



## Continuous Mortality Investigation

Institute and Faculty of Actuaries

# CMI Executive Committee – Terms of Reference

These terms of reference were adopted by a resolution of the board of directors of Continuous Mortality Investigation Limited (“CMI”) passed on 2 July 2019.

## Purpose

Exercises oversight of the organisation and administration of CMI to achieve the overall objectives of the CMI:

- to carry out research into the mortality and morbidity experience of various classes of insured lives, annuitants and pensioners;
- to collect statistics relating to the mortality and morbidity of such lives;
- to analyse such statistics and prepare reports for publication;
- to construct tables of mortality and morbidity functions and of actuarial functions dependent thereon to be available primarily for use by Subscribers; and
- to make estimates of future developments in mortality and morbidity rates and to carry out other statistical investigations such as may be useful to the conduct of long term assurance, annuity and pension business and of sickness and related insurances.

## Key Responsibilities

### 1. Strategy

- a. Makes recommendations to the Directors regarding any proposed changes to the strategic direction of the CMI, to ensure that it remains appropriate.
- b. Makes recommendations to the Directors regarding the Mission, Vision, Aims and Objectives of the CMI.
- c. Agrees any major changes of policy.

### 2. Planning and reporting

- a. Considers the plans of CMI and its committees, including their objectives, timescales and budgets.
- b. Makes recommendations to the Directors regarding CMI's objectives, budget, subscriptions and Terms & Conditions.
- c. Reviews the external auditor's recommendations and management letters and agrees its response.
- d. Reviews the Annual Accounts and recommends their approval to the Directors.
- e. Makes recommendations to the Directors regarding changes in appointment of the CMI Secretariat.
- f. Establishes quality assurance standards for the CMI's work and champions any strengthening that is considered appropriate, particularly in the light of experience.
- g. Establishes the CMI's risk framework and appetite and reports quarterly to the Directors on its assessment of strategic risks.
- h. Reviews the CMI's data security policy at least annually.

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Continuous Mortality Investigation Limited (“CMI”) is registered in England & Wales (Company number: 8373631) with its Registered Office at: 7<sup>th</sup> floor, Holborn Gate, 326-330 High Holborn, London, WC1V 7PP

### 3. Governance

- a. Ensures governance of CMI is in accordance with its articles of association.
- b. Acts within these Terms of Reference and CMI's Internal Governance Procedures.
- c. Recommends changes to the articles of association, CMI's Internal Governance Procedures and the Terms of Reference of the Executive Committee and Management Committee, when appropriate, to the Directors.
- d. Appoints chairs and other members to and approves the terms of reference of the investigation committees.
- e. Considers the scope for new investigations which fall outside the remit of the current investigation committees, including establishing working parties or task forces, and the appropriateness of maintaining the current investigation committees.

### 4. Oversight

- a. Monitors progress towards achievement of strategic objectives.
- b. Monitors risks that may threaten the achievement of strategic objectives and how these are managed.
- c. Ensures that the Management Committee is operating effectively.

### 5. Wise counsel

- a. Considers and takes appropriate action on reports from CMI's Committees.

### 6. Other responsibilities

- a. Liaises with CMI's Subscribers and the Institute and Faculty of Actuaries to ensure CMI is meeting their needs.
- b. Liaises with external bodies with interests aligned to the objects of the CMI.
- c. Ensures that CMI receives sufficient and appropriate publicity.
- d. Assists in facilitating the smooth running of the CMI.

## Membership

**Chair:** James Tait

**Deputy Chair:** Matthew Edwards

**Support:** CMI Secretary

The Executive Committee shall be made up of at least 6 members appointed by the Directors. Its membership shall include:

- at least six Fellows of the Institute and Faculty of Actuaries;
- the Chairs of the CMI investigation committees; and
- at least two members who are not current Chairs of CMI investigation committees.

## Specific Procedural Rules

1. The Chair and Deputy Chair of the Executive Committee shall be appointed from the members of the Executive Committee by the Directors.
2. A member of the Executive Committee shall hold office either until required by the Directors to resign or until the resignation of the member is tendered in writing to the Directors.
3. Confidentiality – matters discussed in meetings are normally considered confidential unless they are specified otherwise. Confidential matters must not be discussed with anyone not involved.
4. Quorum of meetings:
  - A meeting is quorate if at least one third of the membership is present (rounded up to the nearest whole number).
  - A non-quorate Executive Committee meeting may meet or continue to meet but any decisions made must be approved by the full Executive Committee before the minutes are formally approved.
5. Voting rights:
  - For significant issues each Executive Committee member should be able to vote or record views (including by correspondence or telephone). Each Executive Committee member's vote carries equal standing.
  - Non-Executive Committee members who may be in attendance have no voting rights.
  - If the Executive Committee is divided on an issue it should be referred to the Directors.
6. The Executive Committee will receive the following reports from the Secretariat:
  - Summary of expenditure, income and reserves, quarterly.
  - Final audited accounts, annually.
  - Progress on all committees' objectives, quarterly.
  - Minutes of Management Committee meetings, for each meeting.
  - Access to minutes of all investigation committee meetings, quarterly.
  - Summary of committee membership, quarterly.
  - Risk assessment, quarterly.
7. Ordinarily, one member of the Executive Committee will act as Chief Risk Officer (CRO). This individual should not be:
  - the Chair or Deputy Chair of the Executive Committee; or
  - the Chair of an investigation committee.

The CRO is specifically responsible for ensuring suitable management of all risks in the CMI; this encompasses ownership of the overall risk framework, policies and processes used by the CMI to manage all the risks it is exposed to.