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## How to Obtain or Amend an Insurance Company Licence

The following information is intended to assist insurers seeking a licence or an amended licence to undertake the business of insurance in the province of Ontario. All insurers, regardless of where they have been incorporated, must be licensed under the Ontario Insurance Act, R.S.O. 1990, c.I.8, in order to transact insurance in Ontario.

All corporate applicants for a licence to transact insurance in Ontario must fall under one of the following three categories:

1. An insurer that is incorporated in Ontario under the Corporations Act, R.S.O. 1990, c. C.38;
2. An insurer that has been registered under the federal Insurance Companies Act 1991, c. 47. This would include any federally incorporated company as well as any foreign insurer that is seeking to transact Canadian insurance business;
3. An insurer that has been incorporated under the laws of another Canadian province.

It is expected that insurers will review the Insurance Act, Compulsory Automobile Insurance Act, related Regulations and any other requirements set by the Superintendent of Financial Services in detail to ensure that their licence application meets with all regulatory requirements in Ontario.

### I. Preliminary Documents Required - Business Plan

All applicants for a new or amended licence to undertake the business of insurance in the province of Ontario must submit a comprehensive business plan to the Superintendent of Financial Services.

The objective of a business plan is to show how the business or new business will be conducted and the feasibility of that proposed business.

We expect each business plan to be clear and complete. We strongly encourage applicants to seek professional assistance in the development and finalization of their business plan. The business plan must be reasonably detailed and specific, containing the following:

- 1.1. A three-year financial forecast, which must be presented according to the directives contained in the guidelines published by the Canadian Institute of Chartered Accountants. An income statement, a statement of retained earnings and a balance sheet must be included in the forecast. Capital ratios and

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compliance with regulatory capital requirements must be presented in the forecast. year financial forecast, which must be presented according to the directives contained in the guidelines published by the Canadian Institute of Chartered Accountants. An income statement, a statement of retained earnings and a balance sheet must be included in the forecast. Capital ratios and compliance with regulatory capital requirements must be presented in the forecast.

1.2. All key assumptions in support of the financial forecast, sources and references utilized in developing the forecast, and the name(s) and address(es) of any actuary and/or other persons involved in preparing the forecast must be disclosed.

1.3. Method of operations in the province of Ontario, including a summary of key functions such as underwriting and claims administration, details of how policyholders and claimants will be served in Ontario and how complaints will be handled, addressed and reported.

1.4. The insurer's anticipated business mix, including the classes of insurance for which the insurer plans to apply for a licence.


1.5. Distribution system(s) which the company plans to utilize to market its products to customers, including recruitment of agents/brokers, sales methods and copies of proposed agents' contracts.

1.6. Reinsurance policies and practices, including gross and net retention. Details concerning the reinsurance market in which the insurer anticipates ceding its business is required.

1.7. A proposal with respect to available management personnel, recruiting and training policies, including actuarial services.

## II. New Insurance Licence

All insurers incorporated in Ontario and insurers registered under the federal Insurance Companies Act (Canada) or incorporated under the laws of another Canadian province or territory must file an application for a licence with the Superintendent of Financial Services along with the following documents:

2.1. An Application for a new licence, duly completed and signed. The application form is the standardized Application for Insurer's Licence available on the [website of the Canadian Council of Insurance Regulators \(CCIR\)](#) .

2.2. Pursuant to section 49 of the Insurance Act, notice of application for a licence must appear in four consecutive issues of The Ontario Gazette and once a week for four consecutive weeks in a newspaper published in the city where the principal place of Ontario business for the insurer is located. Duly certified evidence of such publication must be attached to the application.


2.3. A certified copy of the Certificate of Registration, Letters Patent, licence or other certificate issued to the corporation by a Superintendent of Insurance, Insurance Commissioner or other competent federal, provincial or foreign authorities of the province, territory, state or country in which the corporation was incorporated, with a certificate evidencing any deposit the corporation has with the said authorities.

2.4. A certified copy of the instrument of incorporation and by-laws, with all amendments to date.

2.5. A certified copy of the balance sheet, with the auditor's report thereon.

2.6. Copies of all non-standard applications, policy forms and endorsements proposed for use in Ontario. Please note that the issuance of the Ontario licence will not be withheld until such documents are filed. The insurer must however undertake in writing to file such policies and applications at least thirty days before such forms are brought into use in Ontario.

2.7. The name in full, domicile and occupations of the directors, officers and major shareholders, along with personal biographical questionnaires to be completed and signed by each promoter and/or officer or Directors and principal shareholder of the company.


2.8. Pursuant to Section 54 of the Insurance Act, where the head office of the insurer is located outside Ontario, the insurer must file a duly completed Power of Attorney appointing a Chief Agent resident in Ontario. The standardized Application for Insurer's Licence form can be found on [the website of the CCIR](#) .

2.9 The licence fee of \$4,000 where Ontario is the primary regulator (i.e., for a provincially incorporated insurance company).

2.10 A company filing to obtain a licence for the automobile class of insurance must also address specific requirements as described in [Key Legislative Requirements and Overview of Filing Guidelines](#).

### III. Amended Insurance Licence

All licensed insurers that wish to amend their insurance licence must file an application for an amended licence with the Superintendent of Financial Services. The following documents are required:

3.1 An Application for an amended licence, duly completed and signed. The application form is the standardized Application for Insurer's Licence form on [the website of the CCIR](#) .

3.2. Copies of all non-standard applications forms, policy forms, endorsements, all rates, underwriting rules and risk classification systems in accordance with Ontario law proposed for use in Ontario. Please note that the issuance of the Ontario licence will not be withheld until such documents are filed. The insurer however must undertake in writing to file such material at least thirty days before such forms are brought into use in Ontario.

3.3 A company filing to add to its licence the class of automobile insurance must address specific requirements as listed in [Key Legislative Requirements and Overview of Filing Guidelines](#).

### IV. Timing for a New or Amended Insurance Licence

4.1. This Office requires 45 to 60 days to review a duly completed application for a new or amended licence.

4.2. Applicants must not undertake any commitments and/or activities which would represent doing business without the appropriate licence based on an anticipated start-up date in Ontario. Such activities would include solicitation of the sale of insurance and insurance promotion.

4.3. Applicants undertaking the business of insurance, as defined in Section 39, without holding a licence, as required by the Insurance Act, are guilty of an offence.

## V. Additional Information

5.1. Direct business proposals, applications for licensing and general inquiries to:

Financial Services Commission of Ontario  
Licensing & Market Conduct Division  
Licensing Approvals Unit

5160 Yonge Street  
4th Floor, P.O. Box 85  
Toronto, Ontario  
M2N 6L9  
Tel: (416) 250-7250

5.2. Copies of the Insurance Act and the Corporations Act and relevant regulations can be obtained from ServiceOntario Publications at [www.publications.serviceontario.ca](http://www.publications.serviceontario.ca) . For the Application for Insurer's Licence, go to the [website of the Canadian Council of Insurance Regulators \(CCIR\)](#) .