

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”

General (cont'd)

- (v) 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.
- (vi) All dollar amounts reported in the Annual Return are to be reported in Canadian dollars. Insurers are to follow the Recommendations in the Handbook of the Canadian Institute of Chartered Accountants with regard to foreign currency translation
- (vii) Dollar amounts must be rounded to the nearest thousand dollars except for certain figures such as per share data. Individual items must be adjusted so that the total is not affected by rounding to the nearest thousand dollars.
- (viii) Pre-printed information or descriptions must not be changed. In some parts of the Annual Return (e.g. Page 20.10) write-in information is not acceptable. For most other schedules, adequate blank lines are provided for additional information. Any write-in information must be self-explanatory. If additional pages are required for detail information, it must be provided in like forms, titled, dated, identified as to insurer, and pages numbered using the following convention: 70.38A, 70.38B, etc.
- (ix) All sub-totals and totals must be calculated and reported, since Regulators use the amounts as reference points. Where supplementary listings are filed (e.g. investments), the totals must be carried forward to the actual exhibits in the Annual Return.
- (x) To indicate a number contrary to normal expectation, insurers must use "(649)", i.e. brackets, rather than "-649", i.e. a minus sign.
- (xi) An Actuary's Report on the adequacy of the provision for unearned premiums and unpaid claims must be filed with the Annual Return; failure to include one would deem the filing incomplete for most jurisdictions.

Insurers should refer to Section V for specific jurisdictional requirements. Also note that a certificate of opinion, in lieu of a full report, is not acceptable.

QuebecLegislation

- (1) Companies Act: Part 1, Chapter C-38
- (2) Insurance Act: Chapter A-32
Regulation to the Insurance Act:
Application of the Act, Chapter A-32, r.1

Signature Requirements

Per Section 309 of the Insurance Act, the two persons signing the Annual Return must be directors of the insurer.

Special Reporting

Every insurer licensed to write business in Quebec, whether incorporated under the laws of Quebec, the laws of Canada or some other jurisdiction, must:

- (a) complete Pages 30.40, 30.45, 30.47, 60.40, 60.41, 70.21 and 70.35 of the Annual Return; and
- (b) complete Page 67.15 if insurer has written, during the current year or in a prior year, policies for a term of more than 12 months. The data reported on Page 67.15 must include:
 - for policies for a term not exceeding 12 months:
 - total premiums for policies written during the current year;
 - for policies for a term of more than 12 months:
 - portion of premiums applicable to the first twelve months of the term for the policies written during the current year;
 - portion of premiums applicable to the following period of the term for policies written in the previous year (from the 13th to 24th months, without exceeding 12 months);
 - portion of premiums applicable to the following period of the term for policies written in the year before the previous year (from the 25th to the 36th months, without exceeding 12 months);
 - and so forth for the following periods until the expiration of the term of premiums written.

A copy of the major letters of credit and/or confirmation from trustees of deposits held for the account of the insurer (reported on Page 70.40) must be attached to the Annual Return.

Quebec (cont'd)Auditor's Report

For Quebec incorporated insurers the report is to be made to the Autorité des marchés financiers. All other insurers licensed in Quebec must submit a copy of the auditor's report addressed to their regulator.

In addition, all insurers are expected to provide the Autorité des marchés financiers with a copy of their annual report including the auditor's report to the shareholders and members.

Letters of Credit

Letters of Credit must be in a format acceptable to the Autorité des marchés financiers.

In general, letters of credit may be used to offset the reserve for unregistered reinsurance to the extent of 15% of the amount of the unearned premiums and outstanding losses recoverable from each assuming reinsurer, or \$3.5 million, whichever is less;

On a case by case basis, the Autorité des marchés financiers will consider approval of the use of letters of credit in larger amounts, but in no circumstances will the amount of letters of credit approved exceed 15% of the total assets of the insurer. The main criteria in evaluation of these special cases will be the size and financial strength of the unregistered reinsurer;

These limits are applicable to all insurers licensed in Quebec.

A copy of the major letters of credit must be sent with the Annual Return.

Financial Statements of Subsidiaries and Affiliates

Insurers licensed in Quebec must file a copy of their subsidiaries and affiliates' audited financial statements with their Annual Return, **for those subsidiaries and affiliates reported on Page 20.10, line 40.**

Minimum Capital Test (MCT) – (Pages 30.70, 30.71 and 70.38)

Instructions to complete Pages 30.70, 30.71 and 70.38 for insurers incorporated in Quebec are in Autorité MCT Guideline also available on Autorité Web site. Instructions in Section VI do not apply.

OntarioLegislation

- (1) Corporations Act: R.S.O. 1990 - Part V
- (2) Insurance Act: R.S.O. 1990

Regulations to the Insurance Act, specifically:

- (a) Calculations Under Subsection 102(8) of the Act, Regulation 665 until replaced by Ontario Regulation titled Minimum Capital Test
- (b) Classes of Insurance, Regulations 666

Guidelines

Bulletin No. 13/92 - Use of Canadian Depository for Securities Limited
Bulletin No. 01/02 - Investments by Insurers Guideline
Bulletin No. 01/03 - Minimum Capital Test

Earthquake

Refer to the OSFI's Earthquake Exposure Sound Practices Guidelines.

Letters of Credit

Letters of Credit must be in the form as noted in Section IV. In general, letters of credit may be used to offset the reserve for unregistered reinsurance to the extent of 10% * of the total amount of the unearned premiums and outstanding losses recoverable from assuming reinsurers.

On a case by case basis, FSCO will consider approval of the temporary use of letters of credit in larger amounts, but in no circumstances will the amount of letters of credit approved exceed 15% of the total assets of the insurer. The main criteria in evaluation of these special cases will be the size and financial strength of the unregistered reinsurer.

Details of Letters of Credit from affiliated unregistered reinsurers must be notified to the Superintendent.

* Please note that the requirement under the current Regulation 665 allows the use of Letters of Credit up to 15%. The change to 10% is applicable after the Regulation 665 has been replaced by legislation for the Minimum Capital Test.

British Columbia

For current instructions relating to British Columbia's filing requirements, please consult the website of the Financial Institutions Commission (FICOM) at www.fic.gov.bc.ca.

Legislation

Company Act, RS 1996, Chapter 62
Financial Institutions Act, RS 1996, Chapter 141
Insurance Act, RS 1996, Chapter 226
Insurance (Marine) Act, RS 1996, Chapter 230
Insurance Premium Tax Act, RS 1996, Chapter 232

Regulations under the Financial Institutions Act (FIA) applicable to all insurance companies.

- Capital Requirements Regulation
- Designation of Provinces Regulation
- Extrajurisdictional Corporations Disclosure of Information Regulation
(not applicable to B.C. incorporated insurers)
- Financial Institutions Fees Regulation
- Insurer Exemption Regulation
- Insurance Compensation Plans Regulation
- Non-Reporting Company Exemption Regulation
- Insurance Company Motor Vehicle Liability Insurance Regulation
- Marketing of Financial Products Regulation

Regulations to the FIA applicable only to British Columbia incorporated insurance companies:

- Audit and Audit Committee Regulation
- Insurance Company Reinsurance Limitation Regulation
- Insurance Company Reserves Valuation Regulation
- Investment and Lending Regulation
- Limitations on Acquisitions Regulation
- Related Party Transaction Regulation

Page 20.10 - Assets**- Line 01 - Cash**

The term "cash" includes cash and cash equivalents. 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.

Insurers must not offset credit balances in one depository institution against debit balances in another depository institution. Netting is allowed only between branches of the same depository institution.

- Line 09 – Investments: – Real Estate

See instructions for Page 40.70.

- Lines 20 to 27 - Receivables

Receivables must be reported net of allowance for doubtful accounts.

- Line 22 - Instalment Premiums

Policy premiums that are payable over several periods (multiple payments and instalments) should be reported on this line.

Policies that provide for premiums to be paid by instalments should be reported and accounted for in accordance with the term of the policy and not the payment mode.

- Line 30 - Unearned Premiums - Recoverable

The reinsurer's portion of unearned premiums must be reported on this line. This amount must agree with the total on Page 60.10, line 89, column 03.

- Line 31 - Unpaid Claims and Adjustment Expenses - Recoverable

Recoverables from reinsurers regarding unpaid claims must be reported on a discounted basis where discounting is required by the insurer's primary Regulator.

The portion of recoverables (salvage and subrogation) from third parties that will be payable to reinsurers must be reported as a reduction of "recoverables from reinsurers" reported on this line. The amounts payable to reinsurers must also be reported by class of insurance on Page 60.30 in column 07.

Pages 90.21 to 90.70 - Out of Canada

For most insurers that transact out of Canada business, the amount of foreign business is not of significance in assessing their overall financial condition. Therefore, rather than requiring all insurers to complete the out of Canada portion of the Annual Return, the following guidelines should be considered:

- (i) An insurer is required to complete the "Out of Canada" exhibits on Pages 90.21 to 90.70 only if its business covering risks outside of Canada constitutes more than 10 % of either gross or net claims, incurred or unpaid, or 10 % of gross or net premiums written.
- (ii) Insurers not required to complete Pages 90.21 to 90.70 should exclude those pages from their filed Annual Return.

For additional information regarding completion of Pages 90.21 to 90.70, refer to the instructions for completing corresponding exhibits for the insurer's "Total" operations.

Page 90.21 - Assets – Out of Canada

See Instructions for Page 20.10

Investment income due and accrued (line 02), other investments (line 10), receivables (lines 20 through 27), investment in subsidiaries and affiliates (line 40), other assets (line 88), deferred policy acquisition expenses (line 43) and future income taxes (line 44) should be treated as being "In Canada" unless any one of these separate asset items *individually* represents more than five per cent of total non-consolidated assets, as reported on line 89 of page 20.10. Where an individual asset item represents more than five per cent of this sum, the criteria used to segregate "In Canada" and "Out of Canada" amounts should be used.

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British Columbia

Deputy Superintendent of Insurance
Financial Institutions Commission
Suite 1200
13450 102nd Avenue
Surrey, BC V3T 5X3

TEL: (604) 953-5300
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Manitoba

Deputy Superintendent of Financial
Institutions - Insurance
Dept. of Consumer & Corporate Affairs
1115-405 Broadway Avenue
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TEL: (204) 945-2542
FAX: (204) 948-2268
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New Brunswick

Superintendent of Insurance
Department of Justice
Office of the Superintendent of Insurance
440 King Street, Room 635
King Place
Fredericton, NB E3B 5H8

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Newfoundland & Labrador

Superintendent of Insurance
Dept. of Government Services and Lands
2nd Floor West Block Confederation Bldg.
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St. John's, NL A1B 4J6

TEL: (709) 729-2571
FAX: (709) 729-4151
www.gov.nf.ca/gsl

Northwest Territories & Nunavut

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Government of the Northwest Territories
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Nova Scotia

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Halifax, NS B3J 1A1

TEL: (902) 424-6331
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Ontario

Chief Executive Officer and
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Financial Services Commission of Ontario
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Box 85, 17th Floor
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Prince Edward Island

Superintendent of Insurance
Department of Attorney General
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Charlottetown, PE C1A 7N8

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Québec

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Saskatchewan

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Yukon

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Federal

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Office of the Superintendent of Financial Institutions Canada
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FAX: (613) 991-6248

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OTHER INFORMATION

10 Have there been any amendments to the instrument of incorporation/by-laws since the date of filing the last Annual Return? Y / N
If yes, please summarize:

11 -----
12 -----
13 -----

20 Have there been any substantial changes in ownership since the date of filing the last Annual Return? Y / N
If yes, give details:

21 -----
22 -----
23 -----

30 Indicate the name and percentage of ownership of each corporation in which the insurer held 10% or more of the voting rights as at year-end. If necessary, provide details on an additional pag

31 -----
32 -----
33 -----

35 Is the insurer licensed in, or does the insurer cover risks in any foreign jurisdiction? Y / N
If yes, please provide details on pages 90.15 and 90.62.

36 Are any of the insurer's licences/order subject to any limitation? Y / N
If yes, please provide details.

40 Has the insurer contracted for any management services? Y / N
If yes, give details:

(01)		(02)	
41 Name	-----	Type of service	-----
42 Address	-----	Affiliated	<input type="checkbox"/> Y / N
43	-----		
44 Name	-----	Type of service	-----
45 Address	-----	Affiliated	<input type="checkbox"/> Y / N
46	-----		
47 Name	-----	Type of service	-----
48 Address	-----	Affiliated	<input type="checkbox"/> Y / N
49	-----		

ASSETS
(\$'000)

Page		Current Year (01)	Prior Year (03)
	Cash	01	
	Investment Income due and accrued	02	
	Investments:		
	Term Deposits	04	
	Bonds and Debentures	05	
	Mortgage Loans	06	
	Preferred Shares	07	
	Common Shares	08	
40.70	Real Estate	09	
40.80	Other Investments	10	
40.05 or 40.10	Total Investments (lines 04 to 10)	19	
	Receivables:		
50.20	Agents and Brokers	20	
	Policyholders	21	
	Instalment Premiums	22	
50.30	Other Insurers	23	
	Facility Association and the "P.R.R."	24	
50.40	Subsidiaries, Affiliates and Partnerships	25	
	Income Taxes	26	
50.20	Other Receivables	27	
	Recoverable from Reinsurers		
60.10	Unearned Premiums	30	
60.30	Unpaid Claims and Adjustment Expenses	31	
	Other Recoverables on Unpaid Claims	37	
50.40	Investment in Subsidiaries, Affiliates & Partnerships	40	
40.70	Real Estate for Insurer's own use	41	
	Deferred Policy Acquisition Expenses	43	
	Future Income Taxes	44	
50.50	Other Assets	88	
	TOTAL ASSETS	89	

ASSETS - OUT OF CANADA
(\$'000 - Cdn)

	Current Year (01)	Prior Year (02)
Cash 01		
Investment Income due and accrued 02		
Investments:		
Term Deposits 04		
Bonds and Debentures 05		
Mortgage Loans 06		
Preferred Shares 07		
Common Shares 08		
Real Estate 09		
Other Investments 10		
Total Investments (lines 04 to 10) 19		
Receivables:		
Agents and Brokers 20		
Policyholders 21		
Instalment Premiums 22		
Other Insurers 23		
Subsidiaries, Affiliates and Partnerships 25		
Income Taxes 26		
Other Receivables 27		
Recoverable from Reinsurers:		
Unearned Premiums 30		
Unpaid Claims and Adjustment Expenses 31		
Other Recoverables and Unpaid Claims 37		
Investment in Subsidiaries and Affiliates 40		
Real Estate for Insurer's own use 41		
Deferred Policy Acquisition Expenses 43		
Future Income Taxes 44		
Other Assets 88		
TOTAL ASSETS 89		