



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
Mark Simpson, Chair
Designated Group

Date: March 19, 2019

Subject: **Final Standards: Revisions to the Practice-Specific Standards for Public Personal Injury Compensation Plans (Part 5000)**

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Introduction

The attached final standards were approved by the Actuarial Standards Board (ASB) on March 18, 2019. These changes revise the practice-specific standards for Public Personal Injury Compensation Plans (Part 5000).

A [notice of intent](#) (NOI) to provide the background on the review and seek input on specific questions was distributed by the ASB on August 25, 2017. An [exposure draft](#) (ED) containing the proposed changes was distributed by the ASB on September 10, 2018.

Background

The ASB is committed to conducting general reviews of all parts of the Standards of Practice on a quinquennial basis. The ASB is also committed to enhancing the consistency of standards across practice areas, where appropriate. With these commitments in mind, a designated group (DG5000) was established in May 2017 with the mandate of reviewing Part 5000 with the following primary goals:

- Provide additional clarity;
- Broaden the scope to provide more complete and appropriate information to the stakeholders to enable more informed decision-making; and
- Address potential inconsistencies with other standards.

The current members of the DG5000 are Marie-France Fortin, Jean-François Poitras, Kamran Quavi, Frédéric Saillant, Mark Simpson (Chair), and Mike Williams.

Feedback from Stakeholders

The DG5000 solicited input from various stakeholder groups in the development of these revised Standards of Practice. These included the Canadian Institute of Actuaries' Committee on Workers Compensation, an industry association (Association of Workers' Compensation Boards of Canada) and the CIA membership (through the distribution of the NOI and the ED).

The DG5000 appreciates the feedback received throughout the various stages and has taken such feedback into account in the preparation of the final standards of practice. The covering memorandum for the distribution of the exposure draft on September 10, 2018 included a summary of major issues raised by stakeholders and the revisions proposed within the ED.

Limited feedback was received after distribution of the ED and this feedback has been addressed within these final revised standards of practice. The main suggestions received were as follows:

1. Split the standard into separate sections for funding valuations and financial reporting valuations;
2. Define new injury costs and required revenue in the standard; and
3. Adjust the scope of standard to include other similar plans (i.e. other monopolistic public plans) or to explicitly specify that it applies to a certain plan.

The final standards of practice incorporate the changes proposed in items 1 and 2 above. The DG5000 believes item 3 concerns a broader issue outside of its mandate that may be best addressed through the definition of Public Personal Injury Compensation Plans in part 1000.

Due Process

The ASB's Policy on Due Process for the Adoption of Standards of Practice has been followed in the development of these revisions to the standards.

Effective Date and Early Implementation

These final standards are effective on December 15, 2019. Early implementation is permitted.

CF, MS