

November 2, 2004

MEMORANDUM

TO: Federally Regulated Property and Casualty Insurance Companies

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

SUBJECT: 2004 Memorandum for Actuarial Reports on Property and Casualty Business

Every year, we update the Memorandum for Actuarial Reports on Property and Casualty Business pursuant to section 667 of the *Insurance Companies Act*. The Memorandum outlines the guidelines and requirements for the actuaries who are required to prepare reports to be filed with the P&C-1 and P&C-2 annual returns.

This Memorandum is the result of discussions between OSFI and other provincial regulators in an effort to harmonize the insurance regulators' actuarial requirements for companies. This Memorandum can be found on the OSFI website in English and French respectively at:

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

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

The changes made to last year's Memorandum are indicated by a sidebar located to the right of the lines where modifications were made. Instructions that deserve special attention are highlighted in bold.

There are no major changes to the Memorandum this year. Please note that the electronic filing of the Unpaid Claims and Loss Ratio Analysis Exhibit is due at the same time as the Annual Return. Electronic filing instructions for the exhibit are available separately from this Memorandum.

Although discounting of policy liabilities has been required for all federally regulated property and casualty insurance companies since January 1, 2003, the comparison of Actual Experience with Expected Experience must still be provided for the last five years on an **undiscounted basis**.

Please note that two (2) copies of each of the Actuary's Report and the DCAT Report should be sent to the Regulatory Information Division, Ottawa. According to regulations actuarial reports are subject to late or erroneous filing penalties.

Should you have any questions, please do not hesitate to contact Patricia Hladun at 416-973-7010, or at patricia.hladun@osfi-bsif.gc.ca.

A hard copy of this Memorandum can be obtained upon request; please send your request to Eleanor Reubins at 416-973-3680, by fax to 416-952-0664 or at eleanor.reubins@osfi-bsif.gc.ca.

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