

SECTION VIII

Instructions

The set of Instructions issued in 1996 is a complete replacement of pages previously issued. Lines that include changes from the previous edition have been highlighted with a vertical bar in the left margin.

All readers are encouraged to completely review the 1996 edition.

The **Forms Committee** of the Canadian Council of Insurance Regulators is interested in your comments on any aspect of the Instructions. Please direct your comments to:

Office of the Superintendent of Financial Institutions
Regulatory Information Division
255 Albert Street, 12th floor
OTTAWA, K1A 0H2

Attention: Chairperson,
CCIR Forms Committee

Interim and Annual Returns

The Interim and Annual Returns also include some significant revisions for 1996; a revised edition of the Annual Return P&C-1 form was distributed to insurers in June 1996. A few minor corrections have been made to the June 1996 edition, and these are included in the *sample* Returns at the back of the Instructions (after Section X).

Most Regulators are no longer issuing "blank forms", since most insurers are expected to prepare and print Returns to conform with the standards established in the Instructions and illustrated in the *sample* Returns.

Insurers will be advised of any future changes to the Interim and Annual Returns by way of updates to the Instructions, together with copies of the applicable replacement pages for the *sample* Returns.

Instructions

Lines that include changes (additions only) have been highlighted with a vertical bar in the left margin; pages that include changes have "1997" printed in the lower left corner.

The following 1997 changes are noteworthy:

Page

- | | |
|----------|--|
| II-4 | Manitoba filing requirements amended. |
| IV-8 | SIR reporting changed. |
| V-27 | Federal regulations added. |
| V-30 | Federal guidelines and bulletins added. |
| V-32 | Dividends declared to shareholders - federal requirement added. |
| V-33 | Federal letter of credit (form) changed. |
| VI-10 | Instructions for Page 20.30, line 10 added re health care costs. |
| IX-1,2,3 | Regulators' names and addresses updated. |
| IX-30 | Appendix (I) standard letter for letters of credit updated. |

Interim and Annual Returns

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| 30.60 | Page deleted because limit of "Shareholder Dividends" has been revoked from federal legislation. |
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Lines that include changes (additions only) have been highlighted with a vertical bar in the left margin; pages that include changes have "1998" printed in the lower left corner.

The following 1998 changes are noteworthy:

Instructions

Page

- IV-9 Structured Settlements: summary and reference to OSFI Guideline - added.
- V-6 Insurers licensed in Quebec to file a second version of Page 67.10 - added.
- V-7 Quebec insurers to complete Page 30.15, lines 34 and 35 - added.
- V-10, 11 References to Insurance Act (Ontario) - changed.
- V-30 Guideline *Accounting for Structured Settlements* - added.
- VI-18, 21 Instructions for reporting Earthquake Reserves - added.
- VI-37 Reporting reimbursements of adjustment expenses - clarified.
- IX-1,2,3 Regulators' names and addresses - updated.
- X-1 Actuary's Report and Auditor's Report - added.

Interim and Annual Returns

- 30.40 Earthquake Reserve - added.

Lines that include changes (additions only) have been highlighted with a vertical bar in the left margin; pages that include changes have "1999" printed in the lower left corner.

The following 1999 changes are noteworthy:

Instructions

Page

- IV-8 Reporting of an amount recoverable under a SIR changed from Page 20.10, line 27 to line 37
- VI-4 Instructions related to “columnar” Corporate Organization Chart deleted
- VI-5 New question added to Annual Return, Page 10.41, line 76;
“Instructions” transferred from Annual Return, Page 10.42, line 01
- VI-6 “Instructions” transferred from Annual Return, Page 10.42, lines 10, 15 & 20
- VI-8 Reporting of Instalment Premiums Receivable clarified
- IX-2 Nunavut added
- IX-31 Appendix (m), Corporate Organization Chart (example) deleted

Annual Return

- 10.20 “Capital” changed to “Share Capital”; lines 10, 11 and 29 deleted
- 10.30 Corporate Organization Chart: “columnar” method of reporting discontinued, replaced by “conventional” method
- 10.40 Information on changes to by-laws added
- 10.41 Question on portfolio transfers, etc. added;
Request for number of employees deleted
- 10.42 “Instructions” re lines 01, 10, 15 & 20 transferred to A/R Instructions, Section VI
- 10.50 Nunavut added
- 20.50/.51 “Statement of Changes in Financial Position” deleted (replaced by Page 20.52)
- 20.52 “Statement of Cash Flows” added
- 40.49 Nunavut added
- 40.80 Lines 01, 02, 03 & 04 and footnote deleted [Interim Return also]
- 67.10-.30 Nunavut added

Lines that include changes (additions only) have been highlighted with a vertical bar in the left margin; pages that include changes have "2000" printed in the lower left corner.

The following changes for 2000 are noteworthy:

Instructions

Page

- II-3 “New”: Financial Statements of Subsidiaries – refer to Section V.
- II-4 Amended requirements for Newfoundland, Alberta and British Columbia; Nunavut added.
- V-2, etc. Most provinces and territories no longer require federally regulated P&C companies to file a full Actuary’s Report with their Annual Return.
- V-16 Alberta requirements updated.
- V-23 & 24 British Columbia requirements updated.
- V-26A Nunavut added.
- VI-9 & 33 Additional instructions on “SIRs”
- IX-1, 2, 3 Regulators’ Websites added.

Annual Return

- 20.10, etc. *Deferred Income Taxes* changed to *Deferred / Future Income Taxes*.
- 60.10, 60.20 *Retrocessions* (Line 99) deleted.
60.30, 90.61,
90.62, 90.63
- 65.10, 65.11 *Accident and Sickness* Exhibits deleted (together with applicable Instructions).
90.66, 90.67

Interim Return

- 20.10, etc. *Deferred Income Taxes* changed to *Deferred / Future Income Taxes*.
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Lines that include changes to the Instructions have been highlighted with a vertical bar in the left margin, except for Section IX, Appendix (a), where changes are highlighted by shading; pages that include changes made in 2001 have "2001" printed in the lower left corner.

The following changes were made effective 2001:

InstructionsPage

- II-3 Para (xii): phrase added “(refer to Section V)”
- IV-8 4th paragraph: “*receivables*” changed to “*recoverables*”
- V-32 Paragraph added re “Auditor’s Report to shareholders / policyholders”
(change in filing requirement for federal insurers)
- VI-18 5th paragraph: “1998” changed to “*current year*”
- VI-28 Instructions added re *Other Investments*
- IX- i List of Appendices added.
- IX-1, 2, 3 Regulators - updated.
- IX-14 “File Name”: the extension “NUM” added to the example of a file name
- IX-17 “Extension”: sentence in parenthesis at the end of the paragraph deleted
- IX-24 “Filing Deadlines”: federal due dates for insurers changed to “*Within 45 days*”

Annual / Interim Return

There are no changes to either the Annual Return or the Interim Return.

Lines that include changes to the Instructions have been highlighted by shading; pages that include changes made in 2002 have "2002" printed in the lower left corner.

The following changes were made effective 2002:

Instructions

Page

- | | |
|----------|---|
| II-4 | Newfoundland and Labrador: diskette required; footnote “F”, “PN”, “PO”, “PA” and “PB” added |
| V-2 | Newfoundland & Labrador: paragraph on Actuary’s Report amended; paragraph added re Statutory Filings by Federally Registered Insurers |
| IX-1-3 | Regulators – updated |
| IX-25-27 | Interim Return Instructions, Appendix (i) updated |

Annual / Interim Return

The Interim Return includes significant changes, mainly resulting from the replacement of the Minimum Asset Test with the Minimum Capital Test (MCT); note that Pages 30.40, 30.45, 30.47 and 70.35 will be retained until Quebec legislation for MCT is enacted. Highlights are as follows:

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|-------------|--|
| 20.20 | Categories and descriptions updated to reflect GAAP |
| 20.40 | New exhibit added: “Reserves” |
| 30.10 - .30 | Deleted (<i>Minimum Asset Test</i> and related pages) |
| 30.47 | Retains DPAE portion of deleted Page 30.15 for insurers licensed in Quebec |
| 30.70 - .71 | New <i>Minimum Capital Test</i> |
| 40.05 | New <i>Summary of Investments and Limits</i> , mainly replaces deleted Page 40.90 |
| 40.90 | Deleted (<i>Summary of Investments – Portfolio Limits</i>) |
| 60.20 | Two new classes of insurance added: <i>Credit Protection</i> and <i>Other Approved Products</i> |
| 70.30 | Deleted (<i>Reinsurance Ceded to Unregistered Insurers – Canadian Business</i>) |
| 70.35 | Changed from <i>Out of Canada</i> to <i>Total Business – Insurers Licensed in Quebec</i> |
| 70.38 | New page: <i>Reinsurance Ceded to Unregistered Insurers – Total Business</i> combines former Pages 70.30 and 70.35 to calculate Capital Required for the MCT |

Lines that include changes to the Instructions have been highlighted by shading; pages that include changes made in 2003 have "2003" in the lower left corner.

Annual Return and Instructions

Significant changes have been made to the Annual Return, and to most Sections of the Instructions for 2003. Please refer to the "*Special Table of Contents*" for a summary of the Annual Return pages affected, on OSFI's website at the following link:

http://www.osfi-bsif.gc.ca/eng/documents/guidance/docs/PC1Annual_ToC_e.xls

All readers are encouraged to completely review the 2003 updates in the Instructions, and the 2003 edition of the Annual Return.

Interim Return

Comprehensive changes were also made to the Interim Return, effective with filings due for the first quarter of 2003. Please refer to the previous page of these Instructions (*UPDATE – 2002*) for details.

Lines that include changes to the Instructions have been highlighted by shading; pages that include changes made in 2004 have "2004" in the lower left corner.

The following changes for 2004 are noteworthy:

Instructions

Page

II-4	Updated
IV-3	Replaced reference to “reserve” with “capital required”; deleted requirement for and reference to confirmation letter re: letters of credit
V-3	Prince Edward Island – updated
V-4	Nova Scotia - updated
V-6	Replaced “IGIF” with “Autorité des marchés financiers”; added pages 30.47, 60.40, 70.21 under (a)
V-8	Added “and affiliates”; new paragraph added re: Minimum Capital Test (MCT)
V-14,14.1	Saskatchewan – updated
V-15,16,17	Alberta - updated
VI-10	Line 37 – added clarification re: “discounting”
VI-20	Line 32 – deleted “or affiliate”
VI-21	Line 33 – replace “Financial Institution” with “Subsidiary”
VI-38, 39	Instructions changed re: completion of Page 60.41
VI-40	Instructions added re: Page 67.10, line 01, “Licensed (Y/N)”
IX-i	Updated
IX(a)	Updated
IX(i)-3	Line 22 – Instructions replaced with reference to Instructions for Page 30.70
IX(l)-1	Sample letter re: letter of credit - deleted

Annual Return

10.42	Line 30 – reference to Section IV corrected to Section VI
90.15	Page 90.66 added to Note

Lines that include changes to the Instructions have been highlighted by shading; pages that include changes made in 2005 have "2005" in the lower left corner.

The following changes have been made for 2005:

Instructions

Page

- II-2 **Amended** paragraph (v) to read : “Pages containing no data are to be included with the filed Return(s), except for the Out-of-Canada exhibits on Pages 90.21 through 90.70.”
- V-6 **Deleted** “*Autorité des marchés financiers*”; **added** page 60.41 to the list of pages to complete, under *Special Reporting*, paragraph (a)
- V-8 **Added** “for those subsidiaries and affiliates reported on Page 20.10, line 40” to the end of the sentence under “*Financial Statements of Subsidiaries and Affiliates*”; **deleted** paragraph starting “Except otherwise advised ...” (re MCT)
- V-9 **Deleted** “(Applicable after Regulation has been passed)” under *Guidelines*, Bulletin No. 01/03
- V-19 **Deleted** “Financial Institutions Forms Regulation”; **deleted** numbering of Regulations (i.e. 1-16)
- VI-9 **Amended** sentence re Line 01 - “It does not include guaranteed investment certificates or term deposits **that are not cash equivalents**, which are to be included on Page 20.10, line 04.”
- VI-46 **Deleted** sentence “All insurers that transacted any business in any foreign jurisdiction are required to complete Pages 90.15 and 90.62.”
- IX(a) **Updated**

Annual Return

- 10.40 Amended question in Item 35: “Is the insurer licensed in, **or does the insurer cover risks** in any foreign jurisdiction ?” and **added** reference to page 90.62
- 20.10 and
90.21 **Added** “and Partnerships” on Line 25
- 90.15 **Amended** the first sentence “The exhibit below, and Page 90.62, are to be completed if the insurer **is licensed in, or covers risks** in any foreign jurisdiction.” **Added** “(if applicable)” to the column “Date of Licensing”

Lines that include changes to the Instructions have been highlighted by shading; pages that include changes made in 2006 have "2006" in the lower left corner.

The following changes have been made for 2006:

InstructionsPage

- VI-20 **Deleted** “Canadian Bond Rating Service”, and footnote.
- VI-47 **Deleted** reference to Page 90.62.
- VIII-1 **Changed** Committee name to “CCIR Forms Committee”.
- IX(a)-2 **Updated**

Annual Return

No changes.

Lines that include changes to the Instructions have been highlighted by shading; pages that include changes made in 2007 have "2007" in the lower left corner.

The following changes have been made for 2007:

Instructions

- II-4/V-13 Manitoba - **Updated**
- II-5 **Changes** made under Electronic Filing and Amended Annual Returns
- III-8 **Added** Unrecognized (Assets and Liabilities)
- IV-7, 8, 9 **Deleted** Type 3 under Structured Settlements; **Changed** CICA Handbook references
- V-7 **Changed** 40.05 Summary of Investments and Limits to 40.07 Summary of Investments
- V-9, 12 Ontario - **Updated**
- Section VI **Significant updates.** Readers are encouraged to completely review the 2007 updates for this Section.
- VIII-1 **Changed** delivery address to 12th floor
- IX-i, (a) **Updated**
- IX(f)-1 **Deleted** wording “diskette”
- IX(g) **Significant updates.** Readers are encouraged to completely review the 2007 updates for this Appendix.
- IX(h)-1 **Changed** wording “diskette” to “file” or “ASCII file”
- IX(i)-1, 2 **Changed** wording “diskette” to “file”; **Updated** list of Interim Return pages
- IX(i)-3, 4 **Deleted** instructions for Pages 30.70, 40.05, 70.35/70.38 and 80.10; **Changed** reference to page 40.05 to 40.07
- IX(k)-1, 2 **Changed** wording “off-balance sheet exposures” to “structured settlements, letters of credit, derivatives and other exposures”; instructions **modified**
- Section X **Deleted**

Annual Return

The following pages include comprehensive changes that were made to the Annual Return in accordance with the new Financial Instruments Accounting Standard: Pages 10.42, 20.20, 20.42(New), 30.40, 30.70, 30.71, 40.05(Deleted), 40.07(New), 40.10, 40.20, 40.30, 40.35, 40.40, 40.45, 40.49, 40.50, 40.60, 40.70, 40.80, 50.40, 50.50 and 70.38.

Interim Return (effective Q1 2008)

- 20.30 Line 33 changed to Realized Gains (Losses)
- 20.42 Wording“, net of Income Taxes” deleted
- 40.07 Column 15 changed to Realized Gains (Losses); added wording “Unrealized” to column 19