

OSFI GUIDELINES - INSURANCE					
		Life & Fraternal		P&C	
Capital Adequacy Requirements		Federal (OSFI-Regulated)	B.C. Incorporated	Federal (OSFI-Regulated)	B.C. Incorporated
A	Minimum Continuing Capital and Surplus Requirements 2016	Applicable	Applicable	N/A	N/A
A	Minimum Continuing Capital and Surplus Requirements 2015	Applicable	Applicable	N/A	N/A
A	Minimum Capital Test 2016	N/A	N/A	Applicable	Applicable
A	Minimum Capital Test 2015	N/A	N/A	Applicable	Applicable
A-2	Capital Regime for Regulated Insurance Holding Companies and Non-Operating Life Companies	Applicable	N/A	N/A	N/A
A-4	Regulatory Capital and Internal Capital Targets	Applicable	Applicable	Applicable	Applicable
		Life & Fraternal		P&C	
Accounting		Federal (OSFI-Regulated)	B.C. Incorporated	Federal (OSFI-Regulated)	B.C. Incorporated
C-1	Impairment - Sound Credit Risk Assessment and Valuation Practices for Financial Instruments at Amortized Cost	Applicable	Applicable	Applicable	Applicable
D-1A	Annual Disclosures	Applicable	Applicable	N/A	N/A
D-1B	Annual Disclosures	N/A	N/A	Applicable	Applicable
D-5	Accounting for Structured Settlements	N/A	N/A	Applicable	Applicable
D-6	Derivatives Disclosure	Applicable	Applicable	Applicable	Applicable
D-9	Source of Earnings Disclosure (Life Insurance Companies)	Applicable	Applicable	N/A	N/A
D-10	Accounting for Financial Instruments Designated as Fair Value Option	Applicable	Applicable	Applicable	Applicable
		Life & Fraternal		P&C	
Sound Business and Financial Practices		Federal (OSFI-Regulated)	B.C. Incorporated	Federal (OSFI-Regulated)	B.C. Incorporated

TABLE CURRENT AS OF NOV. 16, 2016

	Corporate Governance Guideline	Applicable	Applicable	Applicable	Applicable
B-3	Sound Reinsurance Practices and Procedures	Applicable	Applicable*	Applicable	Applicable*
B-8	Deterring & Detecting Money Laundering	Applicable	Applicable*	N/A	N/A
B-20	Residential Mortgage Underwriting Practices and Procedures ¹	Applicable	Applicable*	Applicable	Applicable*
B-21	Residential Mortgage Insurance Underwriting Practices and Procedures	N/A	N/A	Applicable	Applicable
E-4A	Role of the Canadian Chief Agent & Record Keeping Requirements	Applicable	N/A	Applicable	N/A
E-5	Retention/Destruction of Records	Applicable	Applicable	N/A	N/A
E-10	Use of Depositories by Insurance Companies	Applicable	Applicable*	Applicable	Applicable*
E-12	Inter-segment Notes for Life Insurance Companies	Applicable	Applicable*	N/A	N/A
E-13	Regulatory Compliance Management (RCM) Guideline	Applicable	Applicable	Applicable	Applicable
E-14	Role of the Independent Actuary	Applicable	N/A	N/A	N/A
E-15	Appointed Actuary: Legal Requirements, Qualifications and Peer Review	Applicable	Applicable*	Applicable	Applicable*
E-16	Participating Account Management and Disclosure to Participating Policyholders and Adjustable Policyholders	Applicable	N/A	N/A	N/A
E-17	Background Checks on Directors and Senior Management of FREs	Applicable	N/A ²	Applicable	N/A ²
E-18	Stress Testing	Applicable	Applicable	Applicable	Applicable
E-19	Own Risk and Solvency Assessment (ORSA)	Applicable	Applicable	Applicable	Applicable
E-21	Operational Risk Management	Applicable	Applicable	Applicable	Applicable

¹ FICOM's Residential Mortgage Underwriting Guideline for Credit Unions is not applicable to insurance companies.

² FICOM has its own process for screening directors, senior officers, subscribers and shareholders of insurance companies. See http://www.fic.gov.bc.ca/pdf/FicomForms/FinancialInstitutionsDivision_PIR.pdf

TABLE CURRENT AS OF NOV. 16, 2016

E-22	Margin Requirements for Non-Centrally Cleared Derivatives	Applicable	Applicable	Applicable	Applicable
	Memorandum to the Actuary (Life Insurance)	Applicable	Applicable	N/A	N/A
	Memorandum for the Appointed Actuary's Report on Property and Casualty Insurance Business	N/A	N/A	Applicable	Applicable
	Cyber Security Self-Assessment Guidance	Applicable	Applicable	Applicable	Applicable
		Life & Fraternal		P&C	
Prudential Limits and Restrictions		Federal (OSFI-Regulated)	B.C. Incorporated	Federal (OSFI-Regulated)	B.C. Incorporated
B-9	Earthquake Exposure Sound Practices	N/A	N/A	Applicable	Applicable ³
B-10	Outsourcing of Business Activities, Functions and Processes	Applicable	Applicable	Applicable	Applicable
B-1	Prudent Person Approach	Applicable	Applicable*	Applicable	Applicable*
B-2	Large Exposure Limits	Applicable	Applicable*	N/A	N/A
B-2	Investment Concentration Limit	N/A	N/A	Applicable	Applicable*
B-4	Securities Lending	N/A	N/A	Applicable	Applicable*
B-4	Securities Lending	Applicable	Applicable*	N/A	N/A
B-5	Asset Securitization	Applicable	Applicable*	Applicable	Applicable*
B-7	Derivatives Sound Practices	Applicable	Applicable	Applicable	Applicable
B-11	Pledging	Applicable	Applicable*	Applicable	Applicable*
E-2	Commercial Lending Criteria	Applicable	Applicable*	N/A	N/A
E-2A	Commercial Lending Restrictions - Foreign Life & Foreign Fraternal	Applicable	N/A	N/A	N/A
E-6	Draft Materiality Criteria for Related Party Transactions	Applicable	Under review	Applicable	Under review

³ B-9 Earthquake Exposure Sound Practices is also applicable to extra-provincial P&C insurers.

TABLE CURRENT AS OF NOV. 16, 2016

E-6	Materiality Criteria for Related Party Transactions	Applicable	Under review	N/A	N/A
E-6	Materiality Criteria for Related Party Transactions	N/A	N/A	Applicable	Under review

* FICOM has adopted this guideline but not all sections apply. See [Appendix 1](#) for additional details.

APPENDIX 1

Please view the table below for additional details on the application of some guidelines.

Guideline		Application Notes
B-8	Deterring & Detecting Money Laundering	FICOM has signed a memorandum of understanding for exchanging information with FINTRAC. In order to meet FINTRAC obligations, PRFIs should observe the general policies, principles and processes for a sound AML/ATF program outlined from page 7 onwards in this guideline. Specific references to OSFI legislation, processes and measures contained in pages 1 – 6 are not applicable to PRFIs at this time.
E-10	Use of Depositories by Insurance Companies	PRFIs should observe the safekeeping requirements outlined in Sections 6, 7 and 8 of this guideline. Specific references to OSFI legislation or regulations are not applicable to PRFIs.
E-12	Inter-segment Notes for Life Insurance Companies	Any provisions contained in the guideline related to OSFI Guideline E-6 <i>Materiality Criteria for Related Party Transactions</i> are not applicable at this time.
B-3	B-3 Sound Reinsurance Practices and Procedures	See: Letter: Adoption of OSFI Guideline B3: Sound Reinsurance Practices and Procedures
E-15	Appointed Actuary: Legal Requirements, Qualifications and Peer Review	See: Letter to all BC Incorporated Insurers Appendix: FICOM Variations from OSFI Guideline E-15
B-1	Prudent Person Approach	See: Letter: Adoption of a Prudent Person Approach Appendix: Clarification of Requirements
B-2	Large Exposure Limits	
B-2	Investment Concentration Limit	
B-4	Securities Lending	
B-4	Securities Lending	
B-5	Asset Securitization	
B-7	Derivatives Sound Practices	
B-11	Pledging	
B-20	Residential Mortgage Underwriting Practices and Procedures	
E-2	Commercial Lending Criteria	