

~~October~~September 22~~21, 2003~~2004

MEMORANDUM

TO: Federally Registered Life Insurance Companies and Fraternal Benefit Societies

FROM: Allan Brender, Senior Director, Regulation Sector, Actuarial Division

SUBJECT: Memorandum to the Actuary (Life Insurance) ~~2003~~2004

COPY: Appointed Actuaries of Federally Registered Life Insurance Companies and Fraternal Benefit Societies

Every year, we update the Memorandum to the Actuary pursuant to Section 667.(2) of the *Insurance Companies Act*. The Memorandum to the Actuary can be found on the OSFI website in English at:

http://www.osfi-bsif.gc.ca/eng/publications/guidance/index_financial.asp#Memorandum_to_the_Actuary

and in French at:

http://www.osfi-bsif.gc.ca/fra/publications/orientation/index_financiers.asp#Note_actuaire

This year's Memorandum has the following changes as compared to the previous year's version:

- Fine-tuning of some of the requirements;
- A new ~~sub-section on Source of Earnings section~~deferred acquisition costs for segregated funds and inter-segment notes, and;
- New reporting requirements for participating ~~closed~~ blocks;
 - ~~Additional reporting for MCCSR and TAAM, and~~
 - ~~Reflection of the introduction of Guideline E-15 on External Review.~~

Actuaries are reminded that they should pay special attention to the current low interest rate environment in setting valuation assumptions and DCAT scenarios.

Two paper copies of the Appointed Actuary's Report should be submitted to OSFI's Accounting and Financial Information Division in Ottawa. We also ~~expect~~ require that the report be filed in electronic form using a diskette or a CD. In addition, a copy of the required tables should be provided electronically in MS Excel format. Note that for security reasons, the report should not be sent by E-mail.

Should you have any questions, please do not hesitate to contact Helmut Engels at 416-973-8934, or at helmut.engels@osfi-bsif.gc.ca.

A hard copy of this Memorandum can be obtained upon request; please send your request to ~~Daniela Susi~~ Eleanor Reubins at 416-973-~~36801668~~, by fax to 416-952-0664 or at ~~dsusi@osfi-bsif.gc.ca~~ eleanor.reubins@osfi-bsif.gc.ca.

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