



AWCBC CFO Meeting

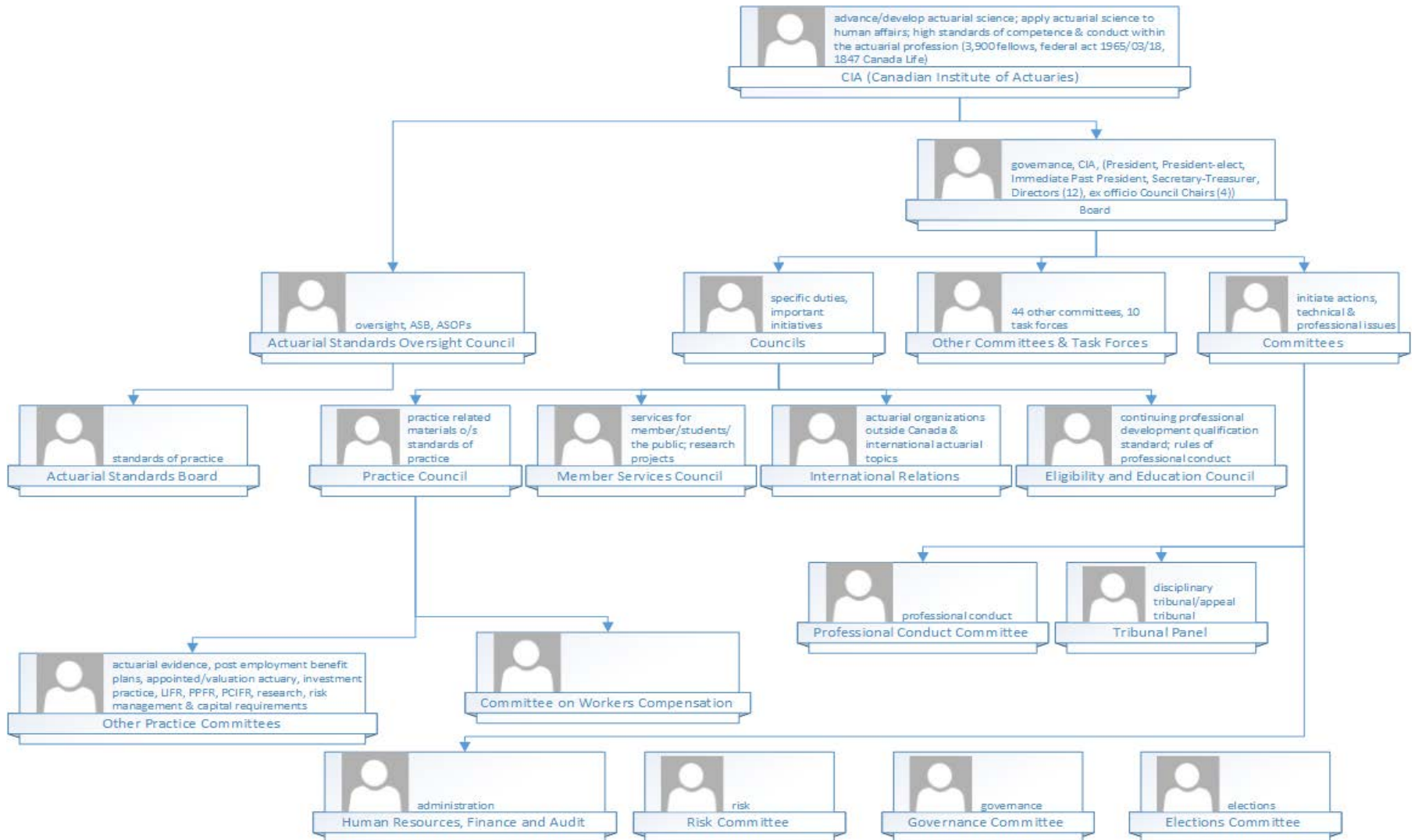
Committee on Workers' Compensation

May 18, 2016

Agenda

- CIA
- CWC
- Looking back
- Looking ahead
- Future issues
- Questions

ASOC and ASB funded by CIA but Council does not have authority over them. ASOC more at same level as Council with a dotted line link



Key characteristics of the CIA



- Professional and ethical
 - Guiding principles: Duty of the profession to the public above the needs of the profession & members; expert body of knowledge; publicly visible qualification programs; co-operates with governments and public bodies: international representation...
 - 13 (19) rules of conduct: professional integrity, qualification standard, standards of practice, disclosure, conflict of interest, control of work product, confidentiality, courtesy and co-operation, advertising, titles and designations, collateral obligations
- An independent body that directs and manages setting of standards of practice
- Rigorous but confidential discipline process
- Efficient but widespread volunteer groups

Role of the CWC



- **Mandate:**
 - Interpret standards of practice and alert ASB about need for change
 - Continuing education
 - Actuarial issues to the AWCBC
 - Resource to other CIA committees for matters affecting workers' compensation
- **Informal consultations/discussions**
 - Audit questions
 - Documentation of year end assumption setting
 - Rate setting issues such as provision for occupational diseases or provision for future administration expenses
 - Occupational disease studies
 - Firefighters presumptive clause experience

CWC members



- WSIB_ON –Ligia Acevedo, Betty Ma, Ray Ying
- CNESST —Julie Belanger, Lalina Levesque
- SAAQ –Marie-Helene Malenfant
- Morneau Shepell –Mark Simpson
- WCB_BC –Ryan Tse, Stan Warawa
- Eckler –Jeffery Turnbull
- WCB_AB –Bill Xu
- WorkSafeNB –Crispina Caballero
- WCB_MB –Mike Williams, PC liason
- Morneau Shepell –Conrad Ferguson, ASB liason

Consultation process

Standards of Practice, for example, use of models

- Due process from ASB requires specific steps and consultations before revisions to, or a new standard is approved
- Exposure drafts goes to various practice committees before being send out to membership and other interested parties
- CWC involved in providing input to ASB
 - › Need to either gather input from members
 - › Assign to two members if significant enough

IFRSX, relevant to the CIA and different implications by practice

- Actuarial Standards Board responsible for Standards development
- ASB created Discussion Group for IFRSX but awaiting further details from accounting profession before proceeding with more work

Consultation process

Education Notes, guidance but recognize “should” and “may”

- Initial discussion among members, specially scope
 - › Outline of relevant items
 - › Highlights of issues
- Consultation with Practice Council
 - › Technical items, actuarial terminology
- Initial draft, ensure that different practices among boards are recognized
 - › Terminology on benefits and methods are generic enough
 - › Discussions specially where variances in practice
- Second draft, sometime more
- Draft complete document version to Practice Council

Looking back Educational Notes and Research



- Provision for future administration expenses, 09/2009
- Funding 04/2011
- Best estimate assumptions for investment return, 12/2012
- Best estimate non-economic assumptions, 10/2015
- Occupational disease research paper, 02/2015

Looking forward

- Sensitivity testing
- Data validation
- Margin for adverse deviation
- Rate Setting where actuary required to certify rates
- ...
- Provision for occupational diseases
- Reporting, including gain/loss

ASB Related Issues

- Overall, things seem to be operating smoothly at present
 - 10 of 12 systems fully funded on going concern basis
 - Discipline around impact of actuarial work well established by policy
- Developing standards for estimating cost for new developments where data is limited and range of potential results is broad
 - Presumption for certain diseases; stress; post traumatic stress disorder
 - Presumptive cancers more challenging because they occur frequently in general population and evidence shows claiming patterns much lower than expected incidence. However, open ended nature of system means a worker or family member could claim many years later.
- Models
 - ... could be daunting as any actuarial work involves a small model
- IFRS
 - ... will need some overall guidance as it could create challenges for rate setting

... Future Issues

- IFRS X
- Presumptive firefighter coverage
- Stress and post traumatic stress syndrome
- Hearing loss

Questions

