



Minutes

Financial & Statistical Comparability Committee / CFO Committee

November 1, 2012

Édifice Price (Price Building), 65 rue Sainte-Anne, Québec City

Attendees:

Laurent Charron (Chair, AB), Brian Erickson (BC), Mark Heywood (BC), Lorena Trann (MB), Tim Petersen (NB), Leo McKenna (NS), Eugene Wen (ON), Guillaume Baril (QC), Anne St-Martin (QC), Andre Beauchemin (QC), Lalina Levesque (QC), Ann Schultz (SK), Jim Stephens (YT), Michelle Beavington (AWCBC)

Regrets:

Ron Helmhold (AB), Peter Murphy (NB), Paul Kavanagh (NL), Lawrence Davis (ON), Betty Ma (ON), Tammy Turner (PE)

Item 1: Welcome, introductions & review of agenda

Introduction: Laurent Charron welcomed everyone and introductions were made. Additional agenda item was added by Ann Schultz re: rating agencies.

Item 2: Review Terms of Reference

"Official mandate": There is value in the data. CFOs should continue to "direct" the official mandate of the committee. There should be more focus on the education/marketing of statistics. The "official" mandate should be discussed annually. The Working Group (WG) should continue to develop and make recommendations to CFOs about the data, with CFOs having final decisions. Would like to see an evergreen approach applied to the KSMs: ask (1) which KSMs cause confusion (2) which are least used (3) is there a question CFOs get asked routinely that is not answered (should something be added).

"Unofficial" mandate: Outside of "official" mandate, CFOs find value in discussing emerging issues with national impact on financial comparability (e.g. accounting/actuarial) and that should continue outside of the official mandate. There should be meetings once or twice a year to discuss these topics (depending on robustness of agenda).

Item 3: Actuarial update - Richard Larouche

Richard Larouche, Eckler gave an actuarial update on: (1) Liability/experience study trends: (a) Evolution of workforce, frequency and severity; (b) Health care growth; (c) LTD claims; (d) Long latency occupational diseases; (2) Discount rates; (3) Perspective in actuarial standards. See presentation for details.

Items 4 & 5 – Working Group update

KSM usage tracking

Guillaume Baril presented on usage of KSMs.

It was decided not to proceed with the proposed enhancement to AOC website to capture additional user information for public users pulling KSMs (i.e. who they are and what are they looking for). It was seen as a potential barrier to people pulling data and was seen not to be worth the money at this time without a clear understanding of what would be done with that additional information.

Internal KSMs

Guillaume Baril presented remaining internal KSMs to review which should be published, discontinued or kept internal.

- (a) INT1 (Number of LTCs with a recurrence of the same injury) and INT 2 (Percentage of LTCs with a recurrence of the same injury)

ACTION: INT1 should be renamed Number of Lost-time Injuries with a recurrence (i.e. remove “of the same injury”).

ACTION: INT2 should be renamed Percentage of LTCs with a recurrence.

DECISION: Keep INT1 and INT2 internal until WG determines what is going on in outlier jurisdictions. WG to bring back after data is cleaned up.

ACTION: INT1: WG to see if Alberta and Manitoba can restate previous years based on new methodology.

ACTION: INT2: WG to find out causes of outlier data for Newfoundland, PEI, New Brunswick, and BC.

ACTION: Ontario to reassess whether they can provide data for INT1 and INT2.

- (b) INT4: Percentage of LTCs Awarded Long-Term Wage-Loss Benefits

ACTION: It was decided to PUBLISH this measure.

ACTION: Ontario to reassess whether it can produce this measure.

ACTION: In definition, change “percentage of *compensated* claims” to percentage of lost-time injures”.

ACTION: Send to CEOs/Presidents a minimum of two weeks’ prior to publishing (per KSM Publication process).

(c) INT6: Investment Income in Excess of Returns on Funded Liabilities per \$100 of Assessable Payroll

ACTION: It was decided to DISCONTINUE this measure as it is too complex.

Item 6 WSIB update

Eugene Wen updated on recent changes in the WSIB. See presentation for further details.

Item 7 – Occupational Disease

There was not one letter sent from the AWCBC to the Actuarial Standards Board re: long latency OD standard. Alberta WCB sent a letter and received thoughtful letter back.

ACTION – M. Beavington to check with Alberta to share letter from ASB with other CFOs.

The ASB are expecting to have the research they requested in their recent RFP completed and an educational note out to the actuaries by middle of next year.

ITEM 8 – IFRS Working Committee update

Laurent Charron updated on the work of the IFRS Working Committee. See presentation for details.

The future of the IFRS Working Committee was discussed and it was decided there was value in middle-senior management level accounting counterparts meeting face-to-face annually. Of particular interest to CFOs was this group having a mandate relating to the improved consistency of the comparison of financial statements.

ACTION: M. Beavington to circulate “Comparison of Financial Statement Presentation and Disclosures” (distributed at meeting) electronically to committee members.

Item 9 - Roundtable

See roundtable document for details.

NEW ITEM – Rating based on financial strength

This item was brought forward from Peter Federko by Ann Schultz. This is a service you pay for to get a rating on your organization’s financial strength using insurance company based standard. Is there any interest in this?

ACTION: Ann Schultz to send to M. Beavington to distribute.

Item 10: Conclusion

Next meeting date will be in May 2013 in Toronto.

Potential topic of discussion: CFOs to share OD% with view to understanding differences. As jurisdictions go through OD% with actuary that jurisdiction to be added to next CFO agenda to share with rest of jurisdictions.

ACTION: Create a summary table/grid for OD% including components such as exposure periods.

If anyone is working on Predictive modeling, please let Ontario know.