

Memorandum

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

From: Mo Chambers, Chairperson
Standards of Practice Editing Committee

Claudette Cantin, Chairperson
Committee on Property and Casualty Insurance Financial Reporting

Micheline Dionne, Chairperson
Committee on Life Insurance Financial Reporting

John Brierley, Chairperson
Practice Standards Council

Date: May 30, 2006

Subject: **Technical Amendments – Standards of Practice – Practice-Specific Standards for Insurers, Part 2000 (except section 2100)**

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The Standards of Practice Editing Committee has proposed, and the Practice Standards Council has approved with an effective date of June 1, 2006, revisions to the current Standards of Practice – Practice-Specific Standards for Insurers, Part 2000, except section 2100 which was exposed in January 2006.

The changes are being released as the Final Standards and are attached hereto.

The amendments are not substantive and do not in any way change either the intent or the meaning of this Standard of Practice. The changes are made for the following reasons:

- To take the first steps toward unity in the style, format and punctuation of the Standards of Practice creating a consistency throughout;
- To improve the translation of the French version of Part 2000 to ensure consistency with the intent and meaning of the English version; and
- To repeal paragraph 2210.02 which reads: *Notwithstanding Section 2100 and this Section 2200, until standards have been developed, the actuary may ignore taxes in determining policy liabilities for property and casualty insurance.* The Committee on Property and Casualty Insurance Financial Reporting published, in July 2005, an educational note entitled, *Consideration of Future Income Taxes in the Valuation of Policy Liabilities* which provides guidance to actuaries in valuing the impact of future income taxes on policy liabilities of property and casualty insurers.

In accordance with the Institute's policy for due process for technical changes to the Standards of Practice, these technical changes have been distributed to the various practice committees for their review and comment. Final approval is the responsibility of the Practice Standards Council and that was given at its meeting May 17, 2006.

MC, CC, MD and JB