

IMPLEMENTING LICAT

PRACTICAL INSIGHTS FOR MANAGING THE TRANSITION

May 25, 2017 • Toronto

Conference Agenda

9:00 a.m. - 9:05 a.m.

Opening Remarks from the Chair

Johan Janse van Vuuren, Vice President, ORSA and LICAT, Sun Life Financial

9:05 a.m. –10:00 a.m.

Implementing LICAT – Understanding New Concepts and Key Changes from MCCSR

Alison Rose, Senior Manager, KPMG LLP

- Overview of changes to existing categories and new key concepts
 - comparing LICAT to MCCSR
 - similarities to Solvency II – using guidance from the European experience
 - available capital
- Elements of the Base Solvency Buffer
 - credit risk
 - market risk – interest rate, equity and real estate
 - insurance risk
 - operational risk
 - participating and adjustable products
 - credit for risk mitigation and risk transfer
- IFRS 17 – LICAT implications
- Highlighting processes with LICAT interdependencies
 - e.g. ORSA; DCAT

10:00 a.m. – 11:00 a.m.

Practical and Operational Issues for Effective Transition

Kelly Levy, SVP Capital Management, Great West Life
James Malin, Vice President Solvency, Manulife

- Key challenges for industry implementation of the new LICAT capital regime including
 - operational impact of LICAT on capital targets and allocation
 - investment mix
 - product design and pricing
 - use of reinsurance

11:00 a.m. – 11:20 a.m. – Morning Networking Break

11:20 a.m. – 12:10 p.m.

Downstream Impact of LICAT – Implications for Management

Gaurav Upadhyya, Managing Director, Actuarial Services, PricewaterhouseCoopers LLP

Mike Palmer, Senior Manager, PricewaterhouseCoopers LLP

- Organizational impact of LICAT with respect to
 - products and product development
 - capital allocation
 - performance management and incentives
- Broader capital management impacts on
 - capital structure
 - shareholder ROE
 - understanding and managing volatility
 - near-term DCAT transition
 - ORSA integration and internal capital targets

12:10 p.m. – 1:15 p.m. – Luncheon

1:15 p.m. – 2:10 p.m.

Examining Critical Factors for Initial Implementation

Janice Deganis, Partner, Ernst & Young LLP

- Evaluating the sensitivity of the new calculations
- Communicating impact of new framework to stakeholders – what the new numbers mean
- Importance of understanding initial numbers correctly – less volatility, greater impact from movement
- Implications for reinsurance providers and primary users
- Update on progress regarding disclosure requirements

2:10 p.m. – 3:10 p.m.

Models, Assumptions and Regulatory Outputs Under LICAT

Trevor Howes, Vice President and Actuary, GGY AXIS

- How LICAT impacts models, model risk, data governance and regulatory outputs
- Working with assumptions required by LICAT –
 - reflecting valuations under best estimates
 - stressing assumptions
- Understanding issues associated with new stress testing expectations
 - systems demands
 - outside data issues
 - data aggregation
 - OSFI reporting
- OSFI cash flow reporting
 - capturing and saving data on a continuous basis
- Verification and ability to reproduce results
- Other issues to address
 - controls
 - required resources
 - projections and planning for risk calculations
 - anticipating IFRS 17 implementation
 - how to project projected LICAT calculations

3:10 p.m. – 3:25 p.m. – Afternoon Networking Break

3:25 p.m. – 4:15 p.m.

Progression from Past to Present to Future of LICAT Including Interaction with IFRS

Steve Easson, Vice President and Chief Actuary, Canadian Life and Health Insurance Association

- Evolution of development of LICAT to date
 - Market, credit, insurance and operational risk
 - Available capital
 - Credits for Par, Adjustable and Diversification
 - Segregated Fund Guarantee Capital
 - Integration with IFRS4 at first, then to CALM
- Looking forward
 - 2019/2020
 - IFRS 17 in 2021
- IFRS 17
 - Conceptual bases of integration of CALM vs. IFRS17 into LICAT
 - Key differences between CALM and IFRS17 impacting LICAT – Best estimate liabilities, “Margins” and Contractual Service Margin.
 - Integrating IFRS 17 into LICAT



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Implementing LICAT	\$1,049.00 + HST	\$1,099.00 + HST	\$1,199.00 + HST

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