

Policy on Due Process for the Selection of Research Projects and Research Providers, and on the Approval of Research Reports

Document 218144

Context and Purpose

This policy outlines the Institute's process for the selection of *research projects* to be undertaken on behalf of the Canadian Institute of Actuaries (CIA) and the approval of *research reports*, which are the end result of a *research project*.

The CIA Research Council (REC) manages the selection, development, and approval of all CIA research, including joint *research projects* with other organizations. As part of the selection process, the REC has established criteria for assessing *research project* proposals (see appendix A).

This policy ensures that a consistent and rigorous process is followed when selecting *research projects* and approving the final *research report*. It also ensures that all research material that the Institute produces is managed by one body: the REC.

Scope

All CIA research shall be selected, developed, and approved in accordance with this policy, regardless of the point of origin of the proposal (i.e., a council, committee, task force, etc.). This includes *research reports* that are to be produced jointly with other organizations.

The term '*research report*' includes the following:

- Experience studies and related documentation;
- Experience tables (e.g., mortality tables, lapse rates) and related documentation;
- Research papers; and
- Public policy research.

Research reports do not include standards of practice, educational notes, and papers submitted by an individual member (or group of members) of the Institute, each of which have their own defined due process for approval.

Policy Statements

1. *Research projects* are normally initiated by a CIA council, committee, or task force, and are submitted to the REC for concept approval, as well as funding allocation, if required.

2. The REC assesses the proposal based on established guidelines (see appendix A) and determines whether the *research project* shall be undertaken.
3. The REC is responsible for determining and updating the methodology for ranking and selecting *research projects* (i.e., scoring criteria), as appropriate, from time to time (see appendix B for sample scoring criteria).
4. The REC is also responsible for the selection of research providers, when needed (see appendix C for the selection criteria that should be followed when CIA *research projects* are assigned to external vendors).
5. The REC shall be consulted on all requests for CIA involvement with, or sponsorship of, a *joint research project*, and shall work with appropriate CIA representatives to follow the principles outlined in appendix A in determining whether the CIA should participate in the project.
6. Each *research project* undertaken is assigned to a project oversight group (POG) which would normally consist of a minimum of three members, at least one of whom shall be a subject-matter expert.
7. At the commencement of each *research project*, the REC, in consultation with the group initiating the project, shall determine the approval process that will be followed, and identify the *approval authority* (i.e., the group responsible for oversight of the project and final approval of the *research report*) based on the project's complexity, cost, uniqueness, reputational risk, etc.

The options are as follows:

Level 1 – Oversight and final approval of the *research report* is formally assigned to the REC as the *approval authority*, with the ability for the REC to delegate final approval to one of its committees, as appropriate. This level would typically be assigned to projects that are less complex or conducted annually (e.g., mortality updates, C-1 Risk Survey, Report on Canadian Economic Statistics). Most *joint research projects* would also fall into this category, as well as low-risk, non-controversial research.

The REC may also, at its discretion, during the course of the *research project*, determine that a level 1 project should in fact, be a level 2 project and formally change its designation. The appropriate *approval authority* would then be identified and notified.

Level 2 – Oversight and final approval of the *research report* is assigned to the REC as the *approval authority*. This level would typically be assigned to projects with any of the following characteristics:

- Is of great public interest;
- Helps the CIA formulate a formal public statement;
- Supports the promotion of the actuarial profession;
- Is controversial in nature and/or should be submitted to members and stakeholders for consultation;

- Could possibly expose the CIA to reputational risk in the public domain;
- Requires a specific targeted communication strategy; or
- In other situations as determined by the REC.

A project could also be categorized as level 2 for the following purposes:

- a. Review of technical aspects – In this instance, the *approval authority* will need to ensure that the technical work underlying the project has been performed appropriately. The *approval authority* may want to rely upon subject-matter experts to satisfy this requirement.
- b. Review of communication aspects – In this instance, the *approval authority* will need to consider the potential impact on the membership, the profession, and the public arising from the release of the *research report*. Knowledge or verification of the technical aspects by the *approval authority* are not required.

Depending on the nature of the project, the *approval authority* may request that interim approvals be sought. Appropriate approval intervals would normally be determined at the outset of the project. The involvement of the *approval authority* would be vital to ensure that the project objectives are being met, while also maintaining additional oversight on the projected costs and outcomes.

Where a project is initiated by a group other than the *approval authority*, feedback should be sought from that group on the final version of the *research report*, prior to formal approval.

8. The members of the *approval authority* shall not normally serve on the POG responsible for managing the *research project*, except in circumstances where a member of the *approval authority* is considered to be an essential subject-matter expert.
9. For level 2 projects, the *approval authority* will raise any issues or concerns on a timely basis, in order to prevent any undue delays or interruptions later in the process.
10. Where feasible and relevant, it is recommended that the POG solicit input from CIA members and other relevant, interested parties such as regulators, other actuarial bodies, other professions, and other relevant groups.
11. The POG is expected to perform an adequate peer review on any *research report* completed. This review is intended to ensure the following:
 - a. The work product is consistent with the specified terms of the project;
 - b. To the best of the POG's knowledge, there are no material errors in the data used, methodologies followed, or conclusions reached; and
 - c. The content of the report is suitable for publication by the CIA.

12. *Research reports*, although overseen by a POG, are normally prepared by the entity performing the research, which will often be an external vendor. The POG is not required to produce a separate *research report*.

13. Once the *research report* is final, the POG submits it to the project's *approval authority* (with a copy to the REC, if applicable), together with a statement that includes the following:

- a. Its recommendation that the *research report* be approved for distribution to CIA members and other interested parties;
- b. The list of relevant parties from whom input has been solicited;
- c. A summary of the major issues raised by members and other interested parties, together with the POG's response thereto and the rationale for that response;
- d. The list of the POG members;
- e. Specific confirmation of whether an appropriate peer review has been completed; and
- f. A completed checklist (see appendix D) identifying the steps in the due process that were followed in the development of the *research report*.

14. The *approval authority* reviews the *research report* along with the POG statement and determines whether to approve and release the *research report*.

It is not expected that the *approval authority* has an intimate knowledge of the details of the research conducted in order to approve it for release. Rather, approval signifies that

- a. The approval authority has sufficient confidence that the POG followed the required due process;
- b. The required peer review was conducted properly; and
- c. The *research report* is of appropriate quality to be released to CIA members and other interested parties, subject to formatting and editorial corrections by the Head Office.

The approval authority can ask for clarification of any aspect of the *research report* if necessary.

15. If the *approval authority* does not approve the *research report* for release, the *approval authority*, in consultation with the REC (if applicable), determines whether to abandon the project or ask the POG to prepare a new version of the *research report* for approval.

16. The *research report* must include an appropriate non-binding disclaimer (see *Definitions and Abbreviations* below for appropriate text).

17. All *research reports*, including those produced jointly with other organizations, shall be translated and published in both English and French.

18. All *research projects* and anticipated *research reports* would be identified for tracking and budgeting purposes, and a regular status report on all research currently planned or underway would be provided to the Board at each of its meetings.

Exemptions

N/A

Escalation Procedures/Management of Non-compliance with this Policy

Board

Definitions and Abbreviations

Non-binding disclaimer (referenced in statement 16 above):

Research reports do not necessarily represent the views of the Canadian Institute of Actuaries. Members should be familiar with research reports. Research reports do not constitute standards of practice and therefore are not binding. Research reports may or may not be in compliance with standards of practice. Responsibility for the manner of application of standards of practice in specific circumstances remains that of the members.

Associated Documents

[Policy on Due Process for the Approval of Guidance Material other than Standards of Practice and Research Documents](#)

[Policy on Due Process for the Adoption of Standards of Practice](#)

[Guidelines for Submitting Papers](#)

[Policy on Proprietary Research Data](#)

References

N/A

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Procedures

Appendix A – Guidelines for Assessing Research Project Proposals

Appendix B – Sample Scoring Criteria for Research Project Proposals

Appendix C – Selection Criteria for Research Providers

Appendix D – Research Project Due Process Checklist

Appendix A – Guidelines for Assessing Research Project Proposals

Any proposed project should cover the following points in its proposal:

- Description of the project.
- Purpose of the project.
- Who has developed the idea for this project and have key stakeholders been consulted?
- Consequences of not doing the project.
- Has this type of project already been done?
- Should a request for proposals (RFP) be used?
- Was a literature review done?
- Preliminary costs. What is the potential for an increase in costs?
- Will this project require ongoing costs (e.g., update every X years)? What would be the cost?
- Preliminary time frame.
- How will the project be managed? Who will be the lead for the management team?
- Will the contract with the researcher include any penalties if the project runs late?
- Who are the members of the research team to date?
- Will there be any conflicts of interest among the team?
- How will the results be communicated and to whom?
- How will this project benefit the public?
- How will this project benefit the CIA?
- How will this project benefit CIA members?
- Who else will it benefit?
- How does this research tie into the strategic objectives of the CIA, as described [here](#)?
- How will the peer review be done?
- How will the value of this project be measured after the paper is published?
- Is the report aligned with the CIA's strategic direction?

The approval criteria of a *joint research report* shall consist of an assessment of the following:

- Does the report serve the members of the CIA or the public?
- Does the report appropriately represent the CIA?
- Does the report create any unnecessary risk for the CIA (e.g., reputational, legal, other)?
- Is the report aligned with the CIA's strategic direction?

Appendix B – Sample Scoring Criteria for Research Project Proposals

The following outlines sample scoring criteria, in effect as of September 2017. The Research Council (REC) may revise these criteria from time to time, as appropriate.

1. **Impact (40% of total score):** In scoring an application for this criterion, reviewers will consider how the proposed research makes an impact for the public and the actuarial profession, or addresses a critical gap in research. Since impact is a function of both significance and innovation, reviewers will also consider the likelihood that the proposed research will achieve its desired outcome.

Questions to consider: Does this project benefit the public? Does this project make an impact for the actuarial profession or address a critical gap in research? Does the research enhance the standing of the profession? Does the proposed research expand boundaries for the profession—through expanded practice or through research for regulators and policymakers or through societal interest? Does the proposed research further a CIA strategic goal?

2. **Cost-benefit (20% of total score):** In scoring an application for this criterion, the reviewers will examine the amount of funding requested against the desired outcomes and deliverables.

Questions to consider: Is the amount requested in line for the desired outcomes? Is the funding level requested a fair value for the deliverables? How accurate is the budget?

3. **Originality (20% of total score):** In scoring an application for this criterion, the reviewers will assess the originality of the proposed research application and its likelihood for success.

Questions to consider: Does the proposed research have a unique approach? If it is new, is it likely to succeed?

4. **Quality (20% of total score):** In scoring an application for this criterion, the reviewers will judge the proposed research for how carefully the research process and methodology have been considered and described in the application, in order to have a greater assurance of providing high-quality research. **At a minimum, this criterion must be satisfied (score of 60% or higher) in order for the proposal to receive funding.**

Questions to consider: Have the research process and methodology been carefully considered and described in specific detail? Has the research approach been sufficiently specified to be able to address the data and process issues that are needed for high-quality research?

5. **Achievability:** In evaluating an application for this criterion, the reviewers will analyze the plausibility of the research concept and methodology, as well as any past CIA experience working with the researcher(s). **This criterion must be satisfied in order for the proposal to receive funding.**

Questions to consider: If the research concept has been previously performed, what were past results? Is the research methodology viable as proposed? What was the past experience with the researchers working with the CIA? What is the time frame for the

project and is it reasonable? How will the results of the project be communicated? How will peer review be done?

Scoring Scale

We suggest a scoring scale of 1–5 with these descriptors:

5–Excellent (80–100%) – Greatly exceeds minimum standards with limited or no weaknesses and outstanding strengths.

4–Good (60–80%) – Exceeds minimum standards with limited or no weaknesses and some strengths.

3–Satisfactory (40–60%) – Meets minimum standards with balanced strengths and weaknesses.

2–Fair (20–40%) – Meets minimum standards with limited or no strengths and some weaknesses.

1–Poor (0–20%) – Does not meet minimum standards or has no strengths and overwhelming weaknesses.

Appendix C – Selection Criteria for Research Providers

1. Introduction

The CIA's research budget represents a significant expenditure of funds and projects can expose the CIA to both counterparty and reputational risk. As a result, it is reasonable to expect that certain criteria should be followed in the selection of researchers. There are a number of reasons why these criteria are important:

- They represent sound risk management practices;
- They provide assurance that research will be completed to CIA standards;
- Scenarios that could result in a loss to the CIA (e.g., bankruptcy of the researcher) can be prevented; and
- Conflicts as well as appearances of conflict of interest can be avoided.

This appendix outlines selection criteria that should be followed when CIA research projects are assigned to external vendors.

For the purpose of this appendix, the use of the terms 'research provider' or 'researcher' refers to a team (one or more individuals per team) in charge of conducting a specific research project. A company or institution (e.g., university) may have multiple teams conducting research on separate topics or projects.

Section 5 of this appendix provides the procedure for any exception(s) to this guideline.

Please visit the [Research Council \(REC\) webpage](#) (log in required) for more details on the REC and its committees.

2. Selection Committee and Decision Authority

The Selection Committee (SC) is a group of individuals tasked with reviewing proposals submitted by researchers on a specific research project. In most instances, the SC will be the same as the project oversight group (POG) assigned to supervise the research project to its completion. Each SC will include a minimum of five members to reflect a variety of views and opinions. Members of the REC and/or its committees may be recruited to help reach the appropriate number of SC members and would play an active role in the selection process only.

The SC is also responsible for making a recommendation on the finalist(s) to the REC; the REC will then make the final decision on the researcher. The REC may decide, at its discretion, to delegate the decision process to the SC, or to a POG if different, through an approval motion at a REC meeting.

3. Conflicts of Interest

Potential researchers can come from a variety of outlets including actuarial consulting firms, insurance/reinsurance companies, universities, as well as professional research firms. Given that members of the SC charged with reviewing research proposals may work for a company or institution submitting a research proposal, extra steps are needed to ensure that the selection and bidding process operates with integrity. The SC needs to abide by the following guidelines:

- i. An SC member working for a firm or institution directly or affiliated with a researcher having offered a proposal currently under review, will recuse him/herself from the SC

and should not be engaged in activities that result in preferential treatment or access to information for the researcher;

- ii. Other SC members, based on their professional judgment, should also recuse themselves if they think they cannot be objective about the selection process based on the list of researchers bidding on a project under review; and
- iii. Research providers are also required to disclose any potential conflicts of interest and how they plan to address them, as part of their research proposal.

4. Selection Criteria

The selection criteria need to validate the researcher's ability to deliver quality research that meets the goals outlined at the beginning of the project and stay within the expected timeline and approved budget. The selection criteria will consider the following:

- a) Preference will be given to reputable, experienced researchers as determined by relevant work experience, published work, and prior research done for the CIA, SOA or other actuarial organizations.
- b) A description of how resources are assigned when multiple research projects (CIA and/or others) are handled simultaneously to ensure that quality and timelines are respected.
- c) An outline of a contingency plan should the researcher be unable to complete the study.
- d) No contract in excess of 15 percent of the REC's annual budget in which the project is contracted will be awarded to researchers that are sole proprietorships (i.e., the research firm or company consists of a single individual, without any support staff).

Rationale: In the event of illness or incapacity of the provider, there is no alternate resource to complete the research project.

- e) No contract in excess of 10 percent of the REC's annual budget in which the project is contracted will be awarded to researchers that have been in operation for less than one year.

Rationale: An established provider will have a track record for completing projects and would be expected to be more financially stable.

- f) If a researcher is contracted on more than one project with the CIA, the aggregate amount of CIA funding for those projects should not exceed 25 percent of the REC's annual budget in which the project is contracted, based on the sum of outstanding payments of CIA funding on previously contracted projects and those under consideration.

Rationale: The exposure of the CIA to any given provider should be limited where possible; and

- g) Except for projects under the Experience Research Committee, any research contract in excess of 10 percent of the REC's annual budget in which the project is considered should be subject to a request for proposal (RFP) process with at least two suppliers participating.

Rationale: To ensure that projects produce sufficient value for the funds spent, a competitive bid process should be followed whenever possible. The REC can renew repeated experience studies for an additional two years without an RFP; in the third year, the relationship with the researcher would be re-examined.

5. Exception Approval

Exceptions to any criteria can be granted. In order to do so, the SC should produce a rationale to be presented to the REC, providing reasons why the specific criteria cannot or should not be followed for a given research project. The REC will then decide whether the research project can proceed without the specific criteria being met. A copy of the rationale and associated REC approval should be forwarded to the CIA accounting department to be included in the supplier's contract file.

6. Other Practices

In addition to the above, the REC should follow other risk mitigation practices that would help ensure that projects are completed to acceptable standards. These would include the following:

- Appropriate communication of research opportunities, to maximize the number of potential providers;
- Structuring contracts such that amounts are paid primarily as work is completed, as opposed to paying significant amounts up front;
- Identifying deliverables and timeframes before a project starts;
- Monitoring projects and appropriate reporting of the progress; and
- Ensuring that requests for additional funding on a research project go through a formal review with appropriate approval from the Human Resources, Finance, Audit, and Risk Committee.

7. Related Policies

- [Policy on Proprietary Research Data](#)

Appendix D – Research Project Due Process Checklist

The research project due process checklist is provided as an Excel file containing the following tabs:

Tab 1: Executive Summary

Research Report Executive Summary		
<i>Note: This summary does not need to be circulated beyond REC for experience studies overseen by one of its committees, or other projects as identified by the REC.</i>		
Research Report Name		
Key Points in Research Repo	1	
	2	
	3	
	4	
	5	
Public Policy Context (If Applicable)	1	
	2	
	3	
	4	
	5	
Paper development process and highlights:		
Role	Who	Comments / Key Findings
Researcher and Firm		
Project Oversight Group (POG) Members		
Peer Review (if applicable)		
External Review (if applicable)		
Approvals and Dates		
Dissemination		
Key Words		
Practice Area(s)		

The “approval and dates” box would include approval by POG, REC, or its committees, as required, and the approval authority if level 2

Tab 2: Dates and Other Information

MASTER CHECKLIST FOR RESEARCH REPORTS in support of the Policy on Due Process for the Approval of Research Reports			
<i>This checklist will accompany each research project that is produced (research papers and reports, studies, etc.) and will be submitted along with the research report once it is completed and ready to be put to an approval vote.</i>			
Signature of contract (CIA Head Office contact is Jacques Leduc)	Date contract was signed:		
Identification of approval authority	Indicate Level:		
	If Level 2, is this due to technical or communications aspects?		
	Indicate approval authority:		
Determination of budget for research report			Budget year:
Publication on CIA website	Date:		
Announcement release to membership	Date:		
Research report sent to CIA Head Office	Date:		
STAGES OF WORK AT THE CIA HEAD OFFICE			
Research report is sent to CIA Head Office	Date received:		
Formatting	Completed:	Comments:	
Inclusion of non-binding disclaimer on cover page	Research reports do not necessarily represent the views of the Canadian Institute of Actuaries. Members should be familiar with research reports. Research reports do not constitute standards of practice and therefore are not binding. Research reports may or may not be in compliance with standards of practice. Responsibility for the manner of application of standards of practice in specific circumstances remains that of the members.		
English editing	Sent: Reviewer:	Received:	
Edited version is sent back to designated group for their approval if changes are	Sent:	Comments:	
Translation	Sent:	Target:	Received:
Comparative review	Date completed:		
French technical review by an actuary	Sent: Reviewer:	Target:	Received: