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MEMORANDUM

TO: All Ontario Incorporated Property and Casualty Insurance Companies and Reciprocal Insurance Exchanges

FROM: Vivien Chiang, Senior Actuarial Consultant
Actuarial Services

DATE: December 20, 2019

RE: **2019 LIFE MEMORANDUM TO THE APPOINTED ACTUARY**

All Ontario incorporated Fraternal Benefit Societies and Life Insurance Companies are required, under subsection 121.13 (1) of the Insurance Act, to submit an actuarial valuation report on the actuarial and other policy liabilities of the insurer. This actuarial report must be submitted with the Annual Statements filed under subsection 102(1) of the Insurance Act.

Actuaries who prepare the above actuarial report are advised to follow OSFI's Life Memorandum to the Appointed Actuary 2019, which is available on the OSFI website at <http://www.osfi-bsif.gc.ca>. The document may contain specific references to provisions of the federal Insurance Companies Act and federal regulatory requirements. Where appropriate, these should be read as references to the corresponding provisions in the Insurance Act (Ontario) and Ontario regulatory requirements.

This memorandum and the updated 2019 OSFI instructions replace the previous instructions. We outline the following key changes in OSFI's 2019 Memorandum:

1. Table 2.4a: Revised wording to indicate that the basis changes include all method and assumption changes since the filing of the last Memorandum to the Appointed Actuary.

2. Clarified wording for completion of Table 3.1.
3. B 8.5: Revised the disclosure requirements to include target percentage of the base salary for variable compensation where applicable.

For security reasons, companies should use FSRA's file transfer facility to upload the electronic copy of the Report of the Actuary, UCLRE, and the annual filing return by making a request to FSRA contact. When separate electronic report is provided using the secured file transfer facility, it is preferable if information can be easily copied by FSRA staff and thus, the report should not be protected and exhibits should be in a format that can easily be transferred to a spreadsheet. For companies who are required to submit the Dynamic Capital Asset Testing report (DCAT), they should send the electronic copy of the report to FSRA no later than September 30, 2020.

Please discuss the filing requirements with your Appointed Actuary. If there are any questions about the appropriateness of any particular requirement to your company, please do not hesitate to contact me at (416) 590-2095.

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