

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the “ *PBA*”);

AND IN THE MATTER OF a Proposal of the Superintendent of Financial Services to consent, under section 78(1) of the *PBA*, to a payment out of the Aviva Canada Inc. Pension Plan, Registration Number 0235523.

TO: **Aviva Canada Inc.**
2206 Eglinton Avenue East, Suite 300
Scarborough, ON MIL 4S8

Attention:

Diana Buddin
Vice President of Total Rewards and
Operations Excellence

Applicant and Employer

NOTICE OF PROPOSAL

I PROPOSE TO CONSENT, under section 78(1) of the *PBA*, to the payment out of the Aviva Canada Inc. Pension Plan, Registration Number 0235523 (the “Plan”) in respect of the partial wind up of its predecessor pension plan The General Accident Indemnity Staff Pension Plan (the “GAI” Plan), to **Aviva Canada Inc.**, in the amount of \$307,300 as at December 31, 2007, plus adjustments to the actual date of payment.

I PROPOSE TO MAKE THE CONSENT effective only after the Applicant satisfies me that any payments pursuant to the Surplus Sharing Distribution Agreement to which the members, former members and any other persons are entitled to, and any other payments to which the members, former members, and any other persons entitled to such payments, have been paid, purchased, or otherwise provided for.

REASONS:

1. Aviva Canada Inc. is the employer as defined in the Plan.
2. The Plan is the successor to the GAI Plan.
3. The GAI Plan was partially wound up, effective December 31, 1999.

4. The GAI Plan was merged with the Plan effective January 1, 2000
5. As at the partial wind-up date, December 31, 1999, surplus relating to the partial wind up of the GAI Plan was estimated at \$1,088,900. A supplementary report to the partial wind-up report as at December 31, 2007, indicates the surplus to be \$958,000.
6. The Plan provides for payment of surplus to the Employer on wind up of the Plan.
7. The application discloses that by written agreement made by the Employer, and 91.3% of the Eligible Members (as defined in the application), who were affected by the Partial wind up (as defined in the application), or, if any such person is deceased, by his or her beneficiary who is legally entitled to claim through the member, the surplus in the wound up portion of the plan at the date of payment is to be distributed;
 - a) 50% to the Employer; and
 - b) 50% to the beneficiaries of the Plan as defined in the Surplus Distribution Agreement.
8. The Employer has applied, pursuant to section 78(1) and 79(3) of the PBA, and section 8(1)(b) of Regulation 909, R.R.O. 1990 ("Regulation"), for consent of the Superintendent of Financial Services to the payment of 50% of the surplus from the Plan, after payment of all Plan benefits (including ad hoc increases) and partial wind-up expenses.

Section 79(3)(b) of the *PBA* provides: "Subject to section 89 (hearing and appeal), the Superintendent shall not consent to an application by an employer in respect of surplus in a pension plan that is being wound up in whole or in part unless, the pension plan provides for payment of surplus to the employer on the wind up of the pension plan."

Section 8(1)(b) of the Regulation provides: "No payment may be made from surplus out of a pension plan that is being wound up in whole or in part unless, the payment is to be made to an employer with the written agreement of,

- (i) the employer,
 - (ii) the collective bargaining agent of the members of the plan or, if there is no collective bargaining agent, at least two-thirds of the members of the plan, and
 - (iii) such number of former members and other persons who are entitled to payments under the pension plan on the date of the wind up as the Superintendent considers appropriate in the circumstances."
9. The application appears to comply with sections 78, 79(3)(a) and (b) of the PBA, section 8(1)(b) of the Regulation.
 10. Such further and other reasons as come to my attention.

YOU ARE ENTITLED TO A HEARING by the Financial Services Tribunal (the “Tribunal”) pursuant to section 89(6) of the *PBA*. **To request a hearing, you must deliver to the Tribunal a written notice that you require a hearing, within thirty (30) days after this Notice of Proposal is served on you.**¹

YOUR WRITTEN NOTICE must be delivered to:

Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto, Ontario
M2N 6L9

Attention: The Registrar

FOR FURTHER INFORMATION on a Form for the written notice, please see the Tribunal website at www.fstontario.ca **or** contact the Registrar of the Tribunal by phone at 416-590-7294, toll free at 1-800-668-0128, ext. 7294, or by fax at 416-226-7750.

IF YOU FAIL TO REQUEST A HEARING WITHIN THIRTY (30) DAYS, I MAY CARRY OUT THE PROPOSAL AS DESCRIBED IN THIS NOTICE.

DATED at Toronto, Ontario, this **15th** day of **April, 2010**

K. David Gordon
Deputy Superintendent, Pensions

1 NOTE - Pursuant to section 112 of the *PBA* any Notice, Order or other document is sufficiently given, served or delivered if delivered personally or sent by regular mail and any document sent by regular mail shall be deemed to be given, served or delivered on the seventh day after the date of mailing.

