

Memorandum

To: All Fellows, Affiliates, Associates, and Correspondents of the Canadian Institute of Actuaries, and other interested parties

From: Conrad Ferguson, Chair
Actuarial Standards Board and Designated Group

Date: March 20, 2019

Subject: **Minor Revisions – Part 1000 General Standards**

Document 219035

Introduction

The Actuarial Standards Board (ASB) was informed of minor inconsistencies in the use of underlining of defined terms in paragraphs 1120.18 – contribution, 1120.45 – new standards, 1120.66 – user, and 1120.68 – work. Given the very minor nature of the required changes, the ASB created a one-member designated group (DG) to review and recommend what actions, if any, were required.

Background

A member reported to the CIA Head Office that he had noted potential inconsistencies in Part 1000 – General Standards, that may require modifications. More specifically, the member expressed the following view:

- 1120.18 – the word “contribution” is underlined within the definition. In this case, the ordinary meaning of the word, and not the defined term in the standard seems more appropriate.
- The same thing occurs in 1120.45 (New standards) and 1120.66 (User).
- 1120.68 – the word “work” appears three times in the definition. The first two appearances should not be underlined, but the third one (use of other person’s work) probably should be underlined, since it does refer to work as defined by the standard.

Review and Recommendations

The modifications to consider are very minor and clearly fall within the definition of Minor Revisions under ASB’s Policy on Due Process. As a result, there was no consultation involved in arriving at the recommendations below.

The relevant sections, as they now read, are reproduced below for convenience (my highlights and font changes).

1120.18

Contribution is a contribution by a participating employer or a plan member to fund a benefit plan. [*cotisation*]

1120.45

New standards means new standards, or amendment or rescission of existing standards. [*nouvelles normes*]

1120.66

User means an intended user of the actuary's work. [*utilisateur*]

1120.68

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*]

Issue #1

In the four paragraphs above, the underlining of the word that is being defined in the body of the definition (highlighted in yellow) is clearly intended to be the ordinary meaning of the word, as opposed to the defined term in our Standards of Practice.

Recommendation 1: That the underlining appearing under the words contribution, new standards, user and work in the body of the definition in paragraphs 1120.18, 1120.45, 1120.66 and 1120.68 respectively (highlighted in yellow) be removed.

Issue # 2

The underlining of the word “work” (my **Bold and larger font** to allow clear identification for the reader) in the first bullet under 1120.68 is being questioned as it is believed that the use of the word “work” is not intended to reflect the defined term under our Standards of Practice. The important reference in the first bullet is on the acquisition of knowledge to be able to carry out the assignment. Underlining here is not needed as I believe the ordinary meaning of the word “work” is intended.

Recommendation 2: That the underlining appearing under the word “work” in the first bullet under 1120.68 be removed to give the word the ordinary meaning, as opposed to referring to the defined term under our Standards of Practice.

Issue # 3

In the fifth bullet under paragraph 1120.68 (i.e., use of other persons work), the member believes that the word work should be underlined. In this circumstance, it seems clear that reference is made to work that would fit the defined term of the word “work” under our Standards of Practice and should be underlined.

Recommendation 3: That the word “work” in the fifth bullet under paragraph 1120.68 be underlined to give it the defined meaning under our Standards of Practice.

Feedback

Given the very minor nature of the revisions, no feedback was required as per ASB’s Policy on Due Process.

Member of the DG

Conrad Ferguson was the sole member of the DG.

Due Process

ASB confirms that due process has been followed.

Date of Adoption

The changes were adopted by ASB on March 5, 2019. Early implementation is irrelevant to the changes recommended here.

Effective Date

The changes become effective immediately. Early implementation is irrelevant to the changes recommended here.

CF