



November 17, 2017

Ref. No.: 0984

To: Board Chairs/CEOs/General Managers, BC Authorized Credit Unions

Re: Working Group Report on Risk-Based Premium Assessment Methodology-Date Extension for Comments

The purpose of this letter is to provide British Columbia (BC) credit unions with notice of an extension of the final date for providing comments regarding the Risk-Based Premium Assessment Methodology Working Group Report. As detailed below, the deadline for submission is now **Friday, January 19, 2018**.

The Working Group Report was released to the credit union system for review on October 25, 2017. Following the release of the report, a series of webinars were organized by the Financial Institutions Commission's (FICOM) staff for each peer group to review the Working Group Report and recommendations, as presented by the Working Group Chair, Mr. Andy Propawa, former CEO of the Deposit Insurance Corporation of Ontario. The webinar sessions also allowed opportunities for peer group members to ask questions regarding the report recommendations.

The webinar series concluded with the final meeting on November 10, 2017, and all peer groups have now participated in a review session. On behalf of FICOM and CUDIC, I would like to thank the Peer Groups for their participation in the Webinars, and to Mr. Propawa for his time and efforts in presenting the report and encouraging an interactive dialogue from participants.

In order to provide credit unions with sufficient time to thoroughly review the report recommendations following the webinar series, FICOM has extended the date for comments to be submitted on the report recommendations from December 31, 2017, to **Friday, January 19, 2018**. A template will be provided to each credit union with their premium assessment calculations by the end of the first week of December, so that credit unions can incorporate them into any comments. Comments regarding the Working Group Report can be submitted to DepositInsurance@ficombc.ca. Please note that an important element of the feedback FICOM staff are seeking are comments on an appropriate transition period to implement a revised methodology.

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- Superintendent of Financial Institutions
 - Superintendent of Pensions
 - Registrar of Mortgage Brokers

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The intention remains to present the final recommendations on the Risk Based Premium Methodology to the Commission for approval in early 2018. Upon approval, FICOM staff will communicate details of the Methodology to each credit union and provide calculation details and tools to assist credit unions to adopt the revised Methodology. Implementation of the revised Methodology will be determined based on feedback from the system and could be implemented in the 2019 assessment year at the earliest.

Stakeholder input is received on a confidential basis in order to obtain valuable and forthright input to assist us in our policy decision making process. FICOM will treat submissions as confidential records and will not publish individual submissions or attribute content. However, please note that all submissions received are subject to the *Freedom of Information and Protection of Privacy Act*.

If you have any questions, please do not hesitate to contact Jack White, Analyst, CUDIC Fund Risk at Jack.White@ficombc.ca.

Yours truly,

A handwritten signature in blue ink, appearing to read "Stanley Chang".

Stanley Chang
A/Executive Director, Deposit Insurance