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CIA AND SOA PARTNERING TO CONDUCT RELEVANT RESEARCH FOR CANADIANS

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SEVERAL YEARS AGO, the Society of Actuaries (SOA) launched an initiative to enhance the support it provides to Canadian members (who comprise a very significant proportion—18 percent—of its total global membership). Our goal is to ensure the SOA provides good value to its members in Canada, in a way that is complementary to and supportive of the services the Canadian Institute of Actuaries (CIA) delivers.

As part of this initiative, the SOA is focusing on ways to expand our partnership opportunities with the CIA on Canadian research projects—by providing expertise, resources and funding to assist in developing and delivering valuable actuarial research to Canadian actuaries and the public.

To support this initiative, the SOA has hired Emilie Bouchard as staff fellow, dedicated to Canadian membership. Part of Emilie's role is to help identify relevant research projects and promote them within the SOA to obtain funding and support. The SOA also recently hired Dale Hall as the managing director of research. Dale and Emilie will work closely with Dave Dickson, chair of the CIA Research Committee; Ian Genno, chair of the SOA Research Executive Committee; and key representatives within the CIA to advance Canadian research by identifying and promoting research issues that would benefit from cooperation and collaboration by both organizations.

This initiative has resulted in several recent joint projects, including research papers



on health care and climate volatility. Three recent projects are highlighted below:

1. Enterprise Risk Management (ERM):

The CIA and SOA have jointly contracted with a consultant to review *Globe and Mail* business news items over the last 12 months, to identify significant events affecting companies and group them under risk management categories. This will give us a better understanding of how ERM can play a role in helping companies manage the range of risks they encounter. We anticipate the resulting research paper will be of interest both to actuaries working in ERM and to a broader audience in Canadian corporate management.

2. Life Insurance Policyholder Behavior:

We are planning an analysis of policyholder behavior under segregated fund products, such as fund switches and redemptions. This will give our members and Canadian companies a better understanding of the activity experienced under these

types of products. In the United States, the SOA engaged LIMRA to complete a similar project, and their experience will be leveraged in conducting the Canadian study; the Segregated Fund Experience Subcommittee of the CIA Research Committee will help gather the data and manage the project.

3. Data-Driven In-House Research:

This initiative will take a different approach to applied actuarial research. In a typical CIA or SOA research project, a need is identified for research on a specific topic, a volunteer oversight group is recruited, a project plan is developed, a researcher is selected, data are gathered, and the study is conducted. This process occurs separately for each project, and can often take one or more years. In the United States, the SOA has successfully developed an alternative approach for certain types of research projects, which complements—not replaces—the current typical research approach.

Focusing initially on research relating to Canadian employer-sponsored retirement plans, we have identified the need for a robust ongoing database, model and research team that will be able to analyze the impact on Canadian retirement plans of a variety of influences, such as changes in regulations, demographics and economic conditions. This will enable us to act more quickly in conducting certain types of applied research, using a consistent approach, database and team. Development of this new research capability in Canada will leverage the CIA's expertise in Canadian pension issues and priorities, the SOA's experience in launching a similar research initiative in the United States,

and the SOA's financial resources to fund this initiative.

These examples illustrate how the CIA and SOA work together effectively to collaborate on certain types of research projects. In these particular initiatives, the SOA offers expertise, staff resources, and partial or full funding. The CIA provides Canadian expertise and resources, as well as connections with key Canadian stakeholders through its government relations and advocacy role for the actuarial profession in Canada. The CIA also ensures appropriate documents are translated for French-speaking members. In addition, the CIA will take the lead on distributing collaborative research results in the most impactful and useful manner in Canada, to serve Canadians and to promote the actuarial profession.

New research ideas are always welcome, including suggestions for any jointly sponsored actuarial research projects that would serve Canadian actuaries and the public. **A**

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