

Line	Col	Cross Ref	Practice
LIFE-2	20.010		Assets
References			
CICA Handbook sections 3025 and 4210 AcG-9 - Financial Reporting by Life Insurance Enterprises			
Life insurers must report both total assets of the Canadian Branch as well as the portion that is vested in trust, at balance sheet values in accordance with Canadian GAAP, on a Non-Consolidated basis.			
Line	Col	Cross Ref	Practice
010	All		Cash Refer to the CICA Handbook section 3000. Include here all amounts held in banks or other financial institutions. If the net balance of all accounts for each entity in a single financial institution is an overdraft (i.e. where there is a legal offset), the net balance should instead be included in liabilities on page 20.020, line 100, Accounts Payable.
040	All		Short Term Investments Refer to the CICA Handbook section 3010. Investments having an original term to maturity of one year or less; includes term deposit, GICs, commercial paper, treasury bills, etc.
070	All		Accrued Investment Income Include investment income due and accrued as at the balance sheet date.
100	01		Accounts Receivable Refer to the CICA Handbook section 3020. Include outstanding premiums, agents' debit balances, and amounts due from brokers and other life insurers. Amounts should be reported after the deduction, if any, of an allowance for doubtful accounts.

LIFE-2		20.010	Assets
Line	Col	Cross Ref	Practice
200	All		<p>Policy Loans</p> <p>Loans are to be reported at their unpaid balances. If the amount outstanding exceeds a policy's cash surrender value, the excess should be classified out of policy loans and included in line 600 as an unsecured loan and a provision for collectibility established in accordance with GAAP.</p>
250	02	P 21.012 L 479 C 40	<p>Bonds & Debentures</p> <p>Fixed term investments having a fixed maturity date or dates for the repayment of principal (includes convertible bonds, stripped bonds, asset backed securities and GICs with original terms to maturity of more than one year).</p>
300	02	P 21.012 L 500 C 40 and P 21.050 L 699 C 41	<p>Mortgage Loans - Vested in Trust</p> <p>Amounts reported should be after the deduction of general and specific provisions, if any, which were established to reflect non-collectibility of loan balances. Includes sale agreements, power of sales, mortgage pools, and mortgages in process of foreclosure, where title has not yet passed to the Canadian Branch.</p>
420	02	P 21.012 L 599 C 40	<p>Preferred Shares</p> <p>Include convertible preferred shares.</p>
440	02	P 21.012 L 659 C 40	<p>Common Shares</p> <p>Include options, warrants and rights in respect of common shares.</p>
500		P 21.012 L 759 C 40	<p>Real Estate - Vested in Trust</p> <p>Real estate includes ground rent, foreclosed property where title has passed to the Canadian Branch and properties held for the Canadian Branch's own use. Amounts are to be shown after the writedown, if any, for other than temporary declines in values as defined by CICA - AcG-9. All mortgages and other encumbrances against real estate should be reported as liabilities on line 130 page 20.020.</p>

LIFE-2		20.010	Assets
Line	Col	Cross Ref	Practice
550	02	P 21.012 L 800 C 40 and P 21.100 L 099 C 06	Other Equity Investments For details, refer to instructions for page 21.100 – Part A. Note that investments in mutual funds etc. should not be reported here.
600	01		Other Loans and Invested Assets Include leases with other loans and invested assets. Seed money provided for Segregated Funds operations should be reported in Other Assets, line 880. Include positive mark to market derivative positions and other recognized financial assets not reported on line items above. Negative mark to market derivative positions should be reported on page 20.020, line 160 Other Liabilities in accordance with GAAP.
700	01		Interests in Joint Ventures Refer to the CICA Handbook section 3050.45. Include real estate and other types of joint ventures using the equity method of accounting, since these are non-consolidated financial statements.
750	01		Investments in Subsidiaries Report on the equity basis. Cost of an investment in a subsidiary should include any portion of the share premium or contributions to surplus whether paid in cash, dividends, or other consideration. The initial cost or balance sheet value is written up or down at the end of each accounting period to reflect the pro rata share of the parent company in the earnings of the subsidiary.
800	01		Future Income Taxes Net debit balances in Future Income Taxes arising from different treatment of amounts in income tax returns and in financial statements.
820	01		Goodwill Refer to the CICA Handbook section 3062.22-.48. The Amount attributed to Goodwill established by the Canadian Branch to be realizable from future additional benefits to the extent not written down should be reported.

LIFE-2		20.010		Assets	
Line	Col	Cross Ref	Practice		
830	01		Intangible Assets Refer to the CICA Handbook sections 3062.06-.21, 3063 and 3475.		
880	01	P 21.150 L 499 C 01	Other Assets Include furniture and equipment (after the deduction of accumulated amortization), prepaid expenses, deferred charges, current income taxes and units held as seed money for Segregated Fund operations.		

LIFE-2	20.020	Liabilities and Head Office Account	
References			
CICA Handbook sections 1530, 3251, 3855 and 4211 AcG-8 – Actuarial Liabilities of Life Insurance Enterprises - disclosure			
See general comments under page 20.010.			
Line	Col	Cross Ref	Practice
010	01	P 22.010 L 589 C 01	Net Actuarial Liabilities See details on page 22.010.
040	01	P 22.020 L 489 C 41	Other Insurance Policy & Contract Liabilities Details are shown on page 22.020. Amounts due and unpaid for other than policy and contract liabilities should be included with accounts payable, line 100.
100	01	P 22.030 L 099 C 01	Accounts Payable Details are shown on page 22.030. For bank overdrafts, see page 20.010, line 010.
130	01	P 21.080 L 899 C 81	Mortgage Loans and Other Real Estate Encumbrances To be reported here instead of as a deduction from balance sheet value of real estate assets.
160	01	P 22.030 L 299 C 01	Other Liabilities Details are shown on page 22.030. Include negative mark to market derivative positions and other financial liabilities not included in line items above.
180 240			Net Deferred Gains (Losses) on Real Estate All deferred gains (losses) that are taken into account by the Appointed Actuary in determining the actuarial liabilities should be reported on line 180. All other deferred gains (losses) should be reported on line 240.

LIFE-2		20.020		Liabilities and Head Office Account	
Line	Col	Cross Ref	Practice		
310	01	P 22.060 L 899 C 26	Other Debt Other Debt issued by the Canadian Branch including commercial paper, loans and notes payable are to be included on this line.		
800	01	P 20.044 L 889 C 01	Head Office Account End of Year balance as reconciled on page 20.044.		
840	01	P 22.046 L 899 C 01	Accumulated OCI (Loss) Total Accumulated OCI (Loss).		

LIFE-2	20.030	Income Statement	
References			
CICA Handbook sections 3855, 3865 and 4211 AcG-9 - Financial Reporting by Life Insurance Enterprises			
This page must be completed for the life insurer's total operations in Canada in accordance with Canadian generally accepted accounting principles (GAAP) and therefore excludes Segregated Funds. However, management fees and related revenue and expense items in respect of Segregated Funds are included. See general comments under page 20.010.			
Line	Col	Cross Ref	Practice
040	01	P 35.010 L 040 C 81 and P 45.010 L 289 C 56	Premiums These are in respect of Life, Annuities, and Accident & Sickness. See instructions for page 35.010.
070	01	P 23.010 L 889 C 01 and P 35.010 L 070 C 81	Net Investment Income Include taxes other than income taxes (e.g., property tax) on investments in the determination of net investment income.
130	01	P 35.010 L 130 C 81	Fee Income Include fees from Administrative Services Only (ASO) business and investment services, if any offered by the Canadian Branch.
160	01	P 23.030 L 199 C 01 and P 35.010 L 160 C 81	Other Revenue Include the amount as detailed on page 23.030.
250	01	P 35.010 L 210 + L 220 + L 230 + L 240 C 81	Policyholder Benefits See details on page 35.010, lines 210 to 240.

LIFE-2		20.030	Income Statement
Line	Col	Cross Ref	Practice
300 330	01	P 35.010 L 300 & 330 C 81	<p>Net Changes to Actuarial Liabilities</p> <p>The “Normal change in actuarial liabilities” is the total change, less the basis change amount.</p> <p>Basis change should include the following. These are examples and are not meant to be all- inclusive.</p> <ul style="list-style-type: none"> (i) Changes in MfAD levels, including changes in the conditional tail expectation (CTE) level. (ii) Changes due to refinements in valuation calculation systems. (iii) Changes due to new actuarial or accounting standards unless otherwise specified as change in method in which case it is classified as “other variation and/or miscellaneous, such as those related to methods and corrections” and restatement of prior year must be done. (iv) Correction of errors. Under Canadian GAAP, errors that are material to the Canadian Branch must result in a restatement of the prior year. This category is for any errors that are not material to the total, but could be regarded as material in a particular segment shown in the Analysis of Income by Line of Business. (v) Changes in non-formula bulk actuarial or other liabilities. This category does not include actuarial liabilities that are consistently calculated using an aggregate level methodology, as opposed to a policy-by-policy level calculation. An example is the C-3 PfAD. This category includes any amounts that the actuary has set up that 1) are not calculated using a direct link to the underlying policies and contingencies, 2) are not required by CIA standards or 3) which can be changed at the actuary’s discretion. This category would include, for example, general contingency reserves, general data integrity reserves, experience fluctuation reserves, non-formulaic cyclical reserves, etc.

LIFE-2		20.030	Income Statement
Line	Col	Cross Ref	Practice
300 330 (cont'd)			<p>(vi) New economic scenario for Canadian Asset Liability Method. When deterministic scenarios are used, any changes in the interest scenario results from one year to the next, if the same scenarios are run, is not a basis change. Cases where the scenarios are unchanged, but a different scenario from the same set of scenarios is the most adverse, would be considered a normal change due to updated assumptions. However, a basis change would occur in cases where the use of a new scenario, or the removal of a previous scenario, causes a reserve to increase or decrease relative to the previous set of scenarios. If a life insurer uses stochastic modeling, it should consider any changes from one year to the next to be experience gains or losses, unless the methodology has been materially changed.</p> <p>(vii) Changes in any best-estimate assumptions for in-force business. This includes changes in mortality, morbidity, lapse, policyholder dividends, expenses, ultimate interest rates, equity returns, real estate returns, default rates, etc. This also includes changes in PfADs where the MfADs are a function of the best-estimate actuarial liabilities.</p>
360	01	P 35.010 L 360 C 81	<p>Policyholder Dividends</p> <p>Include amounts paid as well as any change in the due and unpaid.</p>
390	01	P 35.010 L 390 C 81	<p>Experience Rating Refunds</p> <p>Include amounts paid as well as any change in the provision.</p>

LIFE-2		20.030	Income Statement
Line	Col	Cross Ref	Practice
420	01	P 35.010 L 420 C 81	<p>Transfer to and (Transfer from) Other Funds</p> <p>This line is to be used for reporting movement of funds pertaining to transactions involving: a) acquisition / release of a block of business through reinsurance; and b) transfer of policy risk between general fund and Segregated Funds, (up to the date of such acquisition / release and transfer of risk).</p> <p>In respect of such existing risk or block of business, the offsetting reporting should be to the “Net Changes to Actuarial Liabilities” and this line of “Transfer to and (from) Other Funds”. In effect, the transfer of a block of business or policy should not give rise to a change in net income as a result of the change in actuarial liabilities as at that date.</p>
450	01	P35.010 L 450 C 81 & P 45.010 L 489 C 56	<p>Commissions</p> <p>Include commission expense relating to net outstanding premiums.</p>
510	01	P 23.030 L 299 C 01 & P 35.010 L 510 C 81	<p>Interest Expense</p> <p>Include interest expense on banking and trust deposits, on loans, notes and debentures.</p> <p>Exclude interest paid or credited with respect to policyholder amounts on deposit, which should be reported on line 480.</p>
540	01	P 35.010 L 540 C 81 & P 23.030 L 599 C 01	<p>General Expenses and Taxes</p> <p>Details are shown on page 23.030.</p> <p>Exclude expenses and taxes deducted from investment income on line 070 Net Investment Income.</p>

LIFE-2		20.030	Income Statement
Line	Col	Cross Ref	Practice
570	01	P 23.030 L 899 C 01 & P 35.010 L 570 C 81	Other Expenses Details are shown on page 23.030.
700 + 710			Provision for Income Taxes Taxes should include Investment Income Taxes but exclude other taxes (i.e., property taxes) on investments deducted from Investment Income on line 070 Net Investment Income.
800		P 35.010 L 800 C 81	Extraordinary Items (net of income taxes of \$____) Refer to the CICA Handbook, section 3480. In the space provided for inside the title line, report the related current year's income tax amount in respect of Extraordinary Items.

LIFE-2	20.044	Head Office Account	
Items considered as prior period adjustments under Canadian generally accepted accounting principles (GAAP) should be reported on lines 040 and 070. Any other adjustments of income or expenses should be included in the income statement.			
Line	Col	Cross Ref	Practice
010			Beginning of Year Report the ending balance of Head Office Account as reported at the end of the preceding year.
040 070			Refer to the CICA Handbook, section 1506. The portions of i) prior period adjustments, and ii) accounting policy changes which have been applied retroactively are to be reported on this line. Any transitional adjustments / balances from the adoption of a new accounting standard should be reported on line 070 in the year of transition.
100	01	P 20.030 L 899 C 01	Share of Net Income (Loss)

LIFE-2	20.046	Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)
<p><i>References</i></p> <p>CICA Handbook section 1530 and 3251.</p>		
<p><i>Transition Instructions</i></p> <p>CICA Handbook section 1530 and amendments section 3251 are effective for fiscal years beginning on or after October 01, 2006. In accordance with GAAP, prior year amounts do not need to be reported in the year of transition, except prior year Currency Translation Account which should be reported on line 840, column 03: Foreign Currency (Net of Hedging Activities). This prior year amount should agree with line 840, column 03 on page 20.020 in the transition year.</p> <p>The total transition amount should be reported on line 660, column 01, as a “memo” item. The total transition amount should also be allocated to the appropriate line items in Accumulated Other Comprehensive Income (Loss), i.e. 710-840. The amount reported on line 899, column 01 will be the total of lines 710 through 840, i.e. excluding line 660. (In the year of adoption, column 01 will include the activity for the year plus the transitional balance.)</p> <p><i>General Instructions</i></p> <p>All amounts should be reported on an after tax basis.</p>		

LIFE-2	20.060	Notes to the Financial Statements
<p>Notes to the Financial Statements (Pages 20.010 to 20.050 inclusive) are to be reproduced on, or attached to, Page 20.060.</p> <p>It is acceptable for Canadian Branch operations to include here a draft of the notes if they have not been finalized at the time of filing the Annual Return. Such should be clearly marked "DRAFT". When they are subsequently finalized, a copy should be filed with OSFI.</p> <p>Canadian Branches are requested to file a copy of their Management Discussion & Analysis (MD&A), as also the MD&A filed by the home office in the primary jurisdiction.</p>		

LIFE-2	20.070	Auditor's Report
<p>Two copies of the Auditor's Report should be filed with OSFI no later than the earlier of May 31 each year and the day in each year on which the auditor is required to make a report under the laws pursuant to which the foreign life insurer is incorporated. The Auditors' Report should be addressed "To the Chief Agent and the Superintendents of Financial Institutions / Insurance".</p> <p>The Auditor's Report and Opinion must cover pages 20.010 - 20.060 and page 60.010 of the LIFE-2 Annual Return. This includes the Balance Sheet, Income Statement, Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss), Statement of Cash Flows, Notes to the Financial Statements, Segregated Funds Net Assets and Changes in Net Assets.</p>		

LIFE-2	20.080	Appointed Actuary's Report
<p>The Appointed Actuary's Report forming part of the Annual Return must bear an original signature of the Actuary for the Canadian Branch most recently appointed by the Directors of the life insurer.</p> <p>Please refer to OSFI's Memorandum to the Actuary for additional instructions.</p>		