. [*prescrit*]
- .55 Property and casualty insurance is insurance that insures individuals or legal persons
- Having an interest in tangible or intangible property, for costs arising from loss of or damage to such property (e.g., fire, fidelity, marine hull, warranty, credit, legal expense, and title insurance); or
 - For damages to others or costs arising from the actions of such persons (e.g., liability and surety bonds) and for costs arising from injury to such persons (e.g., automobile accident benefits insurance). [*assurances IARD*]
- .56 Provision for adverse deviations is the difference between the actual result of a calculation and the corresponding result using best estimate assumptions. [*provision pour écarts défavorables*]
- .57 Public personal injury compensation plan means a public plan
- Whose primary purpose is to provide benefits and compensation for personal injuries;
 - Whose mandate may include health and safety objectives and other objectives ancillary to the provision of benefits and compensation for personal injuries; and
 - That has no other substantive commitments.
- The benefits and compensation provided under such public plans are defined by statute. In addition, such public plans have monopoly powers, require compulsory coverage except for those groups excepted by legislation or regulation, and have the authority to set assessment rates or premiums. [*régime public d'assurance pour préjudices corporels*]
- .58 Recommendation means text that appears in a box in these standards. Similarly for “recommend”. [*recommandation*]
- .59 Related experience includes premiums, claims, exposures, expenses, and other relevant data for events analogous to the insured events under consideration other than the subject experience and may include established rate levels or rate differentials or external data. [*expérience connexe*]

- .60 Report is an actuary's oral or written communication to users about his or her work. Similarly for "to report". [*rapport*]
- .61 Report date is the date the actuary specifies as such in the report. It usually differs from the calculation date. [*date du rapport*]
- .62 Scenario is a set of consistent assumptions. [*scénario*]
- .63 Service cost is that portion of the present value of a plan's obligations that an actuarial cost method allocates to a time period, excluding any amount for that period in respect of unfunded accrued liabilities. [*cotisation d'exercice*]
- .64 Social security program means a program with all the following attributes regardless of how it is financed and administered:
- Coverage is of a broad segment, or all, of the population, often on a compulsory or automatic basis;
 - Benefits are provided to, or on behalf of, individuals;
 - The program, including benefits and financing method, is mandated by law;
 - The program is not financed through private insurance; and
 - Program benefits are principally provided or delivered in the form of periodic payments upon old age, retirement, death, disability, and/or survivorship.
[*programme de sécurité sociale*]
- .65 Subject experience includes premiums, claims, exposures, expenses, and other data for the insurance categories under consideration. [*expérience visée*]
- .66 Subsequent event is an event of which an actuary first becomes aware after a calculation date but before the corresponding report date. [*événement subséquent*]
- .67 Trend is the tendency of data values to change in a general direction from one coverage period to a later coverage period. [*tendance*]
- .68 User means an intended user of the actuary's work. [*utilisateur*]

- .69 Virtually definitive refers to a matter that is almost certain, but that lacks one or more formalities like ratification, due diligence, regulatory approval, third reading, royal assent, or proclamation. However, a decision that still involves discretion at an executive or administrative level is not virtually definitive. [*pratiqement définitive*]
- .70 Work means work that is commonly, but not necessarily exclusively, performed by actuaries in assessing, measuring, and evaluating risks and contingencies and usually includes
- Acquisition of knowledge of the circumstances affecting the work that the actuary is undertaking;
 - Obtaining sufficient and reliable data;
 - Selection of assumptions and methods;
 - Calculations and examination of the reasonableness of their result;
 - Use of other persons' work;
 - Formulation of opinion and advice;
 - Reporting; and
 - Documentation. [*travail*]

1130 Interpretation

Recommendations

- .01 These standards consist of recommendations and explanatory text.
- .02 A recommendation is the highest order of guidance in these standards.
- .03 Each recommendation is in boxed text where it is accompanied by its effective date, shown in square brackets.

- Communication to the other person of any information known to the actuary that may affect the other person's work, and vice versa; and
 - Study of any report by the other person and discussion of it with the other person, especially of any reservation in the report.
- .08 The Canadian Institute of Actuaries encourages its members to use the work of an auditor in accordance with the Joint Policy Statement included in subsection 1520 of these standards of practice. The Joint Policy Statement also provides useful guidance if the actuary uses the work of a person other than an auditor.
- .09 Although an actuary may take responsibility for the work of another actuary in accordance with this section, the actuary who performed the work also continues to be responsible for that work.
- .10 In the case of use of another actuary's work, it may also be useful to
- Identify the differences between accepted actuarial practice in Canada and the practice that the other actuary followed if the other actuary worked outside of Canada; and
 - Review the other actuary's working papers.
- .11 The actuary need not report use of another person's work if the actuary takes responsibility for that work. To do so may imply a reservation.

Use but not take responsibility

- .12 If the actuary uses but does not take responsibility for another person's work, the actuary would nevertheless examine the other person's work for evident shortcomings and would either report the results of such examination or avoid use of the work. For clarity, even though the other person may use a model in his or her work, the actuary is not considered to have used that model.

1520 Auditor's use of an actuary's work

.01 The actuary should cooperate with an auditor who wishes to use the actuary's work in accordance with the following Joint Policy Statement. [Effective February 1, 2018]

.02 In this subsection 1520, the term "post-employment benefit plans" means a non-pension employee future benefit plan.

6000 – ~~Post-Employment~~ Non-Pension Employee Future Benefit Plans

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6100 Scope

.01 Part 1000 applies to work within the scope of this Part 6000.

01.02 The standards in ~~Part~~ Part 6000 apply as follows:

- Section 6200 applies to advice that an actuary provides regarding the funding, funded status, financial position, or ~~the financial condition~~ with respect to a ~~post-employment~~ non-pension employee future benefit plan, except where such advice relates to items covered by ~~Section~~ Section 6300 or ~~Section~~ Section 6400.
- Section 6300 applies to advice that an actuary provides regarding the funding, funded status, financial position, or ~~the financial condition~~ with respect to the wind-up, in full or in part, of a non-pension employee future ~~post-employment~~ benefit plan; ~~and~~
- Section 6400 applies to advice that an actuary provides regarding financial reporting of a non-pension employee future ~~post-employment~~ benefit plan's costs and obligations in the employer's financial statements, or the non-pension employee future ~~post-employment~~ benefit plan's financial statements, or the financial statements of a trust associated with the non-pension employee future ~~post-employment~~ benefit plan, where the calculations and advice are provided in accordance with an applicable financial reporting standard.

For the purposes of determining whether ~~Section~~ Section 6300 applies, the wind-up of a non-pension employee future ~~post-employment~~ benefit plan would involve the termination of future benefits for some or all plan members, the termination of some or all plan benefits and the distribution of some or all of the plan's assets, if any.

~~Examples of work with respect to wind-ups include the calculation of benefit plan costs or entitlements:~~

- ~~• When a benefit trust is being replaced with an insured arrangement;~~
- ~~• Where assets from a company's liquidation may be provided as cash in lieu of employee benefit plans upon insolvency or upon the wind-up of a post-employment benefit plan trust; and~~
- ~~• Where the plan sponsor offers cash in lieu of future benefits.~~

~~The cessation of benefit accruals or termination of a post-employment benefit plan, not involving the termination of plan benefits and distribution of plan or other assets, would not constitute a plan wind-up. For example, the closure of a post-employment benefit plan to future new members would not constitute a wind-up.~~

02.03 The standards in Sections 6200 through 6400 apply to an actuary's advice with respect to a non-pension employee futurepost-employment benefit plan that provides benefits ~~other than pension benefits~~ to the plan's members and their covered spouses and dependants, whether funded or not, whether insured or not, and whether in the private or public sector. Such plans include any arrangement that provides:

- Long-term employee benefits (and compensated absences), generally commencing or continuing to be payable more than 12 months after the initial incident that caused the benefit to be paid, including long-service leave or sabbatical leave; jubilee or other long-service benefits; long-term disability benefits; and profit sharing, bonuses, and other deferred compensation such as retiring allowances that are to be paid far enough into the future to be considered ~~to be a non-pension employee futurepost-employment benefit.~~ (long term employee benefits would generally include benefits that commence or continue to be payable more than 12 months after the initial incident that caused the benefit to be paid; for example, long term disability benefits.)
- Short-term employee benefits (and compensated absences) that accumulate or vest, such as accumulated sick days or vacation days that can be saved in one period and drawn or paid out in another period.
- Benefits to which plan members become entitled when they are no longer actively at work, such as post-employment life insurance or post-employment health care; ~~and/or~~
- Termination benefits payable to an employee as a result of termination of employment, if some or all of the benefits are payable on or after the date of termination of employment.
- The self-insured element of a public personal injury compensation plan that covers the employees of that employer, for example, self-insured workers' compensation plans.

~~03.04~~ The standards in ~~s~~Sections 6200 through 6400 do not apply to an actuary's advice with respect to any arrangement that is:

- Aa plan within the scope of ~~p~~Part 3000 Pension Plans, ~~s~~Section 2800 Public Personal Injury Compensation Plans, or ~~p~~Part 7000 Social Security Programs;
- Aa short-term employee benefit plan such as wages, salaries, and social security contributions, paid annual vacation/leave and paid sick leave, profit sharing and bonuses (if payable within 12 months of the end of the period to which they relate) and non-monetary benefits (such as medical care, housing, cars, and free or subsidized goods or services) for current employees that do not accumulate or vest;
- Aa ~~post-employment~~non-pension employee future benefit plan where there is an insurance contract in place that transfers the responsibility for all future whose benefits payments from the plan sponsor to an insurer are all guaranteed by a life insurer; or
- Aa ~~social security program~~ such as the Canada Pension Plan and Québec Pension Plan.

~~.04~~ ~~The standards in sections 6200 through 6400 also apply to an actuary's advice to an employer with respect to the self-insured element of a public personal injury compensation plan that covers the employees of that employer; for example, self-insured workers' compensation plans.~~

.05 An actuary's advice with respect to a non-pension employee future~~post-employment~~ benefit plan may relate to items such as:

- ~~R~~rrequired or recommended funding of the plan;
- ~~P~~projected cash flows of the plan with or without future new entrants;
- ~~D~~determination of the actuarial present value of the projected or accrued benefits of the plan with or without future new entrants;
- ~~D~~determination of amounts for financial reporting of a plan's cost; ~~o~~r
- Ddetermination of the obligations for reporting in the employer's financial statements, ~~o~~r the plan's financial statements, or the financial statements of a trust associated with the plan; or
- selection of assumptions related to the actuarial present value calculations.

6200 Advice on the Funding, Funded Status, Financial Condition, or Financial Position of a ~~Post-Employment~~ Non-Pension Employee Future Benefit Plan

- .01 This ~~s~~Section 6200 applies to advice that an ~~actuary~~ provides regarding the ~~funding, funded status, financial position,~~ or ~~the financial condition~~ with respect to a ~~post-employmentnon-~~ pension employee future benefit plan, except where such advice is with respect to:
- ~~T~~he wind-up, in full or in part, of a ~~post-employmentnon-pension employee future~~ benefit plan; or
 - ~~T~~he financial reporting of a ~~post-employmentnon-pension employee future~~ benefit plan's costs and obligations in the employer's financial statements, or the ~~post-employmentnon-pension employee future~~ benefit plan's financial statements, or the financial statements of a trust associated with the ~~post-employmentnon-pension employee future~~ benefit plan, where the calculations and advice are provided in accordance with an applicable financial reporting standard.

6210 General

- .01 The ~~actuary's~~ advice with respect to a ~~post-employmentnon-pension employee future~~ benefit plan should take account of the circumstances affecting the ~~w~~ork. [Effective February 1, 20~~24~~18]
- .02 The ~~actuary~~ should select an ~~actuarial cost method~~ that is consistent with the circumstances affecting the ~~w~~ork. [Effective February 1, 20~~24~~18]
- .03 The ~~actuary~~ should select an asset valuation method, where applicable, that is consistent with the circumstances affecting the ~~w~~ork. [Effective February 1, 20~~24~~18]
- .04 The ~~actuary's~~ advice with respect to a ~~post-employmentnon-pension employee future~~ benefit plan should take account of the ~~post-employmentnon-pension employee future~~ benefit plan's benefit provisions at the ~~calculation date~~, except that the ~~actuary~~ may reflect a pending amendment to the ~~post-employmentnon-pension employee future~~ benefit plan that ~~increases changes~~ the value of its benefits. [Effective ~~February 1, 2024~~ February 1, 2024 ~~June 30, 2013~~]
- .05 The ~~actuary's~~ advice with respect to a ~~post-employmentnon-pension employee future~~ benefit plan should take account of all relevant data, including historical ~~claims-benefit utilization~~ experience. [Effective ~~February 1, 2024~~ February 1, 2024 ~~June 30, 2013~~]

- .06 The actuary should select assumptions that are consistent with the circumstances affecting the work. [Effective February 1, 20~~24~~¹⁸]
- .07 The actuary should determine the next calculation date and the actuary's advice should cover at least the period between the calculation date and the next calculation date. [Effective ~~February 1, 2024~~^{June 30, 2013}]

Circumstances affecting the work

- .08 For the purposes of ~~s~~Section 6200, the circumstances affecting the work would include:
- ~~T~~he terms of the appropriate engagement under which the work is being performed; and
 - ~~T~~he application of the law to the work.
- .09 The terms of an appropriate engagement would specify whether the actuary's advice relates to:
- ~~T~~he funded status or the funding of the ~~post-employment non-pension~~ employee future benefit plan or a combination thereof;
 - ~~T~~he calculation of the actuarial present value of future benefits payable from a ~~post-employment non-pension~~ employee future benefit plan;
 - ~~T~~he calculation of the expected future cash flows from a ~~post-employment non-pension~~ employee future benefit plan; or
 - ~~O~~ther financial information with respect to the ~~post-employment non-pension~~ employee future benefit plan that is actuarial in nature, such as the sensitivity of the results presented to changes in actuarial assumptions and methods, and any impact of changes under consideration.
- .10 The terms of an appropriate engagement may specify the use of a particular actuarial cost method and/or a particular asset valuation method.
- .11 The terms of an appropriate engagement may specify that the actuary's advice may be related to the entire plan, ~~or to~~ a portion of the plan, ~~or to~~ a selected group of members only.

Actuarial cost methods

- .12 Actuarial cost methods include, among others:
- Cost allocation methods, which allocate the actuarial present value of projected benefits among time periods, including attained age actuarial cost methods, entry age actuarial cost methods, aggregate actuarial cost methods, and individual level premium actuarial cost methods;
 - Benefit allocation methods, which allocate a portion of the actuarial present value of projected benefits to a time period, including the accrued benefit actuarial cost method, the unit credit actuarial cost method, and the projected unit credit actuarial cost method; and
 - Forecast actuarial cost methods, which allocate a portion of the actuarial present value of projected benefits to the forecast period based on:
 - The actuarial present value, at the calculation date, of projected benefits at the end of the forecast period, including, if appropriate, benefits for those who are expected to become members between the calculation date and the end of the forecast period;
minus
 - The actuarial present value of projected benefits at the calculation date;
plus
 - The actuarial present value, at the calculation date, of benefits expected to be paid during the forecast period.

Asset valuation methods

- .13 If the plan has assets, the use of an asset valuation method that produces an asset value different from market value may be appropriate depending on the circumstances affecting the work. For example, the use of a smoothed asset value may be appropriate to moderate the volatility of contribution rates for purposes of advice on funding.
- .14 The value of assets may be, subject to specific requirements for different types of valuation, any of:
- Their market value;
 - Their market value adjusted to moderate volatility in investment returns;
 - The present value of their cash flows after the calculation date; and
 - Their value assuming a constant rate of return to maturity in the case of illiquid assets with fixed redemption values.

Plan provisions

.15 The actuary would determine the plan provisions with sufficient accuracy for the purposes of the valuation. Sources of information on plan provisions include:

- Current plan documents;
- Ffunding or underwriting arrangements;
- Collective bargaining agreements;
- Iinformation regarding past practices;
- Cost-sharing arrangements between the plan sponsor(s) or plan administrator and plan members; and
- Communication between the plan sponsors or plan administrator and the plan members.

Prior plan provisions may be needed to analyze claims-benefit utilization information from periods prior to the calculation date.

.16 The actuary would consider all benefits within the terms of the appropriate engagement that are to be payable under the post-employmentnon-pension employee future benefit plan and would include provision for all such benefits expected to be paid under the plan.

Anticipated amendment or deferred recognition of a pending amendment

.17 The actuary's advice on a post-employmentnon-pension employee future benefit plan may, subject to disclosure, reflect an expected amendment to the plan if the amendment is definitive or virtually definitive, ~~and the amendment increases the plan's benefits~~. For example, the plan sponsor may have a regular pattern of increasing the dental fee guide schedules that the post-employmentnon-pension employee future benefit plan uses for its benefit limit. The actuary's advice would normally reflect continued adoption of such increased limits.

.18 If, at the calculation date, an amendment to the post-employmentnon-pension employee future benefit plan is definitive or virtually definitive, and:

- If the effective date of the amendment is during the period for which the report gives advice on funding, then the advice on funding up to the effective date may disregard the amendment, but the advice on funding after the effective date would take the amendment into account; or
- If the effective date of the amendment is after the period for which the report gives advice on funding, then the advice on funding may disregard the amendment.

.19 The effective date of the amendment is the date at which the amended benefits take effect, as opposed to the date when at which the amendment becomes either definitive or virtually definitive.

- .20 If an actuary is aware of an expected amendment to the ~~post-employment~~non-pension employee future benefit plan, but does not reflect the amendment in the work, then the actuary would report the event in accordance with the requirements for the disclosure of subsequent events.

Data

- .21 In addition to the current plan membership and asset data, if relevant, the actuary would collect information on historical ~~claims-benefits utilization~~experience, such as the nature of absence and benefit levels. Data may come from the plan sponsor or plan administrator or other sources, such as insurance carriers, brokers, or external third-party plan administrators.
- .22 In identifying the data needed, the actuary would bear in mind the pertinent benefits (e.g., those applicable during retirement, disability, long service or following termination of employment). If applicable, the actuary may obtain ~~claims-benefits utilization~~ data split by plan, by age, by location, by status (retiree, inactive, spouse, etc.) and by type of expense (drug, hospital, payment for loss of income, etc.) with consideration of data privacy/confidentiality and availability of information.
- .23 Where appropriate, ~~in~~when analyzing any relevant historical ~~claims-benefits utilization~~ data, the data would be adjusted to reflect the trend in the cost of benefits between the reference period and the calculation date. Where appropriate, the actuary would also adjust past experience results to reflect non-recurring influences that the actuary considers to be significant, such as changes in the benefits offered, changes to stop-loss pooling arrangements, ~~significant~~ changes in the demographics of the group, changes in government programs, ~~or~~ unusual claims or catastrophic events such as a pandemic.
- .24 Available data may have limited value or low credibility. Where the relevant historical benefits utilization and related expenses ~~benefit cost~~ for former members or current retirees is not fully credible or does not reasonably represent the likely benefits utilization and related expenses for plan members in the future ~~cost for similar future groups~~, the actuary may rely on the experience of other members or other sources of data that the actuary considers reasonable and relevant. Such other data would be adjusted appropriately for the expected differences between these groups-plan members in the future and the group from which the data were drawn.

- .25 ~~The actuary may project~~ Relevant data, including membership data and benefit utilization data ~~with respect to claim costs~~ (for example claims costs and sick leave usage), may be projected from the effective date of the data to the calculation date, using appropriate extrapolation techniques. The time period between the calculation dates of full actuarial valuations would not normally be more than three years and ~~the actuary would not normally extrapolate~~ membership data more than three-four years from the effective date of the membership data. The actuary may also use recent credible benefit utilization ~~claims~~ experience in the extrapolation.

Assumptions

- .26 In establishing the assumptions, the actuary would usually assume the continuation of the current provisions and practices of government programs, but anticipate the effect of known legislative changes scheduled to be implemented at a future date. The actuary may also present alternative results reflecting different scenarios of the future. If the purpose of the valuation is such that the effect of anticipated future government changes is to be taken into account, the actuary would make appropriate assumptions in respect thereof.
- .27 In determining ~~claim costs~~ benefits utilization assumptions, where necessary, the actuary would consider available benefits utilization ~~claims~~ experience with regards to items such as:
- ~~Claimant-claimant~~ location age, member status, coverage category, benefit usage by age and benefit type;
 - ~~Credibility; and~~
 - ~~R~~ relevance to future periods and future benefit provisions;
 - integration of benefits with applicable government programs; and
 - provisions of the benefit plan, for example, stop-loss pooling limits and lifetime and annual benefit maximums.
- .28 The assumption with respect to the future ~~benefit escalation~~ claims trend rates, where necessary, may be divided into short-term and longer-term components. The short-term component would often be based on the level experienced in the recent past by the plan and plan members. The longer-term component would be consistent with the assumption regarding future changes in benefit programs and general economic conditions (for example considering such as nominal Gross Domestic Product growth when developing an assumption for future healthcare escalation rates). The actuary would determine the period of time required to transition from the short-term escalation rates trends to the longer-term escalation rates trends and when the short-term escalation rates trends may need to be revised.
- .29 In situations where there is not sufficient data with respect to ~~claim costs~~ benefit utilization – for example, if the ~~post-employment~~ non-pension employee future benefit plan has only a small number of members or does not yet have any members in payment status – in developing the applicable assumptions, the actuary may consider other sources such as the ~~develop the applicable assumptions based on~~ benefit utilization experience ~~with of~~ other similar plans.

Discount rate

- .30 For ~~post-employment~~non-pension employee future benefit plans that are not funded, in selecting the best estimate assumption for the discount rate, the actuary would reflect the yields on fixed income investments, considering the expected future benefit payments of the plan and the circumstances affecting the work.

Expenses

- .31 The actuary's advice on a ~~post-employment~~non-pension employee future benefit plan would take account of expenses, including whether or not they are expected to be paid from the ~~post-employment~~non-pension employee future benefit plan's assets, if any.
- .32 The actuary would consider, as part of the claims-benefit utilization experience, the administration costs ~~related to the adjudication of the claims~~, including any related general administration expenses charged by the ~~adjudicator party adjudicating the claims~~ and all applicable taxes. The actuary would also consider other expenses related to the ~~post-employment~~non-pension employee future benefit plan consistent with the circumstances affecting the work.

Next calculation date

- .33 The next calculation date is the latest date for which the actuary considers the advice with respect to a ~~post-employment~~non-pension employee future benefit plan to be applicable. The actuary would take into consideration the terms of an appropriate engagement in determining the next calculation date, but the next calculation date would not normally be more than three years after the current calculation date.

6220 Advice on Funding or Funded Status

- .01 If the actuary is providing advice with respect to the funding and/or funded status of a ~~post-employment~~non-pension employee future benefit plan that is pre-funded in some manner, the actuary should select either best estimate assumptions or best estimate assumptions modified to incorporate margins for adverse deviations to the extent, if any, required by the terms of an appropriate engagement. [Effective February 1, 20~~24~~18]

- .02 Advice on funding or funded status may include:
- Aadvice regarding the amount of assets to be earmarked, whether or not segregated, to cover ~~post-employment~~non-pension employee future benefit commitments;
 - Aadvice regarding a systematic method of accumulating funds to provide the ~~post-employment~~non-pension employee future benefit commitments; or
 - Aadvice on the funding implications of a plan amendment.
- .03 The terms of an appropriate engagement may specify applicable objectives of funding, which may include a formal or informal funding policy.
- .04 Objectives of funding specified by the terms of an appropriate engagement may include considerations such as the security of benefits and related provisions for adverse deviations, the allocation of contributions among time periods, surplus utilization and/or inter-generational equity.
- .05 Depending on the circumstances affecting the work, the actuary's advice on funding may describe a range of contributions.

Discount rate

- .06 If the actuary's advice relates to the funding or funded status of a ~~post-employment~~non-pension employee future benefit plan, there may be additional considerations in selecting the best estimate assumption for the discount rate. For example the actuary may ~~either~~:
- Take into account the expected investment return on the assets, ~~if any~~, of the non-pension employee future benefit plan based on the target asset mix specified in the investment policy of the non-pension employee future ~~post-employment~~ benefit plan at the calculation date and may reflect the expected changes in the target asset mix investment policy after that date; or
 - Reflect the yields on fixed income investments, considering the timing of expected future benefit payments of the ~~post-employment~~non-pension employee future benefit plan and the circumstances affecting the work.
- .07 In establishing the discount rate assumption, the actuary would assume that there will be no additional returns achieved, net of investment expenses, from an active investment management strategy compared to a passive investment management strategy, ~~except to the extent that the actuary has reason to believe, based on relevant supporting data, that such additional returns will be consistently and reliably earned over the long term.~~

6230 Reporting: External User Report

- .01 An external user report on work pursuant to ~~s~~Section 6200 should:
- ~~D~~describe any significant terms of the appropriate engagement that are **material relevant** to the actuary's advice;
 - ~~I~~include the calculation date, the report date, and the next calculation date, if applicable;
 - ~~D~~describe the sources of membership data, plan provisions, the ~~post-employment~~**non-pension employee future** benefit plan's assets, if any, and historical ~~claims data~~**benefit utilization**, if any, and the dates at which they were compiled;
 - ~~D~~describe the membership data and any limitations thereof, and any assumptions made about missing or incomplete membership data;
 - ~~D~~describe the tests applied to determine the sufficiency and reliability of the membership data, **benefit utilization data (if applicable)** and plan asset data for purposes of the work;
 - **describe the assumptions and methods used and the basis for selection including the extent of any margin for adverse deviations included with respect to each such assumption;**
 - ~~D~~describe the assets, if any, including their market value and a summary of the assets by major category;
 - ~~D~~describe the ~~post-employment~~**non-pension employee future** benefit plan's provisions, including the identification of any pending ~~definitive~~ or ~~virtually definitive~~ amendment of which the actuary is aware, and the manner in which any such amendments have been reflected in the actuary's advice;
 - ~~D~~disclose ~~subsequent events~~ of which the actuary is aware, whether or not the events are taken into account in the work, or, if there are no ~~subsequent events~~ of which the actuary is aware, include a statement to that effect;
 - ~~S~~state the type of valuation undertaken under the terms of the appropriate engagement;
 - ~~F~~for any one valuation undertaken, describe and quantify the gains and losses between the prior calculation date and the calculation date;
 - ~~F~~for any one valuation undertaken, **report the effect on the key results of the valuation of using a discount rate 1.0% lower than that used for the valuation or any other assumption with a significant impact on the results, for example, future claims escalation rate, retirement and inflation assumptions producing results that are more adverse than those under the valuation;**
 - **include a statement if there is no provision for adverse deviations, or disclose any provision for adverse deviations that has been included; and**

- ~~• report the results of the valuation; and~~
- ~~• For any one valuation undertaken, where relevant, report the effect on the key results of the valuation of using an assumed future claims trend rate 1.0% higher than that used for the valuation. [Effective February 1, 2024]~~

~~.02~~ For each valuation undertaken by the actuary, the external user report should:

- ~~• If there is no provision for adverse deviations, include a statement to that effect;~~
- ~~• Describe the claims administration expenses or other plan expenses that are included in the work; and~~
- ~~• Report the results of the valuation. [Effective March 31, 2015]~~

~~.023~~ An external user report that provides advice on funding should:

- ~~• Describe the rationale for any assumed additional investment returns, (net of investment management expenses) that is assumed to arise, from an active investment management strategy, and is included in the discount rate assumption;~~
- ~~• Describe the determination of contributions or a range of contributions between the calculation date and the next calculation date; and~~
- ~~• If contributions are fixed by the terms of the post-employment non-pension employee future benefit plan or other governing documents (e.g., a collective agreement), then either:
 - ~~▪ Report that the contributions are adequate to fund the post-employment non-pension employee future benefit plan in accordance with its terms;~~ or
 - ~~▪ Report that the contributions are not adequate to fund the post-employment non-pension employee future benefit plan in accordance with its terms; and
 - ~~○ Describe the contributions required to fund the post-employment non-pension employee future benefit plan adequately in accordance with its terms;~~
 - ~~○ Describe one or more possible ways in which benefits may be reduced such that the contributions would be adequate to fund the post-employment non-pension employee future benefit plan in accordance with its terms;~~ or
 - ~~○ Describe a combination of increases in contributions and reductions in benefits that would result in the funding being in accordance with its terms. [Effective ~~June 30, 2013~~ February 1, 2024]~~~~~~

.034 An external user report should provide the following four statements of opinion, all in the same section of the report and in the following order:

- A statement regarding membership data, which should usually be, “In my opinion, the membership data on which the valuation is based are sufficient and reliable for the purpose of the valuation.”~~;~~
- A statement as to assumptions, which should usually be, “In my opinion, the assumptions are appropriate for the purpose(s) of the valuation(s).”~~;~~
- A statement as to methods, which should usually be, “In my opinion, the methods employed in the valuation are appropriate for the purpose(s) of the valuation(s).”~~;~~~~and~~
- A statement as to conformity, which should be, “This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.” [Effective ~~June 30, 2013~~ February 1, 2024]

.045 An external user report should be sufficiently detailed to enable another actuary to examine the reasonableness of the valuation. [Effective February 1, 2024 ~~June 30, 2013~~]

Significant terms of appropriate engagement

.05 Significant terms of the appropriate engagement may include matters such as:

- ~~T~~he use of a specified actuarial cost method;
- ~~T~~he use of a specified asset valuation method, where applicable;
- ~~T~~he inclusion/exclusion of benefits for purposes of a valuation;
- ~~T~~he extent of margins for adverse deviations, if any, to be included in ~~selecting~~ assumptions ~~the valuation~~; and
- ~~T~~he funding policy, which may include pay-as-you-go funding.

Membership data

.06 The actuary would describe any assumptions and methods used in respect of insufficient or unreliable membership or census/employee data.

.07 The actuary may describe limitations on the tests conducted in the review of the data ~~which~~ that has been determined to be sufficient and reliable for purposes of the valuation(s). For example, the actuary may describe that the data tests will not capture all possible deficiencies in the data and reliance is also placed on the certification of the plan sponsor or plan administrator as to the quality of the data.

Methods

- ~~07.08~~ For each valuation included in the external user report for which there was a prior valuation, the description of the actuarial cost method would include a description of any change to the actuarial cost method used in the prior valuation and the rationale for such change.
- ~~08.09~~ For each valuation included in the external user report for which there was a prior valuation, the description of the method to value the assets, if any, would include a description of any change to the asset valuation method used in the prior valuation and the rationale for such change.

Types of valuations

- ~~09.10~~ An external user report with respect to a ~~post-employment~~ non-pension employee future benefit plan would normally include information on only one valuation, which is typically a going concern valuation. To the extent that the external user report provides information with respect to multiple valuations, the actuary would include information with respect to the types of valuations required by the circumstances affecting the work.

Assumptions

- ~~10.11~~ For each valuation included in the external user report for which there was a prior valuation, the description of assumptions would include a description of any changes to the assumptions used in the prior valuation, or a comment to the effect that the assumptions are unchanged since the prior valuation.

~~11.12~~ For each valuation included in the external user report, the description of the assumptions would, if appropriate for the circumstances affecting the work, describe the following:

- The development of the assumed ~~claim costs~~ benefit utilization rates including a description of the underlying benefit utilization experience used to develop these rates. For example,;
 - credibility applied to the actual benefit utilization experience in the development of the assumed benefit utilization rates;
 - adjustments that were applied when using premiums in lieu of actual historical claims experience or to assess unusual benefit utilization patterns;
 - reflection of stop-loss insurance arrangements, etc.; and
 - health and dental claims cost development for continuation of benefits while disabled versus retiree claims costs.
- The development of assumptions for event-driven non-pension employee future benefits, for example incurred but not reported liability.
- ~~The development of the future benefit escalation rate assumptions and the~~ The claims experience information used to develop the assumed claim costs; and
- ~~The~~ extent to which the claims-benefit utilization experience information has influenced the selection of the assumed future benefit escalation cost trend rates.

Relevant results of the valuation

~~12.13~~ The results of the valuation will depend on the purpose(s) of the valuation, ~~and~~ the circumstances affecting the work and the terms of the appropriate engagement. The results of the valuation may include such information as:

- the funded status and contribution levels;
- ~~The~~ present value of projected benefits;
- ~~The~~ present value of projected benefits allocated to periods up to the calculation date;
- ~~The~~ projected cash flows; and/or
- ~~The~~ service cost for periods following the calculation date.

Reporting gains and losses

~~13.14~~ The reported gains and losses for a valuation would include the gain or loss due to a change in the actuarial cost method or a change in the method for valuing the assets, if any, and each significant change in assumptions and plan provisions determined at the calculation date. If an amendment to the ~~post-employment~~ non-pension employee future benefit plan prompts the actuary to change the assumptions, the actuary may report the combined effect of the amendment and the resultant change in assumptions.

Sensitivity analysis

~~14.15~~ When following the recommendations to illustrate the effect of a change in discount rate, trend escalation rate or other assumption on a valuation, the actuary would maintain all other assumptions and methods as used in the underlying valuation.

Reference to other reports

~~15.16~~ The disclosures required in the external user report may be incorporated by reference to another actuarial valuation report prepared in accordance with accepted actuarial practice ~~with the same calculation date~~.

Statements of opinion

~~16.17~~ Where different statements of opinion apply in respect of different purposes of the valuation, the above requirements may be modified but would be followed to the extent practicable.

~~17.18~~ While a separate statement regarding assumptions would usually be included in respect of each purpose of the valuation, the statements regarding assumptions may be combined where the statements do not differ among some or all of the valuation's purposes. The report would indicate clearly which statement regarding assumptions applies to each of the valuation's purposes.

~~19~~ Similarly, ~~W~~while a separate statement regarding methods would usually be included in respect of each purpose of the valuation, the statements regarding methods may be combined where the statements do not differ between some or all of the valuation's purposes. The report would indicate clearly which statement regarding methods applies to each of the valuation's purposes.

~~20~~ The various elements of a non-pension employee future benefit measurement require expertise in non-pension benefit utilization and long-term projections. In recognition of the complexities involved, two or more actuaries with complementary qualifications in the non-pension and pension practice areas may collaborate on a work project, with the specific areas of expertise of each actuary noted in the external user report. While each actuary may concentrate on their area of expertise as part of the work, the actuary (or actuaries) issuing the statements of actuarial opinion would act in accordance with subsection 1510 (Actuary's use of another person's work).

6300 Full or Partial Wind-up Valuation

- .01 This ~~s~~Section 6300 applies to advice that an actuary provides with respect to the wind-up (~~the~~ termination of future benefits for some or all members, the termination of some or all plan benefits, and the distribution of some or all of the plan's assets, if any), in full or in part, of a ~~post-employment~~non-pension employee future benefit plan. Examples of work with respect to wind-ups include the calculation of benefit plan costs or entitlements:
- ~~W~~hen a benefit trust is being replaced with an insured arrangement;
 - ~~W~~here assets from a company's liquidation may be provided as cash in lieu of non-pension employee future benefit plans upon insolvency or upon the wind-up of a ~~post-employment~~non-pension employee future benefit plan trust; and
 - ~~W~~here the plan sponsor offers cash payable from the plan's assets in lieu of future benefits.
- .02 This ~~s~~Section 6300 does not apply in situations where the ~~post-employment~~non-pension employee future benefit plan is no longer available for future members but accrued benefits are not being settled.

6310 General

- .01 The actuary's advice with respect to a ~~post-employment~~non-pension employee future benefit plan that is being wound up, in full or in part, should take account of the circumstances affecting the work, and assume the plan is being wound up at the calculation date. [Effective February 1, 20~~24~~18]
- .02 The actuary should take account of subsequent events up to the cut-off date. [Effective ~~February 1, 2024~~June 30, 2013]
- .03 The ~~post-employment~~non-pension employee future benefit plan's assets, if any, should be valued at liquidation value. [Effective ~~June 30, 2013~~February 1, 2024]
- .04 The actuary should take account of the ~~post-employment~~non-pension employee future benefit plan's benefit provisions at the calculation date, except that the actuary may reflect a pending amendment to the ~~post-employment~~non-pension employee future benefit plan. [Effective ~~June 30, 2013~~February 1, 2024]
- .05 The actuary's advice with respect to a ~~post-employment~~non-pension employee future benefit plan should take account of all relevant data, including historical claims-benefit utilization experience. [Effective ~~June 30, 2013~~February 1, 2024]

.06 The actuary should select assumptions that:

- ~~A~~are either best estimate assumptions or ~~are~~ best estimate assumptions modified to incorporate margins for adverse deviations to the extent, if any, required by the terms of an appropriate engagement;
- ~~A~~are selected as at the cut-off date; and
- ~~R~~reflect the expected method of benefit settlement. [Effective February 1, 2024~~18~~]

.07 Unless it is expected that expenses will not be paid from the ~~post-employment non-pension~~ employee future benefit plan's assets, the actuary should select an explicit assumption regarding the expenses of wind-up and either offset the resulting expense provision against the ~~post-employment non-pension~~ employee future benefit plan's assets, if any, or add the resulting expense provision to the ~~post-employment non-pension~~ employee future benefit plan's liabilities. Expenses may include administration costs (which may be incurred from a third-party administrator or an insurer); or other expenses. [Effective ~~June 30, 2013~~ February 1, 2024]

Scope

.08 This section does not prescribe the manner in which:

- ~~B~~benefit entitlements would be determined;
- ~~F~~funding obligations would be determined; or
- ~~T~~the ~~post-employment non-pension~~ employee future benefit plan's assets, if any, would be allocated between the employer(s) and the members or among members themselves.

Rather, those issues would be determined in accordance with the law, the plan provisions or governance documents, or by an entity empowered thereunder to make that determination. It may be appropriate, however, to use the results of the valuation to address one or more of those issues, or to disclose their resolution in the report.

Circumstances affecting the work

.09 For the purposes of ~~s~~Section 6300, the circumstances affecting the work would include:

- ~~W~~whether the actuary's advice relates to the funding, funded status, financial position, or ~~the financial condition~~ of the ~~post-employment non-pension~~ employee future benefit plan, or a combination thereof;
- ~~W~~whether the actuary's advice relates to the present value of expected future benefits under the ~~post-employment non-pension~~ employee future benefit plan;
- ~~T~~the terms of the appropriate engagement under which the work is being performed; and
- ~~T~~the application of the law to the work.

Cut-off date

- .10 The cut-off date would be the date up to which ~~subsequent events~~ would be recognized in the valuation.

Partial wind-up

- .11 A partial wind-up occurs when eligibility for benefits under the non-pension employee future benefit plan ~~a subset of the members~~ terminates for a subset of plan members ~~membership~~ in circumstances that require a wind-up with respect to those members. Such wind-up does not apply to the continuing members, although it may also be necessary, for other reasons, to value the benefits of the continuing members.
- .12 The standards for a partial wind-up are the same as the standards for a full wind-up.

Assumptions

- .13 The selection of the assumptions would normally be determined in accordance with the law (if applicable), the plan provisions or governance documents, or by an entity empowered thereunder to make that determination.
- .14 The actuary may need to consider various appropriate tax treatments for calculations prepared for wind-ups of ~~post-employment~~non-pension employee future benefit plans.

Expenses

- .15 The actuary would consider as part of the claims-benefit utilization experience the administration costs, including any related ~~to the adjudication of the claims, including any related~~ general administration expenses charged by the adjudicator party adjudicating the claims and all applicable taxes. The actuary ~~may~~would also consider other expenses related to the ~~post-employment~~non-pension employee future benefit plan consistent with the circumstances affecting the work.

Plan provisions

.16 The actuary would determine the plan provisions with sufficient accuracy for the purposes of the valuation. Sources of information on plan provisions include:

- Current plan documents;
- Funding or underwriting arrangements;
- Collective bargaining agreements;
- Information regarding past practices;
- Cost-sharing arrangements between the plan sponsor(s) or plan administrator and plan members; and
- Communication between the plan sponsors or plan administrator and the plan members.

Prior plan provisions may be needed to analyze claims-benefit utilization information from periods prior to the calculation date.

.17 The actuary would consider all benefits within the terms of the appropriate engagement that are to be payable under the post-employment non-pension employee future benefit plan and would include provision for all such benefits expected to be paid under the plan.

6320 Reporting: External User Report

.01 If a previous external user report was prepared with respect to the wind-up, the actuary should describe and quantify the gains and losses between the prior calculation date and the calculation date. [Effective February 1, 2024~~June 30, 2013~~]

.02 An external user report should:

- ~~I~~include the wind-up date, the calculation date, the cut-off date, and the report date;
- ~~D~~describe the events precipitating the wind-up, of which the actuary is aware, that affect the terms of the wind-up, the benefit entitlements, or the valuation results;
- ~~D~~describe the sources of membership data, plan provisions, and the ~~post-employment~~non-pension employee future benefit plan's assets, if any, and historical ~~claims~~benefit utilization data, if any, and the dates at which they were compiled;
- ~~D~~describe the membership data and any limitations thereof, including any assumptions made about missing or incomplete membership data;
- ~~D~~describe the tests applied to determine the sufficiency and reliability of the membership data, benefit utilization data (if applicable) and plan asset data for purposes of the work;
- describe the assumptions and methods used and the basis for selection;
- ~~S~~subject to any applicable privacy legislation:
 - ~~I~~include the detailed individual membership data, or
 - ~~I~~include an offer to provide detailed individual membership data on request to the plan sponsor or the plan administrator;
- ~~D~~describe the liquidation value of the assets, if any, and a summary of the assets by major category;
- ~~D~~describe the ~~post-employment~~non-pension employee future benefit plan's provisions, including an identification of:
 - any benefits that have been insured,
 - ~~A~~any amendments made since any previous external user report with respect to the plan ~~which-that~~ affect benefit entitlements, and

- ~~A~~ny subsequent events or post-wind-up contingent events, of which the actuary is aware, ~~which-that~~ affect benefit entitlements;
- ~~R~~report the explicit assumption regarding the expenses of wind-up or justify the expectation that expenses will not be paid from the ~~post-employmentnon-pension employee future~~ benefit plan's assets, if any;
- ~~R~~report the funded status at the calculation date, and state whether an updated report will be required in the future;
- ~~I~~f applicable, report the settlement value for each plan member, ~~on a de-identified basis~~, when settlement is to be made by cash payments to the member;
- ~~D~~disclose subsequent events of which the actuary is aware, whether or not the events are taken into account in the work, ~~and/or~~, if there are no subsequent events of which the actuary is aware, include a statement to that effect;
- ~~S~~tate that the funded status at settlement may differ from that contained in the report, unless the report includes the funded status at the time of final settlement;
- ~~I~~f the actuary relies ~~up~~on direction concerning unclear or contentious issues:
 - ~~D~~describe each such issue;
 - ~~D~~describe the direction relied upon or, where appropriate, a summary thereof; and
 - ~~I~~dentify the person providing such direction and the basis of authority of such person;
- ~~D~~describe any post-wind-up contingent events that may affect the distribution of the ~~post-employmentnon-pension employee future~~ benefit plan's assets, if any;
- ~~D~~describe whether a recalculation of the value of benefit entitlements is required at settlement;
- ~~W~~here a member has a choice of settlement options that the member has not yet made, describe the assumptions made regarding such choice;
- ~~I~~f applicable, describe the method to allocate the ~~post-employmentnon-pension employee future~~ benefit plan's assets among classes of members and the method to distribute surplus;

- Describe the actuary's role in calculating settlement values, including the assumptions and methods used for their calculation; and
- Describe the sensitivity of the valuation results to the post-employment non-pension employee future benefit plan's investment policy and to market conditions between the report date and the settlement date. [Effective February 1, 2024~~18~~]

.03 An external user report should include the following four statements of opinion, all in the same section of the report and in the following order:

- A statement regarding membership data, which should usually be, "In my opinion, the membership data on which the valuation is based are sufficient and reliable for the purpose of the valuation."~~;~~
- A statement regarding assumptions, which should usually be, "In my opinion, the assumptions are appropriate for the purpose(s) of the valuation(s)."~~;~~
- A statement regarding methods, which should usually be, "In my opinion, the methods employed in the valuation are appropriate for the purpose(s) of the valuation(s)."~~;~~~~and~~
- A statement regarding conformity, which should be, "This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada." [Effective February 1, 2024~~June 30, 2013~~]

.04 The external user report should be sufficiently detailed to enable another actuary to examine the reasonableness of the valuation. [Effective February 1, 2024~~June 30, 2013~~]

Dates

- .05 The wind-up date of the post-employment non-pension employee future benefit plan would be determined by the plan administrator or the plan sponsor or others with responsibility to wind up the plan, based on the plan provisions, the law~~;~~ and the circumstances of the wind-up.
- .06 The calculation date of the funded status would usually be the wind-up date.
- .07 For a particular member, the date of calculation of benefit entitlement would depend on the circumstances of the wind-up and the terms of the post-employment non-pension employee future benefit plan, and may be the date of termination of employment, the date of termination of membership, the wind-up date~~;~~ or another date.

Nature of wind-ups

- .08 The purpose of a wind-up valuation may be to determine, or to provide the basis for determining:
- ~~The funded status~~ of the ~~post-employment~~non-pension employee future benefit plan;
 - ~~The total value of the benefit entitlements of all members prior to taking account of the funded status of the~~ ~~post-employment~~non-pension employee future benefit plan;
 - ~~A~~any required additional ~~funding~~;
 - ~~The~~ amounts and methods of determining benefit entitlements, including any adjustment required due to a wind-up deficit;
 - ~~The~~ amount and method of distribution of a wind-up surplus; or
 - ~~P~~payout for loss of benefit entitlements upon insolvency.
- .09 A wind-up may be complex and may take a long time. Delays may require a series of ~~reports~~ by the ~~actuary~~. Since the ~~funded status~~ or other available funds for the ~~post-employment~~non-pension employee future benefit plan at the final settlement date may affect whether benefit entitlements can be settled in full, the reflection of ~~subsequent events~~ in each ~~report~~ would be critical.

Membership data

- .10 The finality of wind-up would call for the ~~actuary~~ to obtain precise membership data. The membership data are the responsibility of the plan sponsor or ~~plan administrator~~. However, if the ~~actuary~~ is working with incomplete, unreliable, or missing data, the ~~actuary~~ would ~~describe any~~ ~~make~~ assumptions ~~made~~ regarding the data. The ~~actuary~~ may, if the circumstances dictate, include a provisional sum in the wind-up valuation with respect to missing members if the ~~actuary~~ believes that additional members might have benefit entitlements under the ~~post-employment~~non-pension employee future benefit plan but their membership information is missing.

Assumptions

- .11 The selected assumptions would:
- ~~In~~ respect of benefit entitlements that are assumed to be settled by purchase of insurance, reflect single premium rates; and
 - ~~In~~ respect of benefit entitlements that are assumed to be settled in some other manner, reflect the manner in which such benefits would be settled.

- .12 If future benefits depend on continued employment, the actuary would consider reflecting contingent events. For example, if a member is eligible for post-retirement benefits only if the member remains in employment until age 55, the actuary may make an assumption as to the probability of this event occurring and the member's benefit may be discounted for the probability of the event occurring.
- .13 Wind-up expenses usually include, but are not limited to:
- Fees related to the preparation of the actuarial wind-up report;
 - Legal fees;
 - Insurer or adjudicator administration expenses; and
 - Custodial and investment management expenses.
- .14 The actuary would either net wind-up expenses against the post-employment non-pension employee future benefit plan's assets, if any, or add the assumed wind-up expenses to the post-employment non-pension employee future benefit plan's liabilities in calculating the ratio of assets to liabilities as a measure of financial security of the benefit entitlements, unless the expectation is that expenses will not be paid from the post-employment non-pension employee future benefit plan's assets, if any. However, an exception may be made for future custodial and investment management expenses, which may be netted against future investment return in the treatment of subsequent events.

Subsequent events

- ~~.15 Ideally, in a wind-up valuation, all subsequent events would be reflected. This ensures that the funded status is presented as fairly as possible as of the report date. However, it would be impossible to recognize subsequent events right up to the report date. Accordingly, the actuary would select a cut-off date that is close to the report date.~~
- ~~.16 The actuary would ascertain that no subsequent events have occurred between the cut-off date and the report date that would change the funded status significantly; otherwise the actuary would select a later cut-off date. For clarity, a subsequent event may be material yet not be so significant as to require selection of a later cut-off date.~~
- ~~.17 It may be appropriate to have more than one cut-off date. For example, the actuary may select one cut-off date for the active membership data and another cut-off date for the inactive membership data.~~

~~18~~ Common subsequent events are:

- ~~• Contributions remitted to the plan;~~
- ~~• Expenses paid from the post-employment benefit plan's assets, if any;~~
- ~~• Actual investment return on the post-employment benefit plan's assets, if any;~~
- ~~• Change in assumptions;~~
- ~~• Corrections to the membership data; and~~
- ~~• Deaths of members or other significant plan experience.~~

Use of another person's work

~~19.15~~ Some aspects of the wind-up may be unclear to the actuary or contentious. Examples are:

- ~~T~~he determination of the wind-up date;
- ~~T~~he members, former members, or recently terminated members to be included in the wind-up;
- ~~W~~hether or not to assume salary increases or ~~health care cost trend~~other benefit escalation rates in determining benefit entitlements;
- ~~E~~ligibility for benefits payable only with the consent of the plan sponsor or plan administrator;
- ~~T~~he liquidation value of the ~~post-employment~~non-pension employee future benefit plan's assets, if any;
- ~~T~~he method to allocate the ~~post-employment~~non-pension employee future benefit plan's assets, if any, among members; and
- ~~W~~hether or not wind-up expenses are to be paid from the ~~post-employment~~non-pension employee future benefit plan's assets, if any, or included in the calculation of the liabilities or expected future benefits.

~~20.16~~ To decide those aspects, the actuary may rely upon direction from another person with the necessary knowledge, such as legal counsel or the employer, or the necessary authority, such as the plan sponsor or plan administrator. The actuary would consider any issues of confidentiality or privilege that may arise.

Post-wind-up contingencies

.17 Post-wind-up contingencies may affect benefit entitlements. Examples are

- member election of optional forms of benefits;
- member election of retirement date;
- salary increases; and
- change in marital status.

Subsequent events

.18 In contrast with a going concern valuation, in a wind-up valuation all subsequent events, ideally, would be reflected. This ensures that the funded status is presented as fairly as possible as of the report date. However, it would be impossible to recognize subsequent events right up to the report date. Accordingly, the actuary would select a cut-off date that is close to the report date.

.19 The actuary would ascertain that no subsequent events have occurred between the cut-off date and the report date that would change the funded status significantly; otherwise, the actuary would select a later cut-off date. For clarity, a subsequent event may be relevant yet not be so significant as to require selection of a later cut-off date.

.20 It may be appropriate to have more than one cut-off date. For example, the actuary may select one cut-off date for the active membership data and another cut-off date for the inactive membership data.

.21 Common subsequent events are

- Contributions remitted to the plan;
- expenses paid from the non-pension employee future benefit plan's assets;
- actual investment return on the non-pension employee future benefit plan's assets;
- change in paid-up insurance rates;
- change in assumptions or methodologies for the calculation of lump sum settlements;
- corrections to the membership data;
- deaths of members; and
- crystallization of post-wind-up contingencies.

- .22 One method for taking account of subsequent events is to determine the value of benefits as of the cut-off date and then discount such value back to the calculation date at an interest rate equal to the rate of investment return, net of investment expenses, earned on the non-pension employee future benefit plan's assets between the calculation date and the cut-off date. The non-pension employee future benefit plan's assets would be determined at the calculation date but adjusted for the subsequent events (such as contributions and non-investment expenses) that affect the non-pension employee future benefit plan's assets.
- .23 There may be situations where, due to legal or practical considerations, subsequent events are not recognized, at least in a preliminary report, and the cut-off date for such a report would be the calculation date. In such reports, the effect of subsequent events may be disclosed and quantified in an approximate manner. Where the effect of subsequent events is provided in a later report, it may be practical, in that report, to use a calculation date corresponding to the cut-off date.

Statements of opinion

- .24 Where different statements of opinion apply in respect of different purposes of the valuation, the above requirements may be modified, but would be followed to the extent practicable.
- .25 The various elements of a non-pension future benefit measurement require expertise in a non-pension benefit utilization and long-term projections. In recognition of the complexities involved, two or more actuaries with complementary qualifications in the non-pension and pension practice areas may collaborate on a work project, with the specific areas of expertise of each actuary noted in the external user report. While each actuary may concentrate on their area of expertise as part of the work, the actuary (or actuaries) issuing the statements of actuarial opinion would act in accordance with subsection 1510 (Actuary's use of another person's work).

6400 Financial Reporting of ~~Post-Employment~~Non-Pension Employee Future Benefits Costs

- .01 This ~~s~~Section 6400 applies to advice that an actuary provides regarding financial reporting of a ~~post-employmentnon-pension employee future~~ benefit plan's costs and obligations in the employer's financial statements, or the ~~post-employmentnon-pension employee future~~ benefit plan's financial statements, or the financial statements of the trust associated with the ~~post-employmentnon-pension employee future~~ benefit plan, where the calculations, ~~and~~ advice and external reports are provided in accordance with an applicable financial reporting standard.

6410 General

- .01 For financial reporting purposes, the actuary should use assumptions and methods ~~and assumptions~~ for the value of assets, if any, and ~~post-employmentnon-pension employee future~~ benefit obligations that are appropriate to the basis of financial reporting in the employer's or ~~post-employmentnon-pension employee future~~ benefit plan's or trust's financial statements, as applicable, and that are consistent with the terms of an appropriate engagement and the circumstances affecting the work. [Effective February 1, 2024~~18~~]

Circumstances affecting the work

- .02 For the purposes of ~~s~~Section 6400, the circumstances affecting the work would include:
- ~~T~~he terms of the appropriate engagement under which the work is being performed; and
 - ~~T~~he application of the law to the work.
- .03 The actuary would reflect the financial reporting standards specified by the terms of the appropriate engagement. Where financial reporting standards require assumptions and methods ~~and assumptions~~ to be established by the preparers of the financial statements, the actuary would use the assumptions and methods ~~and assumptions~~ specified by the preparers of the financial statements.

Plan provisions

- .04 The actuary would determine the plan provisions with sufficient accuracy for the purposes of the valuation. Sources of information on plan provisions include:
- Current plan documents;
 - Funding or underwriting arrangements;
 - Collective bargaining agreements;
 - Information regarding past practices;
 - Cost-sharing arrangements between the plan sponsor(s) or plan administrator and plan members; and
 - Communication between the plan sponsor or plan administrator and the plan members.

Prior plan provisions may be needed to analyze claims-benefit utilization information from periods prior to the calculation date.

- .05 The actuary would consider all benefits in accordance with the terms of the appropriate engagement that are to be payable under the post-employment-non-pension employee future benefit plan and would include provision for all such benefits expected to be paid under the plan.

Anticipated amendment or deferred recognition of a pending amendment

- .06 The actuary's advice on a post-employment-non-pension employee future benefit plan may reflect an expected amendment to the plan if the amendment is definitive or virtually definitive, as appropriate based on the applicable financial reporting standard. For example, the plan sponsor may have a regular pattern of increasing the dental fee guide schedules that the non-pension employee future benefit plan uses for its benefit limit. The actuary's advice would normally reflect continued adoption of such increased limits.
- .07 The effective date of the amendment is the date at which the amended benefits take effect, as opposed to the date when the amendment becomes either definitive or virtually definitive.
- .08 If an actuary is aware of an expected amendment to the post-employment-non-pension employee future benefit plan, but does not reflect the amendment in the work, then the actuary would report the event in accordance with the requirements for the disclosure of subsequent events.

Data

- .09 In addition to the current plan membership and asset data, if any, the actuary would collect information on historical claims-benefit utilization experience, such as nature of absence and benefit levels. Data may come from the plan sponsor or plan administrators or other sources, such as insurance carriers, brokers, or external third-party plan administrators.
- .10 In identifying the data needed, the actuary would bear in mind the pertinent benefits (i.e., those applicable during retirement, disability, long service or following termination of employment). If applicable, the actuary may obtain claims-benefit utilization data split by plan, by age, by location, by status (retiree, inactive, spouse, etc.) and by type of expense (drug, hospital, payment for loss of income, etc.), with consideration of data privacy/confidentiality and availability of information.
- .11 Where appropriate, in analyzing any relevant historical claims-benefit utilization data, the data would be adjusted to reflect the change trend in the cost of benefits between the reference period and the calculation date. Where appropriate, the actuary would also adjust past experience results to reflect non-recurring influences that the actuary considers to be significant, such as changes in the benefits offered, changes to stop-loss pooling arrangements, significant changes in the demographics of the group, changes in government programs, or unusual experience claims or catastrophic events such as a pandemic.
- .12 Available data may have limited value or low credibility. Where the relevant historical benefits cost-utilization and related expenses for former members or current retirees is not fully credible or does not reasonably represent the likely benefits utilization and related expenses cost for plan members in the similar future groups, the actuary may rely on the experience of active other members or other sources of data that the actuary considers reasonable and relevant. Such other data would be adjusted appropriately for the expected differences between these plan members in the future groups and the group from which the data were drawn.
- .13 The actuary may project data, including membership data and data with respect to benefit utilization rate/claim costs, from the effective date of the data to the calculation date, using appropriate extrapolation techniques. The time period between the calculation dates of full actuarial valuations would not normally be more than three years and ~~the~~ actuary would not normally extrapolate membership data more than three years from the effective date of the membership data. The actuary may also use recent credible benefit utilization-claims experience in the extrapolation.

Assumptions

- .14 The assumptions that the actuary uses would be best estimate assumptions, unless otherwise specified in the relevant financial reporting standards or as otherwise selected by the preparers of the financial statements.

~~.15~~ Repealed

~~16.15~~ In determining initial ~~claim costs~~benefit utilization assumptions, the actuary would consider available ~~claims~~benefit utilization experience with regards to items such as:

- ~~Claimant age~~location, member status, coverage category, benefit usage by age and benefit type;
- ~~Credibility; and~~
- ~~Relevance to future periods and future benefit provisions;~~
- integration of benefits with applicable government programs; and
- provisions of the benefit plan, for example stop-loss pooling limits and lifetime and annual benefit maximums.

~~17.16~~ In situations where there are insufficient data with respect to ~~claim costs~~benefit utilization — — for example, if the ~~post-employment~~non-pension employee future benefit plan has only a small number of members or does not yet have any members in payment status — — in developing the applicable assumptions, the actuary may consider other sources such as the ~~develop the applicable assumptions based on~~benefit utilization experience ~~with of~~ other similar plans.

~~18.17~~ If the actuary is determining the assumption with respect to the future benefit escalation~~claims trend~~ rates, where necessary, it may be divided into short-term and longer-term components. The short-term component would often be based on the level experienced in the recent past by the plan and plan members. The longer-term component would be consistent with the assumption regarding future changes in benefit programs and general economic conditions (for example considering nominal gross domestic product growth when developing an assumption for future healthcare escalation rates)~~such as nominal Gross Domestic Product growth~~. The actuary would determine the period of time required to transition from the short-term escalation rates trends to the longer-term escalation rates trends and when the short-term escalation rates may need to be revised.

Expenses

~~19.18~~ The actuary's advice on a ~~post-employment~~non-pension employee future benefit plan would take account of expenses, including whether or not they are expected to be paid from the ~~post-employment~~non-pension employee future benefit plan's assets, if any.

Benefit commitments

~~20.19~~ ~~19.1~~ The actuary would include in the valuation of the ~~post-employmentnon-pension employee future~~ benefit obligations the effect of a commitment to provide benefits not specified in the terms of the plan to the extent stipulated by the preparers of the financial statements.

~~21.20~~ The actuary would consider, as part of the ~~claims-benefit utilization~~ experience, the administration costs, including any -related ~~to the adjudication of the claims including any related~~ general administration expenses charged by the ~~adjudicator party adjudicating the claims~~ and all applicable taxes. The actuary ~~may would~~ also consider other expenses related to the ~~post-employmentnon-pension employee future~~ benefit plan consistent with the circumstances affecting the work.

Extrapolations

.21 The actuary may extrapolate results of an earlier valuation using appropriate extrapolation techniques. The actuary would not normally extrapolate valuation results more than four years from the effective date of the membership data.

6420 Reporting: External User Report

.01 An external user report should:

- ~~I~~include the calculation date and the report date;
- ~~D~~describe the sources of membership data, plan provisions, the ~~post-employmentnon-pension employee future~~ benefit plan's assets, if any, and historical benefit utilization claims data, if any, and the dates at which they were compiled;
- ~~D~~describe the membership data and any limitations thereof, and any assumptions made about missing or incomplete membership data;
- Ddescribe the tests applied to determine the sufficiency and reliability of the membership data, benefit utilization data and plan asset data for purposes of the work;
- describe the assumptions and methods used and the basis for selection;
- ~~D~~describe the assets, if any, including their market value and a summary of the assets by major category and the method used to value the ~~post-employmentnon-pension employee future~~ benefit plan's assets;
- ~~D~~describe the ~~post-employmentnon-pension employee future~~ benefit plan's provisions, including the identification of any definitive or virtually definitive pending amendment of which the actuary is aware, and whether or not such amendment has been reflected in determining the plan's obligations;
- ~~D~~describe any material accounting policies relevant to the work;

- ~~D~~escribe any commitment to provide benefits beyond the terms of the plan reflected in the valuation of ~~post-employment~~non-pension employee future benefit obligations;
- ~~D~~isclose subsequent events of which the actuary is aware, whether or not the events are taken into account in the work, ~~and/or~~, if there are no subsequent events of which the actuary is aware, include a statement to that effect;
- ~~I~~nclude all other provisions as required for disclosure purposes as per the terms of the appropriate engagement, such as:
 - ~~R~~eporting the funded status at the calculation date and the applicable service cost or expected cost of new claims~~;~~
 - ~~D~~escribinge any contingent benefits provided under the ~~post-employment~~non-pension employee future benefit plan and the extent to which such contingent benefits are included or excluded in determining the funded status and the service cost~~;~~
 - ~~D~~escribinge any benefits that are not contingent benefits and that have been excluded in determining the funded status and the service cost~~;~~
 - ~~D~~escribing the method and period selected in connection with any amortizations~~;~~
 - ~~I~~f the valuation is an extrapolation of an earlier valuation, describinge the method and any assumptions for, and the period of, the extrapolation~~;~~ and
 - ~~S~~tating whether or not the valuation and/or extrapolation conforms with the actuary's understanding of the financial reporting standards specified by the terms of an appropriate engagement. [Effective ~~May 1, 2019~~February 1, 2024]

.02 An external user report should provide the following four statements of opinion, all in the same section of the report and in the following order:

- A statement regarding membership data, which should usually be, “In my opinion, the membership data on which the valuation is based are sufficient and reliable for the purpose of the valuation.”~~;~~
- A statement regarding assumptions which should usually be, “In my opinion, the assumptions are appropriate for purposes of the valuation.”~~;~~
- A statement regarding calculations, which should usually be, “In my opinion, the calculations have been made in accordance with my understanding of the requirements of [name financial reporting standard].”~~;~~~~and~~
- A statement regarding conformity, which should be, “This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.”

[Effective ~~March 31, 2015~~ February 1, 2024]

.03 An external user report should be sufficiently detailed to enable another actuary to examine the reasonableness of the valuation. [Effective February 1, 2024~~June 30, 2013~~]

Membership data

.04 Any assumptions and methods used in respect of insufficient or unreliable membership data would be described.

Reference to other external reports

.05 The descriptions required in the external user report may be incorporated by reference to another actuarial valuation report prepared in accordance with accepted actuarial practice in Canada.

Statements of opinion

~~.05.06~~ The various elements of a non-pension future benefit measurement require expertise in non-pension benefit utilization and long-term projections. In recognition of the complexities involved, two or more actuaries with complementary qualifications in the non-pension and pension practice areas may collaborate on a work project, with the specific areas of expertise of each actuary noted in the external user report. While each actuary may concentrate on their area of expertise during the work project, the actuary (or actuaries) issuing the statements of actuarial opinion would act in accordance with subsection 1510 (Actuary’s use of another person’s work).