



February 18, 2014
File No.: 78000-03-01
Ref. No.: 0067

To: All British Columbia Insurance Companies and Reciprocal Exchanges

Re: Adoption on an on-going basis of OSFI's Annual Memorandum to Appointed Actuaries

This is to advise that commencing immediately, the Financial Institutions Commission (FICOM) is adopting, on an on-going basis, the form of reporting for actuarial valuation reports set out by the Office of the Superintendent of Financial Institutions (OSFI) in the annual memorandums it issues to appointed actuaries, the "Memorandum to the Appointed Actuary (Life Insurance)" for life insurers and the "Memorandum for the Appointed Actuary's Report on Property and Casualty Insurance Business" for general insurers and reciprocal exchanges. These memorandums can be reviewed on OSFI's website.

Recently the *Financial Institutions Act* (FIA) was amended setting out new provisions regarding the appointment and use of appointed actuaries. As part of the amendments, the Insurance Company Reserves Valuation Regulation (ICRVR) was repealed. The ICRVR had set out the requirements that appointed actuaries were to follow regarding the actuarial report. These requirements were dated and prescriptive and not well aligned with the reporting standards required for the annual financial returns and capital tests. In its place, authority was granted to the Superintendent of Financial Institutions (Superintendent) to set out the requirements regarding the form of the valuation report prepared by appointed actuaries.

The Superintendent has determined that adopting, on an on-going basis, the reporting standards set by OSFI best aligns with the other reporting and financial returns insurers and reciprocal exchanges file with FICOM. Each year, insurers, reciprocal exchanges and their appointed actuaries will need to review the latest memorandums issued by OSFI to appointed actuaries and ensure that they apply the standards set out in those memorandums in preparing the valuation reports submitted to FICOM. Please note that any exhibits or other supplemental forms OSFI may attach to the memorandums are also adopted and must be used.

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

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If you have any questions regarding the content of this notice, please contact Mr. Stanley Chang, Director, Information Management at stanley.chang@ficombc.ca.

Regards,

A handwritten signature in black ink that reads "Frank Chong". The signature is written in a cursive, flowing style.

Frank Chong
Executive Director, Supervisory Support
and Policy

cc: Syd Anderson
Executive Director, Supervision

Harry James
Director, Policy Initiatives

MB/ac