

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-2 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).

Regulators no longer issue "blank forms", since all 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-10 SIR reporting, and admissibility for DAT purposes changed.
- V-20 Federal regulations added.
- V-21 Federal guidelines and bulletins added.
- V-24 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

- 30.15 Line 99, words "excludes marine" added.

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The following 1998 changes are noteworthy:

Instructions

Page

- IV-11 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-9, 10 References to Insurance Act (Ontario) - changed.
- V-21 Guideline *Accounting for Structured Settlements* - added.
- VI-10, 12 Instructions for reporting Earthquake Reserves - added.
- VI-24 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

- II-3 Auditors' Report to include a comment confirming that financial statements are as filed in the P&C-2
- IV-10 Reporting of an amount recoverable under an SIR changed from Page 20.10, line 27 to line 37
- VI-2 Instructions related to "columnar" Corporate Organization Chart deleted; Question added to Annual Return, Page 10.40, line 40
- VI-3 New question added to Annual Return, Page 10.41, line 76; "Instructions" transferred from Annual Return, Page 10.42, lines 01, 10, 15 & 20
- VI-5 Reporting of Instalment Premiums Receivable clarified
- IX-2 Nunavut added
- IX-31 Appendix (m), Corporate Organization Chart (example) deleted

Annual Return

- 10.30 Corporate Organization Chart: "columnar" method of reporting discontinued, replaced by "conventional" method
- 10.40 Question on management services 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
- 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-4 Amended requirements for 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-9 Ontario requirements updated.
- V-13 & 14 British Columbia requirements updated.
- V-17 Nunavut added.
- VI-6 & 20 Additional instructions on "SIRs"
- IX-1, 2, 3 Regulators' Websites added.

Annual Return

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

Interim Return

- 20.10, etc. *Deferred Income Taxes* changed to *Future Income Taxes*.

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:

Instructions

Page

- IV-10 4th paragraph: “*receivables*” changed to “*recoverables*”
- VI-10.1 1st paragraph: “*1998*” changed to “*current year*”
- 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: footnote reference changed
- 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 Test of the Adequacy of Deposit in Canada with the Branch Adequacy of Assets Test (BAAT); note that Pages 30.40, 30.45, 30.47 and 70.35 remain essentially unchanged and will be retained until Quebec legislation for MCT is enacted. Highlights are as follows:

- 20.20 Categories and descriptions updated to reflect GAAP
- 20.45 New exhibit added: "Reserves"
- 30.10 - .30 Deleted (*Test of Adequacy of Deposit in Canada* and related pages)
- 30.47 Retains DPAAE portion of deleted Page 30.15 for insurers licensed in Quebec
- 30.80 - .81 New *Branch Adequacy of Assets Test*
- 40.05 New *Summary of Investments and Limits*, mainly replaces deleted Page 40.90
- 40.90 Deleted (*Summary of Investments – Portfolio Limits*)
- 60.20 Two new classes of insurance added: *Credit Protection* and *Other Approved Products*
- 70.35 Added in title: *Insurers Licensed in Quebec*
- 70.39 New page: *Reinsurance Ceded to Unregistered Insurers – excluding Marine*

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/PC2Annual_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 2004 changes are noteworthy:

Instructions

Page

II-4	Updated
V-3	Prince Edward Island – updated
V-4	Nova Scotia - updated
V-6	Replaced “IGIF” with “Autorité des marchés financiers”; added page 30.47 under (a)
V-11,11.1	Saskatchewan – updated
V-21	Replaced reference to “reserve” with “margin required”
V-22	Deleted requirement for and reference to confirmation letter re: letters of credit
VI-7	Line 37 – added clarification re: “discounting”
VI-19	Added instructions re: Column 09
VI-30, 31	Instructions changed re: completion of Page 60.41
VI-32	Instructions added re: Page 67.10, line 01, “Licensed (Y/N)”
IX(a)	Updated
IX(l)-1	Sample letter re: letter of credit - deleted

Annual Return

10.42	Line 30 - reference to Section IV corrected to Section VI
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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

- V-6 **Deleted** “*Autorité des marches financiers*”; **added** page 60.41 to the list of pages to complete, under *Special Reporting*, paragraph (a)
- V-13 **Deleted** “Financial Institutions Forms Regulation”; **deleted** numbering of Regulations (i.e. 1-9, 1-2)
- VI-6 **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.”
- IX(a) **Updated**

Annual Return

- 10.60 **Added** “rounded to the nearest thousand” under B. Total Worldwide Business (in the currency of the home jurisdiction)

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

- IV-4 to 8 **Deleted** “*Records in Canada*” and “*Role of the Canadian Chief Agent*”; **added** *Refer to OSFI’s Guideline E-4A (revised November 2005).*
- VI-17 **Deleted** “Canadian Bond Rating Service”, and footnote.
- 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-10 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-9 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 30.80, 40.05 and 70.35/70.39
- 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, 20.47(New), 30.40, 30.80, 30.81, 40.05(Deleted), 40.07(New), 40.70, 40.80, 50.50 and 70.39.

Interim Return (effective Q1 2008)

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