

November 22, 2017  
File No.: 78000-01  
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**To: CEOs / General Managers, BC Incorporated Property and Casualty (P&C)  
Insurers and Reciprocal Insurance Exchanges**

**Re: Adoption of Minimum Capital Test 2018 Guideline**

This is to inform BC incorporated P&C Insurers and Reciprocal Exchanges that the Financial Institutions Commission (FICOM) has adopted the 2018 Minimum Capital Test (MCT) Guideline, issued in October 2017 by the federal Office of the Superintendent of Financial Institutions (OSFI). The Guideline will come into effect on January 1, 2018.

For reference, Section 8 of the Capital Requirements Regulation of the *Financial Institutions Act* of BC states in part, that the minimum adequate capital base of a general insurance company is determined in accordance with the MCT Guideline as established and published, and amended from time to time by OSFI.

Apart from differences due to law and unless otherwise stated, FICOM will adopt future changes to the MCT Guideline as established, published, and amended by OSFI.

You can access the following links:

[OSFI's 2018 MCT Guideline:](#)

[OSFI's 2018 MCT's Accompanying Letter:](#)

[Financial Institutions Act Capital Requirements Regulation of BC:](#)

Should you have any further questions or concerns, please contact Tiffany Mak, Senior Analyst, Financial & Regulatory Reporting, at [tiffany.mak@ficombc.ca](mailto:tiffany.mak@ficombc.ca) or 604 660-2707.

Sincerely,



Mehrdad Rastan  
Executive Director  
Risk, Analytics & Reporting  
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TM/db

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- Superintendent of Real Estate

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