

**Gross:** Direct Written + Assumed business.

**MCCSR/TAAM:**

Minimum Continuing Capital and Surplus Requirements/Test of Adequacy of Assets in Canada on Margin Requirements.

**Modified Coinsurance:**

Reinsurance that differs from coinsurance only in that the reserves are transferred back to the ceding company while the risk remains with the reinsurer; the ceding company is required to pay interest to replace that which would have been earned by the reinsurer if it had held the assets corresponding to the reserves in its own investment portfolio. Commonly known as **Mod-co**. (See also Coinsurance.)

**Net:** Direct Written + Assumed – Ceded business.

**OSFI:** Office of the Superintendent of Financial Institutions.

**Payout Annuities:** Annuity contracts that are in the periodic payout phase.

**Registered/unregistered reinsurer:** See Federal Guideline B-3 Page 3.

**Reinsurance:**

The transfer of some or all of an insurance risk to another insurer. The company transferring the risk is called the "ceding company"; the company receiving the risk is called the "assuming company" or "reinsurer."

**Reinsure:** To transfer the risk of potential loss from one insurer to another insurer.

**Subsidiary:**

As defined in the CICA Handbook, Section 1590. In this form subsidiary also includes **a controlled** VIE.

**TAAM:** See MCCSR/TAAM.

**Unregistered reinsurer:** See Registered/unregistered reinsurer.

**VIE:** Variable Interest Entities (See CICA Handbook ACG-15)

**YRT:** Yearly Renewable Term insurance.

### **Market Values**

Canadian Branches are required to either carry investments at market values or provide market values for investments in the Summary of Investments and for specific asset categories. Market values should be determined as at the reporting date of the quarter / year end and should be in accordance with GAAP (see CICA Handbook Section 4211 and 3855).

For securities that do not trade or have readily quoted market values, the market value should be determined by calculating the present value of the future cash flows, discounted at the interest rate then available for assets of similar nature and quality.

For real estate valuations please refer to the instructions for page 21.080.

### **Realized and Unrealized Gains and Losses on Real Estate Investments - Moving Average Market Method**

*These accounting principles are applicable to Canadian Branches and their investment operations.*

Realized and unrealized gains and losses on Real Estate Investments as defined in CICA Handbook section 4211 paragraph 04 are to be reported using the moving average market method in accordance with the CICA Handbook section 4211.

For the real estate portfolio, the impact of changes in market value is recognized when appraisals are conducted. In accordance with GAAP, Canadian Branches are required to ensure that the market value of real estate reflected in the moving average market adjustment is an approximation of market values in the year that an appraisal is not conducted. For the purpose of interim financial statements, Canadian Branches are required to assess the value of real estate at each quarter end and to make appropriate adjustment for any known material changes. For the real estate portfolio, 3 per cent of the difference between the approximate market value at quarter end and the quarter end carrying value should be recognized.

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**Realized and Unrealized Gains and Losses on Real Estate Investments - Moving Average Market Method** (cont'd)

**Quarterly Amortization (3% quarterly) - example**

	Carrying Value Prior to Amort. (refer Note) (1)	Market Value (2)	Quarterly Amort. To P&L [(2) – (1)] x (3%) (3)	Year to Date Amort. to P&L (3)+(4) prior (4)	Carrying Value End of Quarter (1) + (3) (5)
Q1 - Yr 1	100,000	98,000	-60	-60	99,940
Q2	99,940	95,000	-148	-208	99,792
Q3	99,792	92,000	-234	-441	99,558
Q4	99,558	93,000	-197	-637	98,362

NOTE: For simplicity it has been assumed that there are no purchases, sales or impairment in the stock portfolio during the year.

The annual amortization recognized in income should be the sum of the amounts amortized in each of the four quarters for both realized and unrealized gains and losses.

**FILING REQUIREMENTS - Miscellaneous**
**Name of Insurer and Reporting Date of the Return**

The insurer's name and the interim period / year of the return must be shown on each page.

**Opening Balances**

All opening balances should agree with the closing balances for the particular accounts at the end of the previous applicable interim period / year. If the opening balance does not agree with the closing balance of the applicable interim period / year, an explanatory note of the changes made must be provided.

**Positive Integers and Rounding**

Unless specifically stated in these instructions or indicated on the form, entries should be made as positive integers. Exceptions will arise where an entry is the opposite of what would normally occur. For example, reinsurance assumed premiums are normally credit entries. If a reinsurance portfolio transfer results in a debit balance, then the entry in the Return would be negative.

Unless otherwise specified, the Return is to be completed in thousands of Canadian dollars, rounded to the nearest thousand.

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### **Additional Pages**

If necessary, additional pages may be added to complete a specific page or exhibit. These pages should be numbered in sequence and identified as "Sheet 1", "Sheet 2", etc. If there are insufficient rows on a page to list all items, the additional information should be added on separate pages, with the same headings. The page numbering should be "XX.XXX - Sheet 1", "XX.XXX - Sheet 2", etc.

### **Notes on Annual Return**

Canadian Branches are requested to append any required Notes and explanations on the LIFE-2 Annual Return e.g. where cross references shown on Financial Statement pages do not agree due to specific reasons (e.g. premiums received on lines of business from discontinued operations) and other such explanatory notes.

### **Certification / Affidavit**

The Interim Return must be signed (on the cover page) by the Chief Agent or another Executive at a comparable level as designated by the Chief Agent, in accordance with each jurisdiction's filing requirements indicated on pages 10 and 11.

Please refer to Section 10 of these Instructions for guidance on completion of the Affidavit in the Annual Return.

### **Reproduced Copies of Forms**

The return should be printed on 8.5 x 11 paper. The page order should not be changed and the line numbers should not be altered. Unsatisfactory copies will be returned for correction.

### **Supporting Details**

Supporting information and working papers should be available at the Canadian Branch offices of the insurer for review by OSFI. This information includes details of non-consolidated financial statements of the Canadian Branch. The Canadian Branch must maintain working papers to support the allocation of income, expenditure and other items by line of business as well as by fund. Copies of the Annual Return filed by the Home Office with the home jurisdiction should also be available at the chief agency in Canada.

### **Electronic Filing**

Diskette, CD-Rom or electronic filing via a secure means provided by their Regulator is mandatory for Interim and Annual Returns. The Return will be considered "not filed" until any irregularities in the data or the electronic file are corrected.

## FILING REQUIREMENTS – LIFE-2 and OSFI-86 – Canadian Branches

Canadian Branches are required to file annual and interim returns and related documents with OSFI, and with jurisdictions where the Canadian Branch is licensed as follows (filing addresses are listed on the last page of this Section):

Jurisdiction	Deadline	Hard copies/ Diskette, CD-Rom or electronic file required						
		Annual					Interim	
		LIFE-2	AR	AAR	OSFI-86	AR	LIFE-2	OSFI-86
Federal	60 days after year-end, except 105 days for reinsurers (R); May 31 for Auditor's Reports	2/D/M	2	2/D	2/D	2	-	-
	45 days after quarter-end	-	-	-	-	-	D	D
Newfoundland and Labrador	N/A	-	-	-	-	-	-	-
Prince Edward Island	February 28	PN	-	-	-	-	-	-
Nova Scotia	March 31	PN	-	-	-	-	-	-
New Brunswick	March 31	1	1	-	-	-	-	-
Quebec	March 1, except March 15 for reinsurers (R), May 31 for Auditor's Reports.	1/D	1	1	1/D	1	1/D	1/D
Ontario	N/A	-	-	-	-	-	-	-
Manitoba	February 28, except March 31 for reinsurers (R)	MB	-	-	1	-	-	-
Saskatchewan	60 days after year-end, except 105 days for reinsurers (R)	S	-	-	-	-	-	-
Alberta	60 days after year-end, except 105 days for reinsurers (R)	A	-	-	-	-	-	-
British Columbia	90 days after year-end, except 105 days for reinsurers (R)	-	1	-	-	1	-	-
Yukon	March 15	1	-	-	1	-	-	-
Northwest Territories	February 28	1	-	-	1	-	-	-
Nunavut	February 28	1	-	-	1	-	-	-

*D* 1 Diskette, CD-Rom or electronic file required

*M* Copy of MDA and/or Annual Report, if available

*PN* Canadian Branches are required to file only the following pages from their Annual Return LIFE-2: 95.010 to 95.040 (inclusive).

*MB* Canadian Branches are required to file only the following pages from their Annual Return LIFE-2: 95.010 to 95.040 (inclusive).

*S* Canadian Branches are required to file only the following pages from their Annual Return LIFE-2: 10.000 to 10.010 (inclusive) and 95.010 to 95.040 (inclusive).

*A* The filing of a LIFE-2 with the Office of the Superintendent of Financial Institutions will satisfy Alberta's reporting requirement for the comparable period.

*R* Insurers whose orders / certificates of registry are limited to reinsurance.

*AR*: Auditor's Report

*AAR*: Appointed Actuary's Report

## FILING REQUIREMENTS – LIFE-2 and CAR – Quebec incorporated life insurers

Quebec incorporated life insurers are required to file annual and interim returns and related documents with AMF, and with jurisdictions where the life insurer is licensed as follows (filing addresses are listed on the last page of this Section):

Jurisdiction	Deadline	Hard copies/Diskette, CD-Rom or electronic file required					
		Annual				Interim	
		LIFE-1	AR	AAR	CAR	LIFE-1	CAR
Quebec	March 1, except March 15 for reinsurers (R); May 31 for Auditor's Reports	1/D,Q	1	1	1/D	-	-
	45 days after the end of interim period	-	-	-	-	1/D	-
Newfoundland and Labrador	February 28	1	-	-	-	-	-
Prince Edward Island	February 28	PN	-	-	-	-	-
Nova Scotia	March 31	PN	-	-	-	-	-
New Brunswick	March 31	1	1	-	-	-	-
Ontario	N/A	-	-	-	-	-	-
Manitoba	February 28, except March 31 for reinsurers (R)	1	-	-	1	-	-
Saskatchewan	60 days after year-end, except 105 days for reinsurers (R)	S	-	-	-	-	-
Alberta	60 days after year-end, except 105 days for reinsurers (R)	A	-	-	-	-	-
British Columbia	90 days after year-end, except 105 days for reinsurers (R)	-	1	-	-	-	-
Yukon	March 15	1	-	-	1	-	-
Northwest Territories	February 28	1	-	-	1	-	-
Nunavut	February 28	1	-	-	1	-	-

*D* 1 Diskette, CD-Rom or electronic file required

*AR:* Auditor's Report

*AAR:* Appointed Actuary's Report

*Q* Financial statements of the parent companies/subsidiaries: 60 days after fiscal year-end (75 days for reinsurers)

*PN* Quebec registered life insurers are required to file only the following pages from their Annual Return LIFE-1: 95.010 to 95.040 (inclusive).

*S* Quebec registered life insurers are required to file only the following pages from their Annual Return LIFE-1: 10.000 to 10.010 (inclusive) and 95.010 to 95.040 (inclusive).

*A* The filing of a LIFE-1 with the AMF will satisfy Alberta's reporting requirement for the comparable period.

*R* Insurers whose orders are limited to reinsurance.

## FILING ADDRESSES

### Federal

Regulatory Information Division  
Office of the Superintendent of Financial  
Institutions Canada  
255 Albert Street, 12th Floor  
Ottawa, ON K1A 0H2

Tel: (613) 990-1889  
Fax: (613) 991-6248  
[www.osfi-bsif.gc.ca](http://www.osfi-bsif.gc.ca)

### Newfoundland & Labrador

Superintendent of Insurance  
Dept. of Government Services  
2nd Floor West Block Confederation Bldg.  
Prince Philip Drive, P.O. Box 8700  
St. John's, NL A1B 4J6

Tel: (709) 729-2571  
Fax: (709) 729-4151  
[www.gov.nf.ca](http://www.gov.nf.ca)

### Prince Edward Island

Superintendent of Insurance  
Office of the Attorney General  
95 Rochford Street  
P.O. Box 2000  
Charlottetown, PE C1A 7N8

Tel: (902) 368-4564  
Fax: (902) 368-5283  
[www.gov.pe.ca](http://www.gov.pe.ca)

### Nova Scotia

Superintendent of Insurance  
Dept. of Finance  
Financial Institutions  
P.O. Box 2271, 4<sup>th</sup> Floor  
1723 Hollis Street  
Halifax, NS B3J 1V1

Tel: (902) 424-6331  
Fax: (902) 424-1298  
[www.gov.ns.ca/enla/fin](http://www.gov.ns.ca/enla/fin)

### New Brunswick

Acting Superintendent of Insurance  
Department of Justice  
Insurance Branch  
440 King Street, Room 635  
King Tower  
Fredericton, NB E3B 5H8

Tel: (506) 453-2541  
Fax: (506) 453-7435  
[www.gnb.ca](http://www.gnb.ca)

### Québec

Surintendante de l'encadrement  
de la solvabilité  
Autorité des marchés financiers  
Place de la Cité, Tour Cominar  
2640, boul. Laurier, 3<sup>e</sup> étage  
Sainte-Foy (QC) G1V 5C1

Tel: (418) 525-0558 ext. 4501  
Fax: (418) 525-4509  
[www.lautorite.qc.ca](http://www.lautorite.qc.ca)

**Ontario**

Chief Executive Officer and  
Superintendent of Financial Services  
Financial Services Commission of Ontario  
5160 Yonge Street, Box 85, 17th Floor  
North York, ON M2N 6L9

Tel: (416) 590-7000  
Fax: (416) 590-7078  
www.fsco.gov.on.ca

**Manitoba**

Deputy Superintendent of Financial  
Institutions - Insurance  
Dept. of Consumer & Corporate Affairs  
1115-405 Broadway Avenue  
Winnipeg, MB R3C 3L6

Tel: (204) 945-2542  
Fax: (204) 948-2268  
www.gov.mb.ca/cca

**Saskatchewan**

Superintendent of Insurance  
Saskatchewan Financial Services  
Commission  
1919 Saskatchewan Drive, 6<sup>th</sup> Floor  
Regina, SK S4P 4H2

Tel: (306) 787-7881  
Fax: (306) 787-9006  
www.gov.sk.ca

**Alberta**

Superintendent of Insurance  
Alberta Finance  
402 Terrace Building  
9515-107 Street  
Edmonton, AB T5K 2C3

Tel: (780) 427-9722  
Fax: (780) 427-1636  
www.finance.gov.ab.ca

**British Columbia**

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

Tel: (604) 953-5300  
Fax: (604) 953-5301  
www.fic.gov.bc.ca

**Yukon**

Superintendent of Insurance  
Consumer and Safety Services C-5  
Government of Yukon  
Box 2703  
Whitehorse, YT Y1A 2C6

Tel: (867) 667-5257  
Fax: (867) 667-3609  
www.gov.yk.ca



**Northwest Territories & Nunavut**

Superintendent of Insurance  
Treasury Division  
Department of Finance  
Government of the Northwest Territories  
4922 - 48 Street, Third Floor  
Yellowknife, NT X1A 2L9

Tel: (867) 873-7308  
Fax: (867) 873-0325  
[www.gov.nt.ca](http://www.gov.nt.ca)

<b>LIFE-2</b>	<b>10.040</b>	<b>Corporate Organization Chart</b>
The percentage of voting shares held by principal shareholders must form part of the organization chart of ownership downstream.		

<b>LIFE-2</b>	<b>10.050</b>	<b>General Interrogatories</b>
If there is insufficient space on the pages to fully respond to the questions, Canadian Branches are asked to attach a separate page with the necessary additional information pertinent to the Canadian Branch operations.		
Question	Practice	
1.1	Indicate if the Canadian Branch is investing in the securities listed and the <b>Balance Sheet</b> Value thereof.	
1.2	Provide details if the Canadian Branch has any inadmissible assets vested in trust.	
2.1	This question relates to contingent liabilities, contractual obligations or other off-Balance sheet liabilities of the Canadian Branch in Canada.	
2.2	Provide amounts and outline the manner in which the life insurer will fund unfunded Liabilities in respect of pension plans for Canadian Branch employees.	
2.3	If the answer to this question is yes then provide additional details. Please provide a description of the issues. Note that this is on a consolidated basis; so subsidiaries must be included.	

Line	Col	Cross Ref	Practice
<b>LIFE-2</b>	<b>20.010</b>		<b>Assets</b>
<b>References</b>			
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 <b>balance sheet</b> values in accordance with Canadian GAAP, on a Non-Consolidated basis.			
010	All		<b>Cash</b> 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		<b>Short Term Investments</b> 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		<b>Accrued Investment Income</b> Include investment income due and accrued as at the balance sheet date.
100	01		<b>Accounts Receivable</b> 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><b>Policy Loans</b></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><b>Bonds &amp; Debentures</b></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><b>Mortgage Loans - Vested in Trust</b></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><b>Preferred Shares</b></p> <p>Include convertible preferred shares.</p>
440	02	P 21.012 L 659 C 40	<p><b>Common Shares</b></p> <p>Include options, warrants and rights in respect of common shares.</p>
500		P 21.012 L 759 C 40	<p><b>Real Estate - Vested in Trust</b></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	<b>Other Equity Investments</b> 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		<b>Other Loans and Invested Assets</b> 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		<b>Interests in Joint Ventures</b> 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		<b>Investments in Subsidiaries</b> 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		<b>Future Income Taxes</b> Net debit balances in Future Income Taxes arising from different treatment of amounts in income tax returns and in financial statements.
820	01		<b>Goodwill</b> 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		<p><b>Intangible Assets</b></p> <p>Refer to the CICA Handbook sections 3062.06-.21, 3063 and 3475.</p>
880	01	P 21.150 L 499 C 01	<p><b>Other Assets</b></p> <p>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.</p>

LIFE-2	20.020	Liabilities and Head Office Account	
<b>References</b>			
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	<b>Net Actuarial Liabilities</b> See details on page 22.010.
040	01	P 22.020 L 489 C 41	<b>Other Insurance Policy &amp; Contract Liabilities</b> 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	<b>Accounts Payable</b> 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	<b>Mortgage Loans and Other Real Estate Encumbrances</b> 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	<b>Other Liabilities</b> 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			<b>Net Deferred Gains (Losses) on Real Estate</b> 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	<b>Other Debt</b> 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	<b>Head Office Account</b> End of Year balance as reconciled on page 20.044.		
840	01	P 22.046 L 899 C 01	<b>Accumulated OCI (Loss)</b> <b>Total Accumulated OCI (Loss).</b>		



LIFE-2	20.030	Income Statement	
<b>References</b>			
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	<b>Premiums</b> 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	<b>Net Investment Income</b> 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	<b>Fee Income</b> 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	<b>Other Revenue</b> Include the amount as detailed on page 23.030.
250	01	P 35.010 L 210 + L 220 + L 230 + L 240 C 81	<b>Policyholder Benefits</b> See details on page 35.010, lines 210 to 240.

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			<b>Beginning of Year</b> 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. <b>Any transitional adjustments / balances from the adoption of a new accounting standard should be reported on line 070 in the year of transition.</b>
100	01	P 20.030 L 899 C 01	<b>Share of Net Income (Loss)</b>

<b>LIFE-2</b>	<b>20.046</b>	<b>Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)</b>
<p><b><i>References</i></b></p> <p>CICA Handbook section 1530 and 3251.</p>		
<p><b><i>Transition Instructions</i></b></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><b><i>General Instructions</i></b></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 &amp; Analysis (MD&amp;A), as also the MD&amp;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. <b>The Auditors' Report should be addressed "To the Chief Agent and the Superintendents of Financial Institutions / Insurance".</b></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, <b>Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)</b>, 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>		

LIFE-2	21.012	Summary of Investments (Vested in Trust)	
<p><b>References</b></p> <p>CICA Handbook sections 3025 and 3855 Impaired Loans            AcG-9 - Financial Reporting by Life Insurance Enterprises            OSFI Guideline C-1, Impaired Loans and OSFI Guideline D-10, Accounting for Financial Instruments Designated as Fair Value Option</p>			
<p>Canadian GAAP is to be followed with respect to conversions of foreign denominated securities to Canadian currency.</p> <p>Government Securities are securities which are issued or guaranteed by Federal Government and Canadian Provinces and Territories. If bonds issued by crown corporations are guaranteed by governments, they should be reported under “Government Guarantees”.</p> <p>Public bonds and debentures are securities that are registered and traded to the public. They usually have CUSIP numbers.</p> <p>Private bonds and debentures are securities which are not registered and traded to the public. They are normally offered to a single or select group of investors.</p> <p>Investment grade public bonds and debentures are defined as securities that are rated as BBB or higher by a recognized Rating Agency.</p> <p>Investment grade for private bonds and debentures is defined as securities that would be rated as BBB or higher according to the criteria used by recognized Rating Agencies.</p> <p>OSFI requires Canadian Branches to maintain detailed listings of investments for examination, but they are not required to be submitted with the LIFE-2 Return.</p> <p>Indicate the impaired amount (before provisions) in column 56 as determined and monitored by the Canadian Branch, for each type of investment.</p> <p>Investments in subsidiaries and joint ventures are to be excluded from page 21.012 but investments in affiliates are to be included.</p> <p>For each investment category listed in the summary the balance sheet value of the investments should be reported in the columns based on their classification under CICA Handbook section 3855.</p>			
Line	Col	Cross Ref	Practice
	11		<p><b>Held for Trading (FV)</b>            Report the balance sheet value of investments classified as Held for Trading under GAAP, CICA Handbook Section 3855. 19 (f) (i).</p>

LIFE-1		21.012	Summary of Investments (Vested in Trust)
Line	Col	Cross Ref	Practice
	16		<p><b>Available for Sale (FV)</b></p> <p>Report the balance sheet value of investments classified as Available for Sale under GAAP, CICA Handbook Section 3855.19 (i). Note: items that are classified as Available for Sale, but are measured at amortized cost, are to be reported in this column.</p>
	21		<p><b>Fair Value Hedges (FV)</b></p> <p>Report the balance sheet value of derivatives and hedged financial instruments that are part of designated fair value hedging relationships under GAAP, CICA handbook section 3865.</p>
	26		<p><b>Cash Flow Hedges</b></p> <p>Report the balance sheet value of derivatives that are part of designated cash flow hedging relationships under GAAP, CICA handbook section 3865. The balance sheet value of the hedged item should be reported in column 36.</p>
	31		<p><b>Fair Value Option (FV)</b></p> <p>Report the balance sheet value of investments designated as Held for Trading (“Fair Value Option”) under GAAP, CICA Handbook Section 3855.19 (f) (ii).</p>
	36		<p><b>Amortized Cost or MAMM</b></p> <p>Report the balance sheet value of investments measured using amortized cost including investments classified as Held to Maturity under GAAP, CICA Handbook section 3855.19 (g).</p> <p>Report the balance sheet value of Real Estate Investments measured using moving average market under GAAP, CICA Handbook section 4211.</p>
	40		<p><b>Balance Sheet Value</b></p> <p>Sum of columns 11, 16, 21, 26, 31 and 36. The amounts for balance sheet value should agree to amounts reported on the consolidated balance sheet page 20.010.</p>

LIFE-1	21.012	Summary of Investments	
Line	Col	Cross Ref	Practice
	46, 51		<p data-bbox="613 432 1049 468"><b>Specific and General Provisions</b></p> <p data-bbox="613 485 1414 554">Report the specific provisions and general provisions included in the balance sheet values.</p>
	56		<p data-bbox="613 579 1127 615"><b>Impaired Amount (before provisions)</b></p> <p data-bbox="613 632 1419 737">Indicate the impaired amount (before provisions) in column 56 as determined and monitored by the life insurer, for each type of investment.</p>
	60		<p data-bbox="613 758 1019 793"><b>Market Value of Column (36)</b></p> <p data-bbox="613 810 1430 882">Report the market value of the investments that are measured at amortized cost or MAMM.</p> <p data-bbox="613 898 1422 1008">Market value should be derived using methodology commonly used by the investment community - unless otherwise specified by OSFI.</p>

LIFE-2	21.020	Summary of Provisions (Investments Vested in Trust)
<p><b>References</b></p> <p>CICA Handbook, section 3025 Impaired Loans            AcG-9 - Financial Reporting by Life Insurance Enterprises            OSFI Guideline C-1, Impaired loans</p> <p>Canadian Branch operations are required to complete this page following the general definitions provided below.</p> <p>The general and specific provisions are amounts that are netted against the <b>balance sheet</b> value of the assets on the balance sheet. The valuation provision for asset default that is included in the actuarial liabilities should be reported on line 949.</p> <p><b>Provisions</b></p> <p>An estimated expense or charge for the excess of the recorded investment over the estimated realizable amount. Provisions may be reversed if circumstances warrant this action.</p> <p><b>General Provisions</b></p> <p>A provision or group allowance covering a total portfolio or group of specific assets. The provision is an estimate based on experience or current view of the likelihood of loss in the overall portfolio.</p> <p><b>Specific Provisions</b></p> <p>A provision or individual allowance that has been established for a specific or individual asset for the excess of the recorded investment over the estimated realizable amount.</p> <p>It should be noted that the columns dealing with the release of provisions will generally reflect the following types of transactions:</p> <ol style="list-style-type: none"> <li>1. the sale of an asset that has a provision allocated to it;</li> <li>2. the transfer of a provision to reflect a write-down; and</li> <li>3. the reversal of a provision in cases where circumstances have improved.</li> </ol>		



LIFE-2	21.020	Summary of Provisions (Investments Vested in Trust)
<p><b>Write-downs</b></p> <p>A reduction of the recorded investment in an asset either in full or in part by the amount considered beyond realistic prospect of recovery. <b>This would include impairment losses for investments classified as available for sale.</b></p> <p>The amounts reported on lines 010 to 710 are those amounts that have been netted against the assets on the balance sheet.</p> <p>The valuation provision for asset default included in actuarial liabilities is included on line 949 for disclosure purposes only. The title of columns 10, 40 and 60 applies to these columns on line 949.</p>		

LIFE-2	21.030	Corporate Investments by Sector (Vested in Trust)
<p>Provide <b>balance sheet</b> values <b>after specific provisions</b> of all corporate bonds, preferred and common shares by sector (based on Bloomberg, S &amp; P or GICS sector classification system). Sectors should be classified according to the domicile of the issuing Corporation. E.g. If a Canadian Corporation issues U.S. \$ pay securities then this should be reported under Canada in the relevant sector. All amounts are to be reported in Canadian Currency.</p> <p>Please provide subtotals for each sector.</p> <p>Do not include derivative instruments, or securities issued or guaranteed by the government which have a zero rating for Capital Adequacy purposes. Investments made for the Segregated Fund account holders should also be excluded.</p> <p>Market values should be derived using methodology commonly used by the investment community - unless otherwise specified by OSFI.</p> <p>The values required in columns and rows are self-explanatory. Where there is no relevant sector for the classification include in "Sector-other".</p>		

LIFE-2	21.040	<b>Significant Exposures – By Group of Companies (Vested in Trust)</b>	
<p>List the <b>balance sheet</b> value of all investments, loans and reinsurance ceded where the total amount invested, advanced and/or reinsurance ceded to an individual corporation or group of related companies exceeds the greater of 5% of the Head Office Account or \$500,000. A group of companies includes all affiliates and subsidiaries that are ultimately controlled, either directly or indirectly, by the same beneficial shareholder or group of related shareholders.</p> <p>Do not include derivative instruments, or securities issued or guaranteed by the government which have a zero rating for Capital Adequacy purposes. Investments made for the Segregated Fund account holders should also be excluded.</p>			
Line	Col	Cross Ref	Practice
	31		<p><b>Other Loans and Investments</b></p> <p>Include short-term debt, guarantees, leases and other investments.</p>
	36		<p><b>Reinsurance Ceded</b></p> <p>Provide the total credit risk exposure to a particular reinsurer or reinsurance group on account of ceded insurance. This exposure includes liabilities ceded, amounts on deposit with the reinsurer under funds withheld or similar arrangements, and any amounts due and unpaid.</p>

LIFE-2	21.050	Mortgage Loans (Vested in Trust)
<p><b>References</b></p> <p>CICA Handbook Sections 3855 and 3025  <i>Insurance Companies Act</i>, Sections 2(1) and 469(1)  OSFI Guideline C-1, Impaired Loans  OSFI Guideline A, MCCSR/TAAM</p>		
<p><b>Single Residential</b></p> <p>A residential mortgage is one that is secured by residential property. Residential property is defined as real property consisting of buildings that are used, or are to be used, to the extent of the majority of the floor space thereof, as one or more private dwellings. Note that the definition of residential mortgages differs from that applicable to the MCCSR/TAAM calculations.</p> <p>A single residential property is a dwelling having no wall in common with another dwelling and designed for occupancy by a single family.</p> <p><b>Multiple Residential</b></p> <p>Include all other residential properties under "multiple".</p> <p><b>Office</b></p> <p>Mortgages on real property consisting of buildings that are used primarily as offices.</p> <p><b>Retail Stores</b></p> <p>Mortgages on real property consisting of buildings that are used primarily as retail stores including shopping plazas.</p> <p><b>Industrial</b></p> <p>Mortgages on real property consisting of buildings that are used primarily for industrial purposes including manufacturing and warehouses.</p> <p><b>Hotels</b></p> <p>Include hotels, motels, lodges and resorts.</p>		

LIFE-2	21.050	Mortgage Loans (Vested in Trust)	
<p><b>Other</b></p> <p>Include all other types of real estate including vacant land.</p> <p>Insured loans are those where the amount owed by the borrower is insured against default by Canada Mortgage and Housing Corporation (CMHC), another government body, or by a private life insurer.</p> <p>Restructured loans allow the lender to grant any of the following concessions to the borrower that it would not otherwise consider:</p> <ul style="list-style-type: none"> <li>(a) a reduced interest rate;</li> <li>(b) uncompensated deferral or extension of principal repayments or interest payments;</li> <li>(c) forgiveness of a portion of principal or previously accrued interest;</li> <li>(d) acceptance of assets other than cash in settlement of a larger amount of the loan than is represented by the estimated net proceeds from sale of the assets;</li> <li>(e) other concessions which would not be considered in the absence of the weakened financial condition of the borrower.</li> </ul> <p>The arrears status of restructured loans is established with respect to the terms of the restructure, rather than original loan terms. For greater clarity, restructured loans and vendor take back loans in arrears should be reported in the loans in arrears column only.</p> <p>For purposes of identifying the appropriate column, the age of arrears is defined as the number of days that has elapsed since the due date of the oldest payment or partial payment (principal and/or interest) that has not been received according to the terms of the loan as of the statement date.</p> <p>There is no explicit disclosure of foreclosure activity. Foreclosures in progress (title has not yet passed to the Canadian Branch) are to be included in mortgage loans.</p>			
Line	Col	Cross Ref	Practice
010 - 410	11 - 31		<p><b>Loans on Watch List</b></p> <p>Report the total amount of Mortgage Loans <b>before</b> specific provisions in these columns. Columns 11-16 should not include loans that could be classified as impaired; these loans should be reported in column 26 (see below).</p>

<b>LIFE-2</b>	<b>21.050</b>	<b>Mortgage Loans (Vested in Trust)</b>	
Line	Col	Cross Ref	Practice
	21		<p><b>Vendor Take Back Loans</b></p> <p>Report the amount of all the mortgages offered to the purchaser of real estate sold by the Canadian Branch.</p>
	26		<p><b>Impaired Amount</b></p> <p>Generally, the <b>balance sheet</b> value of loans on which the life insurer has taken specific provisions should be reported here (gross of provisions). No insured loans should be included.</p>
710			<p><b>Second and subsequent mortgage loans</b></p> <p>These numbers are for information purposes only. They are already included in lines 010- 410.</p>
699	06		<p><b>Balance Sheet Value Before Provisions</b></p> <p>Report the total amount of all mortgage loans before general and specific provisions. This total includes all loans on the Watch List as well as Second and Subsequent Mortgage Loans.</p>

LIFE-2	21.060	<b>Mortgage Loans – 25 Largest Uninsured (Vested in Trust)</b>	
<p>List the largest 25 regardless of materiality. See instructions for page 21.050 for description of property types.</p> <p>Uninsured loans are those where the amount owed by the borrower is not insured against default by Canada Mortgage and Housing Corporation (CMHC), another government body, or by a private life insurer.</p> <p>Loans should be arranged in descending order by outstanding principal balance (gross before provisions).</p> <p>Include both residential and non-residential mortgage loans.</p>			
Line	Col	Cross Ref	Practice
	02		<p><b>Name of Borrower</b></p> <p>The total of all uninsured mortgages to the same borrower or group of related borrowers should be considered one mortgage in determining the largest 25 uninsured mortgages.</p>
	11		<p><b>Number of Days in Arrears</b></p> <p>Record the number of days mortgage loan payment(s) have been due and unpaid.</p>
	16		<p><b>Rate of Interest</b></p> <p>Record the interest rate the mortgage has been contracted for.</p>
	21		<p><b>Maturity Date</b></p> <p>Show day, month, year.</p>
	26		<p><b>Balance of Loan (Before Provisions)</b></p> <p>Show the outstanding balance (gross before provisions) as at year-end.</p>

LIFE-2		21.060		Mortgage Loans – 25 Largest Uninsured (Vested in Trust)	
Line	Col	Cross Ref	Practice		
	31		<p><b>Specific Provisions</b></p> <p>Report the specific provisions that have been taken against each mortgage loan.</p>		
	36		<p><b>Amount of Cumulative Prior Encumbrances</b></p> <p>If the mortgage loan issued by the Canadian Branch is not a first charge on the property, the total cumulative amount of all prior mortgages and prior claims should be included in this column.</p>		
	41		<p><b>Address of Property</b></p> <p>Show the location address of the property in which the Canadian Branch has a mortgage loan investment.</p>		
	46		<p><b>Property Type</b></p> <p>Use the property type definitions on page 21.050, using the following codes:</p> <p>SR = Single Residential  MR = Multiple Residential  O = Office  RS = Retail Stores  I = Industrial  H = Hotels  X = Other</p>		
	51		<p><b>Market Value of Property</b></p> <p>Show the market valuation of the property as at year-end. If the loan is shared with other lenders having claims on the property, the market value of the property reported in column 51 should be the market value of the property multiplied by the proportion of the original loan issued by the Canadian Branch in relation to the total loan originally advanced.</p>		
	56		<p><b>Year Property Appraised</b></p> <p>Show the year the property was last appraised.</p>		

LIFE-2	21.070	<b>Mortgage Loans – Geographic Distribution (Vested in Trust)</b>	
<p>The amounts to be included in this schedule are to be gross mortgage loans (before provisions).</p> <p>This table shows the allocation of mortgage loans according to business sector by geographic location of the mortgaged property.</p> <p>Insured loans are those where the amount owed by the borrower is insured against default by Canada Mortgage and Housing Corporation (CMHC), another government body, or by a private life insurer. Refer to instructions for page 21.050 for property type definitions.</p>			
Line	Col	Cross Ref	Practice
010 - 130			<p><b>Location of Property</b></p> <p>The gross value of Canadian loans should be classified according to the province in which the property securing the loan is located, with all insured mortgages reported in column 01 and all uninsured mortgages reported by type of property in columns 06 to 36.</p>
010 - 130	51, 61		<p><b>Amount of Principal on which Interest was overdue &gt; 90 days</b></p> <p>The gross amount of principal (before provisions) on loans in arrears more than 90 days should be reported in column 51 for insured mortgages and column 61 for uninsured mortgages.</p>
	41		<p><b>Total Mortgages</b> reported should be the sum of both insured mortgages reported in column 01 plus the sum of the uninsured mortgages reported in columns 06 to 36.</p>
	70		<p><b>Total Specific Provisions</b></p> <p>Report the amount of specific provisions for all gross mortgage loans reported in column 41.</p>



<b>LIFE-2</b>	<b>21.080</b>	<b>Real Estate – Valuation and Amortization of Unrealized Gains and Losses (Vested in Trust)</b>
<p><b>References</b></p> <p>CICA Handbook sections 3025, 3475, 4211, and AcG-9 - Financial Reporting by Life Insurance Enterprises</p>		
<p>These accounting principles are applicable to Canadian Branches of life insurers and their investment operations which may include separate subsidiaries.</p> <p><b>Real Estate Appraisals</b></p> <p>In accordance with GAAP, Canadian Branches are required to ensure that the market value of real estate reflected in the moving average market adjustment is an approximation of market values in the years that an appraisal is not conducted. Therefore, it is incumbent upon Canadian Branches to review their real estate portfolios annually and to ensure that the moving to market adjustment is based on current market values in the non-appraisal years. The Canadian Branch should submit to OSFI, at the same time as the summary appraisal forms, details supporting any such changes in value in non-appraisal years.</p> <p>Refer to OSFI Guideline F-6 for determination of in-house/independent appraisal requirements</p> <p><b>Properties acquired by foreclosure</b></p> <p><b>1) Valuation:</b></p> <p>For properties acquired by foreclosure and held for sale, no amortization takes place as such properties are written down to market (appraised) value each year per CICA Handbook sections 3025.38 and 3475.13.</p> <p>For properties acquired by foreclosure and held for investment, report in accordance with section 3025.38 of the CICA Handbook initially and 3025.40 afterwards.</p>		

LIFE-2	21.080	Real Estate – Valuation and Amortization of Unrealized Gains and Losses (Vested in Trust)	
<p><b>2) Gains and losses on disposition of foreclosed properties:</b></p> <p>For properties acquired by foreclosure and held for sale, gains and losses on disposition of these properties must be fully accounted for in the income statement for the current year. Such amounts must be entered on line 430, column 01 of page 23.010.</p> <p>For properties acquired by foreclosure and held for investment, gains and losses on disposition of these properties must be accounted for like other real estate properties in the portfolio.</p> <p>List the top 10 properties in order of size (based on <b>balance sheet</b> value) and provide a sub-total of all others, including properties sold during the year.</p>			
Line	Col	Cross Ref	Practice
	01		<p><b>Address of Property</b></p> <p>Report the address of the property (including country) in column 01.</p>
	06		<p><b>Property Type</b></p> <p>Report the type of property as either single residential, multiple residential, office, retail stores, industrial, hotels, own use or other. Refer to instructions for page 21.050 for property type definition and on page 21.060, column 46 for the codes to use. Where a property has more than one use (i.e., office and retail) the whole property should be classified as one type based upon the use of the majority of the floor space.</p>
	11		<p><b>Property Code</b></p> <p>Identify with an “O” properties held for own use; an “I” properties held for investment/income; an “FS” properties acquired by foreclosure and held for sale; and an “FI” properties acquired by foreclosure and held for investment.</p>
	21		<p><b>Balance Sheet Value Before Provisions Beginning of Year</b></p> <p>Report the <b>balance sheet</b> value at the beginning of the year (before provisions). The amount on line 899 should agree to the amount on line 899 of column 66 for the prior year.</p>

LIFE-2		21.080	Real Estate – Valuation and Amortization of Unrealized Gains and Losses (Vested in Trust)
Line	Col	Cross Ref	Practice
	26		<p><b>Additions (Deletions) (Writedowns) During Year</b></p> <p>For existing properties, include capital expenditures for the statement year. For properties acquired during the year, report the acquisition cost plus capital additions since acquisition. For properties acquired through foreclosure, report the value according to Section 3025.38 of the CICA Handbook based on fair value at the date of foreclosure plus post-appraisal capital additions (less cost to sell for properties held for sale).</p> <p>Per CICA, AcG-9 when a decline in value of a real estate portfolio is other than temporary, the carrying value of the portfolio would be written down to recognize the decline in value.</p> <p>Amounts related to properties sold during the year are to be included in line 099.</p>
	36		<p><b>Sum of Capital Additions Since Last Appraisal</b></p> <p>Capital additions and deletions since the effective date of the most recent appraisal. This amount has to be taken into account in the calculation of the adjusted appraised value.</p>
	41, 46, 51		<p><b>Details of Appraisal</b></p> <p>Indicate in column 41 the year of appraisal and in column 46 the appraised value with an exception as follows: For real estate properties acquired by foreclosure and held for sale, the amount disclosed in column 46 in the year of foreclosure should be the amount determined according to Section 3025.38 of the CICA Handbook; in subsequent years, the amount reported should be in accordance with Section 3475.13 of the CICA Handbook.</p>
	56		<p><b>Amortized to Income During Year</b></p> <p>For properties acquired through foreclosure [which should be identified with an (FS) or (FI) in column 11], column 56 should include 100% of the decline in value in the year of foreclosure, as well as, in the case of <b>properties acquired by foreclosure and held for sale</b>, 100% of the decline occurring in subsequent years.</p>

LIFE-2		21.080	Real Estate – Valuation and Amortization of Unrealized Gains and Losses (Vested in Trust)
Line	Col	Cross Ref	Practice
	61		<p><b>Foreign Currency Adjustment</b></p> <p>Report any adjustment due to currency translation of foreign properties at year end.</p>
	71		<p><b>Cumulative Specific Provisions</b></p> <p>Report the specific provisions (individual allowances) that have been booked against the individual property. Include (in brackets) the amount of specific provision reversals where an asset was previously written down.</p>
	76		<p><b>Net Income During Year(excluding amortization)</b></p> <p>Net income includes gross income net of operating expenses and taxes.</p>
	81		<p><b>Mortgage Loans and Other Encumbrances</b></p>
099			<p><b>Subtotal – All Others</b></p> <p>Provide the total of all real estate not listed including real estate sold during the year.</p>
949			<p>In line 949, "Total Amount (Property by Property Basis) where Adjusted Appraised Value is Less Than <b>Balance Sheet</b> Value", please report the total excess of <b>balance sheet</b> value of properties over corresponding total adjusted appraised value in respect of properties where the adjusted appraised value is less than <b>balance sheet</b> value. <b>Do not net</b> with other properties where <b>balance sheet</b> values are greater than appraised values.</p>

LIFE-2	21.090	Real Estate – Geographic Distribution by Type (Vested in Trust)	
<p><b>References</b></p> <p>CICA, Section 3025, Impaired Loans            AcG-9 - Financial Reporting by Life Insurance Enterprises            OSFI Guideline C-1, Impaired loans</p>			
<p>This schedule provides an analysis of the consolidated gross <b>balance sheet</b> value (before provisions) of real estate, including foreclosed real estate which is held for sale. Where mortgage encumbrances exist, they should not be deducted from the value of the real estate. Where a property has more than one use (i.e., office and retail) the whole property should be classified as one type based upon the use of the majority of the floor space.</p> <p>The property types are described in the instructions for page 21.050 (except for properties held for own use).</p>			
Line	Col	Cross Ref	Practice
	31		<p><b>For Own Use</b></p> <p>Include properties held for own use such as Canadian Branch Office etc.</p>
199	41	P 21.012 L 759 C 01	<p><b>Total Real Estate</b></p>
	46, 51		<p><b>Foreclosed Real Estate</b></p> <p>Separately identify in columns 46 and 51 amounts included in columns 01 to 41 that are foreclosed properties held for investment or sale.</p>

<b>LIFE-2</b>	<b>21.100</b>	<b>Other Equity Investments and Other Loans and Invested Assets (Vested in Trust)</b>
<p><b>References</b></p> <p>CICA Handbook sections 3055, 3050, 3855 and 4211</p>		
<p>Amounts reported on this page are net of provisions to agree with page 20.010, column 02.</p> <p><b>Part A – Other Equity Investments (Vested in Trust)</b></p> <p>Investments in mutual funds, segregated funds and any similar investments should not be reported here. The underlying assets of these investments should be reported under the categories of investments that best describes them. For example, the underlying bonds pertaining to an investment in a bond fund should be reported as bonds under the appropriate category. The same holds for mutual funds where the underlying investments are common shares; the underlying common shares should be reported under common shares.</p> <p>List the name of the investee and provide a description for the top 10 (regardless of materiality) other equity investments in lines 001 to 010 and fill out amounts in column 06. The total of all remaining other equity investments not listed in lines 001 to 010 should be reported on line 019 column 06. Line 099 column 06 should be reported on line 550 of the balance sheet, page 20.010.</p> <p><b>Part B – Other Loans and Invested Assets (Vested in Trust)</b></p> <p>Other loans and invested assets including fixed term investments not reported elsewhere and positive mark to market derivative instruments should be reported here. Report the top 10 on lines 201 to 210 regardless of materiality. List the name of the investee and provide a description for each investment on this exhibit in lines 201 to 210 and fill out the amounts in column 16. The total of all remaining investments not listed in lines 201 to 210 should be reported on line 219 column 16. Line 299 column 16 should be reported on line 600 of the balance sheet, page 20.010.</p>		

LIFE-2	21.110	Derivative Instruments Risk Profile	
<p><b>References</b></p> <p>CICA Handbook sections 3855 and 3861  OSFI Guideline D-6 Derivatives Disclosure and MCCSR/TAAM Guideline</p>			
Line	Col	Cross Ref	Practice
010 - 050, 210 - 250, 310 - 330	01		<p><b>Employed by the Insurer – Yes/No</b></p> <p>Indicate whether the specified derivative instrument was employed during the reporting year.</p>
010 - 050, 210 - 250, 310 - 330	02		<p><b>Employed by the Insurer – Risk Role</b></p> <p>* see Legend - Risk Role at bottom of page</p> <p>Indicate what risk role(s) the Canadian Branch assumes in using each type of derivative instrument (using the legend at the bottom of page 21.110). Where the Canadian Branch assumes more than one risk role in respect of a particular type of instrument, each role should be indicated. For example, during the reporting period, the reporting entity may have been a trader in interest rate swaps and used them as well for hedging. In this case, beside the interest rate swaps, it would list risk roles 1 and 2 in line 030, column 02.</p> <p>A market maker is a Canadian Branch that, on a regular basis, provides bid and ask price quotes in one or more derivative instruments, and honours those quotes, thereby supplying the market with a source of liquidity in those derivatives.</p>
010 - 499	07 - 37		<p><b>Gross Notional Principal Amount at year end</b></p> <p>Report the gross notional principal amount at year end for all derivative contracts by class and type of derivative instrument. The total notional amount for the Canadian Branch should be reported in column 07.</p>

<b>LIFE-2</b>	<b>21.110</b>	<b>Derivative Instruments Risk Profile</b>	
Line	Col	Cross Ref	Practice
010 - 499	17		<b>Over the Counter Amount</b> Report the notional amounts relating to all derivative contracts that are not exchange traded.
010 - 499	22		<b>Amount held for Trading</b> Report the notional amounts relating to all derivative contracts that are held for trading purposes.
010 - 499	27, 32, 37		<b>Remaining Term of Exposure</b> The total notional principal amount reported in column 07 should be broken down in columns 27, 32 and 37 by the remaining term to maturity. The sum of these columns should equal the amount reported in column 07.
	42		<b>Credit Risk (Positive Mark to Market Exposure)</b> Report amounts only for contracts that have credit risk (i.e., positive mark to market exposure) after offsetting in accordance with CICA Handbook section 3861.
550	42		<b>Adjustment for master netting agreements</b> Report on line 550 any adjustments for master netting agreements <b>not</b> recognized under CICA Handbook section 3861 because there is no intention of settling on a net basis or of realizing the asset and settling the liability simultaneously.
010 - 499	47		<b>Credit Equivalent Amount</b> The Credit Equivalent Amount is determined on the basis outlined in section 8 of the Test of Adequacy of Assets and Margin Requirements (MCCSR/TAAM) Guideline.



LIFE-2	21.120	<b>Derivative Instruments Risk Profile – Gross/Net Mark to Market Exposures</b>	
<p><b>References</b></p> <p>CICA Handbook sections 3855 and 3861  OSFI Guideline D-6, Derivatives Disclosure. MCCSR/TAAM Guideline</p>			
Line	Col	Cross Ref	Practice
010 - 099			<p><b>Total Net Positive Mark to Market Exposures by Credit Rating and Contract Class</b></p> <p>For each credit rating category, report the net positive mark to market exposure relating to each class of contract, split between exposures to related and arm’s length counterparties. The net positive mark to market exposure is the summation of all individual positive mark to market exposures (except that an offsetting of negative mark to market exposures with the same counterparty is permitted in accordance with the criteria outlined in CICA Handbook section 3861).</p>
110 - 199			<p><b>Total Gross Positive Mark to Market Exposures by Credit Rating and Contract Class</b></p> <p>For each credit rating category report the gross positive mark to market exposure relating to each class of contract, split between exposures to related and arm’s length counterparties.</p> <p>The gross positive mark to market exposure is the exposure before offsetting in accordance with the criteria outlined in CICA Handbook section 3861. Do not report contracts with negative mark to market exposures.</p>

<b>LIFE-2</b>	<b>21.150</b>	<b>Accounts Receivable</b>	
<b>References</b>			
CICA Handbook sections 3020 and 3855			
<p>Accounts receivable should be segregated so as to show separately, ordinary trade accounts, amounts owing by affiliates or related parties and other unusual items of substantial amount.</p> <p>An amount receivable should be written off as soon as it is known to be uncollectible or should be written down to its estimated realizable value as soon as it is known that it is not collectible in full.</p> <p>If, after writing off all known uncollectible accounts, it is expected that some further losses will be incurred, an allowance for doubtful accounts should be provided. The allowance should be determined in accordance with generally accepted practices.</p>			
Line	Col	Cross Ref	Practice
010 - 099			<p><b>Name of Affiliate/Related Party</b></p> <p>Refer to the CICA Handbook section 3840. OSFI Guideline E-6, Materiality Criteria for Related Party Transactions.</p>
220 - 230			<p><b>Agents' Debit Balances / Brokers' Balances</b></p> <p>Report the amounts which are due to the Canadian Branch from agents and insurance brokers (do not offset the receivables with amounts due to agents and insurance brokers).</p>
240			<p><b>Registered/Approved Reinsurers and Insurers</b></p> <p>Report all amounts receivable from federally registered insurers and provincial reinsurers approved by the federal Superintendent of Financial Institutions as reinsurers.</p>
250			<p><b>Other Reinsurers and Insurers</b></p> <p>The amounts due to the Canadian Branch from all reinsurers and life insurers not reported on line 240. This includes amounts receivable from reinsurers for claims paid, shared contracts and payments receivable under settlement annuities for those unregistered/unapproved reinsurers and life insurers.</p>
260			<p><b>Other Receivables</b></p> <p>Include the amounts due to the Canadian Branch on ancillary and other fee business, etc.</p>

<b>LIFE-2</b>		<b>21.150</b>		<b>Accounts Receivable</b>	
Line	Col	Cross Ref	Practice		
299	08-09 -14	P 20.010 L 100 C 01	<b>Total Accounts Receivable</b>		

<b>LIFE-2</b>		<b>21.150</b>		<b>Other Assets</b>	
Line	Col	Cross Ref	Practice		
410			<b>Capital Assets (less accumulated amortization)</b> Refer to the CICA Handbook sections 3061, 3063 and 3475.		
420			<b>Prepaid and Deferred Charges</b> Refer to the CICA Handbook section 3040. Include prepaid commissions.		
430			<b>Current Income Taxes Receivable</b> Refer to the CICA Handbook section 3465. Report any current income tax receivable.		
450			Include miscellaneous assets other than investments. Other investments should be reported on page 21.100.		
499	01	P 20.010 L 880 C 01	<b>Total Other Assets</b>		

LIFE-2	23.010	Net Investment Income	
<p><b>References</b></p> <p>CICA Handbook sections 3025, 3855 and 4211            AcG-9 - Financial Reporting by Life Insurance Enterprises            OSFI Guideline C-1, Impaired Loans and D-10, Accounting for Financial Instruments Designated as Fair Value Option</p>			
<p>Income in respect of Segregated Funds should not be included on this page, but reported on page 23.030 Other Revenue.</p> <p>Investment income reported is after adjustment for accrued interest or dividends included in the price of investments purchased or sold during the year. That is, investment income is recorded on an "accrual basis".</p> <p>Interest expense relating to bank loans, etc. used to finance or relating to investing activities should be shown here.</p>			
Line	Col	Cross Ref	Practice
010	01		<p><b>Bonds - Interest</b></p> <p>Include amortization of premium or discount and interest earned on bonds and debentures during the year. Interest on other fixed term investments with an original term to maturity of one year or less should be reported on line 620: Interest on Cash and Short Term Investments; all other interest should be reported on line 630: Income from Other Loans and Invested Assets.</p> <p>No accrual should be made for interest due or accrued on bonds in default as to either principal, interest or both.</p>
030	01		<p><b>Bonds - Realized Gains (Losses) on Sale</b></p> <p>Record gains and losses on bonds sold during the reporting period.</p> <p><u>Transitional Instruction</u></p> <p>In the year of adoption of CICA Handbook Section 3855, prior year amounts for Amortization of Net Realized Gains and (Losses) should be recorded in column 03.</p>
040	01		<p><b>Bonds – Fair Value Gains (Losses)</b></p> <p>Record unrealized fair value gains and losses on bonds classified as Held for Trading and Fair Value Option under CICA handbook section 3855.19 (i) or (ii).</p>

LIFE-2		23.010	Net Investment Income
Line	Col	Cross Ref	Practice
110	01		<p><b>Mortgage Loans - Interest</b></p> <p>Include interest earned on mortgages during the year.</p> <p>No accrual should be made for interest due or accrued on mortgages in arrears. Mortgages are considered to be in arrears if payments are more than 90 days overdue.</p>
130	01		<p><b>Mortgage Loans – Realized Gains (Losses) on Sale</b></p> <p>Record gains and losses on mortgages sold during the reporting period.</p> <p><i>Transitional Instruction</i></p> <p>In the year of adoption of CICA Handbook Section 3855, prior year amounts for Amortization of Net Realized Gains and (Losses) should be recorded in column 03.</p>
140	01		<p><b>Mortgage Loans – Fair Value Gains (Losses)</b></p> <p>Record unrealized fair value gains and losses on mortgage loans classified as Held for Trading and Fair Value Option under CICA handbook section 3855.19 (i) or (ii).</p>
210	01		<p><b>Preferred and Common Shares - Dividends</b></p> <p>Include accrued dividends on equity investments (excluding joint ventures) in respect of dividends declared on investments held, and unpaid dividends on shares that were sold ex-dividend on a recognized stock exchange.</p>
230	01		<p><b>Preferred and Common Shares - Realized Gains (Losses) on Sale</b></p> <p>Record gains and losses on preferred and common shares sold during the reporting period.</p> <p><i>Transitional Instruction</i></p> <p>In the year of adoption of CICA Handbook Section 3855, prior year amounts for Amortization of Net Realized Gains and (Losses) should be recorded in column 03.</p>

LIFE-2		23.010	Net Investment Income
Line	Col	Cross Ref	Practice
240	01		<p><b>Preferred and Common Shares – Fair Value Gains (Losses)</b></p> <p>Record unrealized fair value gains and losses on preferred and common shares classified as Held for Trading and Fair Value Option under CICA handbook section 3855.19 (i) or (ii).</p>
310	01		<p><b>Rental Income Including \$____ for Insurer’s Own Use</b></p> <p>Report gross income, <u>including an imputed rent for owned premises which are for own use</u>. Use the space provided in the line item above to report the current year’s imputed rent. Real estate expenses (but not imputed rent) related to own use space should be included with other investment expenses on line 810. Similarly, real estate taxes are included on line 820.</p>
320	01	P 23.020 L 300 + L 440 C 21	<p><b>Amortization of Realized and Unrealized Gains and (Losses)</b></p> <p>Any real estate vested in trust should be treated as directly owned by the Canadian Branch. If the Branch or a subsidiary owns other real estate that is not vested in trust, it is up to the Branch to determine how it wants to treat this other real estate but OSFI would expect the accounting rules for real estate to be followed. Page 21.080 is only for real estate vested in trust. Since investment income combines income from both vested and non vested assets, line 320 on page 23.010 will include both as calculated on page 23.020.</p> <p>Net deferred realized and unrealized gains and losses on real estate owned by the Canadian Branch should be amortized to income at a rate of:</p> <ol style="list-style-type: none"> <li>For years ended on or before December 31, 2002: 10% per annum.</li> <li>For years ended after December 31, 2002: 3% per quarter (refer to the General Section of these Instructions).</li> </ol>

LIFE-2		23.010	Net Investment Income
Line	Col	Cross Ref	Practice
610	01		<p><b>Interest on Policy Loans</b></p> <p>Include interest earned on policy loans during the year. Unpaid interest should be recorded as an addition to the policy loan on page 20.010, line 200 to the extent that the loan would not exceed the cash surrender value on the policy.</p>
620	01		<p><b>Interest on Cash and Short Term Investments</b></p> <p>Include interest earned on cash (bank deposits) and on short-term investments. Short-term investments are defined as investments that had, on acquisition, an original term to maturity of one year or less (e.g., T-bills, GIC's, call loans).</p>
640	01		<p><b>Interest on Overdue Premiums</b></p> <p>Report interest charged on premiums that are past their due date to permit continuance of the policy.</p>
650	01		<p><b>Income from Derivative Activities</b></p> <p>Report realized and unrealized gains and losses from derivative instruments and hedge ineffectiveness.</p>
710	01	P 21.020 L 889 C 40	<p><b>Provision for Losses</b></p> <p>Refer to the CICA Handbook, section 3025 Impaired Loans, the Accounting Guideline AcG-9, and OSFI Guideline C-1, Impaired Loans</p> <p>This amount consists of the net change for the year in general and specific provisions (individual and group allowances) which are to be expensed.</p>
720	01	P 21.020 L 889 C 71	<p><b>Write-Downs</b></p> <p>Refer to the Accounting Guideline AcG-9, the CICA Handbook, sections 3025 and 3855, and OSFI Guideline C-1, Impaired Loans</p> <p>Include write-downs on investments classified as Available for Sale.</p>

LIFE-2		23.010	Net Investment Income
Line	Col	Cross Ref	Practice
810	01		<p><b>Investment Expenses (other than Investment Taxes)</b></p> <p>General expenses relating to investment activities e.g., salaries and employee benefits of Investment Department personnel, and other expenses allocated to Investment Department, and specific investment costs (e.g., bank charges, brokerage fees, investment management fees) are included on this line. Interest on subordinated debt and interest on deposits are shown as part of Interest Expense on Page 23.030 and thus are not included in the determination of net investment income. Interest expense relating to bank loans, etc. which are used to finance investing activities should be included here.</p> <p>Repairs, maintenance, insurance and other expenses related to the general operation of all real estate properties, whether for own use or not, should be included. Expenses related to rental of such properties, legal fees (excluding those associated with a purchase or sale) and staff personnel costs for individuals engaged solely in real estate related functions should also be included.</p>
820	01		<p><b>Investment Taxes</b></p> <p>Realty taxes on real estate properties whether for own use or not should be included. In addition, any other taxes (other than income taxes), licenses and fees which are considered to have been incurred in the care and management of investments should be reported here.</p>
889	01	P 20.030 L 070 C 01	<p><b>Net Investment Income</b></p> <p>Total of line 749 minus lines 810 and 820.</p>



<b>LIFE-2</b>	<b>23.020</b>	<b>Capital Gains and Losses on Real Estate</b>	
<b>References</b>			
CICA Handbook section 4211			
Losses are shown as "negatives" on this exhibit.			
Line	Col	Cross Ref	Practice
010			<b>Realized Gains on Sale or Maturity</b> Total of all realized gains (i.e., where proceeds minus balance sheet value is positive).
040			<b>Realized Loss on Sale or Maturity</b> Total of all realized losses (i.e., where proceeds minus balance sheet value is negative).
079			<b>Net Gain (Loss)</b> Subtract line 040 from line 010 and enter total on line 079.
100			<b>Writing Up (Down) of Balance Sheet Value</b> Balance sheet values should be written down where there is a permanent impairment in the capital element of the investment in accordance with GAAP as outlined in the CICA Handbook. For real estate writedowns, other than temporary declines in value should be determined in accordance with CICA Accounting Guideline AcG 9. Writedowns must be recognized in revenue in the year the writedown occurs. Write-ups on individual investments are generally not appropriate.

LIFE-2		23.020	Capital Gains and Losses on <b>Real Estate</b>
Line	Col	Cross Ref	Practice
130			<p><b>Currency Adjustment</b></p> <p>Report the currency adjustment to assets denominated in Other than Canadian dollars upon conversion for reporting in Canadian dollars.</p>
240			<p><b>Adjusted Realized Gain (Loss)</b></p> <p>Include on this line:</p> <p>a) the amount of amortizable realized gains (losses); and</p> <p>b) the proportionate amount of the unamortized gains and losses related to a "net disinvestment" in a portfolio held by a Canadian Branch (CICA Handbook, section <b>4211.09</b>).</p>
279			<p><b>Subtotal</b></p> <p>Add line 210 and line 240 and enter total on line 270.</p>
300		with appr. lines on P 23.010 C 01	<p><b>Amortized to Revenue in Year</b></p>
470			<p><b>Less: Amounts Realized During Year</b></p> <p>This line eliminates the amount of unrealized gains/losses, included on line 410, pertaining to assets disposed of during the year.</p>
530			<p><b>Currency Adjustment</b></p> <p>Show the impact of any adjustments required to reflect change to the exchange rate applicable at year end.</p>
589			<p><b>Balance – End of Year</b></p> <p>Total is equal to the sum of lines 410, 499 and 530.</p>

LIFE-2		23.030		Other Revenue	
Other revenue should be reported gross with the expenses applicable to them included in general expenses and taxes.					
Cross reference: Page 20.030, line 160.					
Line	Col	Cross Ref	Practice		
050 - 052	01		<p>Report the three <u>most significant</u> items of Other Revenue in the write-in lines 050, 051 and 052. Provide appropriate line descriptions.</p> <p>Other Revenue items include (<i>examples only</i>):</p> <p><i>Net Settlement Annuities:</i> For reporting purposes, settlement annuity payments arising from settlement options exercised by a beneficiary should be netted against settlement annuity considerations received from settlement annuity options exercised by a beneficiary.</p> <p><i>Mortality charges:</i> Levied to Segregated Funds by the general fund.</p> <p><i>Modco adjustments.</i></p> <p>Note: Actual expenses and taxes incurred by the General Fund for managing Segregated Funds should be reported in the General Expense exhibit on page 23.030.</p>		
089	01		<p><b>Subtotal – All Others</b></p> <p>Please report the sub-total of all other items of Other Revenue not included in the lines above.</p>		

LIFE-2		23.030		Interest Expense	
Line	Col	Cross Ref	Practice		
230			<p><b>Interest on Long Term Debt</b></p> <p>In accordance with GAAP, interest charges on loans made for a period of over one year must be shown separately.</p>		
299	01	P 20.030 L 510 C 01	<b>Total Interest Expense</b>		

LIFE-2	23.030	General Expenses and Taxes	
<p>Expenses related to other revenue should be included here.</p> <p>Expenses attributable to investment operations are not included on this page; rather they are taken into account in the determination of net investment income on page 23.010.</p> <p>Cross reference: Pages 20.030 and 35.010, line 540, all columns.</p>			
Line	Col	Cross Ref	Practice
310	01		<p><b>Rent</b></p> <p>Expenses incurred as tenant for light, heat, water, etc., rent paid to a third party and <u>an imputed rent for own premises should be included</u>. The imputed rent for own premises recorded on this line should coincide with the component amount shown as revenue on line 310, page 23.010.</p> <p>The imputed rent should approximate the amount of rent that would have been paid in an arm's length transaction for premises of similar size and quality under current market conditions.</p>
330	01		<p><b>Salaries, Wages and Allowances</b></p> <p>Salaries, wages, allowances and similar payments or expenses incurred in Canada for staff should be included with the exception of those employees engaged in investment related activities. Their expenses will be included with other investment related expenses and shown on page 23.010, line 810.</p>
350	01		<p><b>Employees' and Agents' Welfare</b></p> <p>Premiums paid under group insurance and annuity contracts, and contributions to pension plans should be included. Contributions for programs such as unemployment insurance (in Canada), should also be included. Also included are special payments to staff pension plans, payments to retired or disabled employees not covered by a formal pension plan and any other expenses directly incurred for the benefit of Canadian Branch employees and agents.</p>

LIFE-2		23.030	General Expenses and Taxes
Line	Col	Cross Ref	Practice
370	01		<p><b>Professional and Service Fees and Expenses</b></p> <p>Include legal fees and expenses, medical examination fees, inspection and investigation fees, external auditors fees and external actuaries fees. Other fees paid to outside professional individuals or groups should also be included.</p>
390	01		<p><b>Miscellaneous Expenses</b></p> <p>Expenses incurred by the Canadian Branch for advertising, agency conventions, books and periodicals, bureau and association dues, collection, insurance (excluding insurance on real estate), postage, telex, telephone courier, printing supplies, stationery and depreciation in respect of miscellaneous assets, equipment rental and travelling expenses should all be included on this line.</p>
410	01		<p><b>Premium Taxes</b></p> <p>Penalties for late payment of premium taxes or late filing of the premium tax return should also be included on this line.</p>
430	01		<p><b>Assessments &amp; Dues</b></p> <p>All assessments incurred by the Canadian Branch related to the Canadian Life and Health Insurance Compensation Corporation (Assuris) should be reported on this line.</p>
450	01		<p><b>Licenses and Fees</b></p> <p>All fees charged by regulatory authorities for the general supervision and examination of the Canadian Branch should be included on this line together with fees for agent licences.</p>
470	01		<p><b>Miscellaneous Taxes</b></p> <p>City and county taxes (business taxes) and provincial and state taxes (including capital tax) should be reported here.</p>

LIFE-2		23.030	General Expenses and Taxes
Line	Col	Cross Ref	Practice
490	01		<p><b>Head Office Overhead</b></p> <p>All the costs of operating the Canadian Branch for servicing of Canadian policies, whether directly incurred by the Canadian Branch or allocated by the Head Office, should be included in the results of operations in Canada. Expenses allocated by the Head Office to the Canadian Branch operations should therefore be reported on this line. If expenses paid by Head Office are not reimbursed by the Canadian Branch, they should be treated as a transfer of surplus from Head Office and reported as part of line 130 of page 20.044: "Transfer from (to) Head Office".</p> <p>In addition to a better measure of the performance of the Canadian operations, an accurate reporting of Head Office overhead expenses enables the Actuary to ensure that realistic expense assumptions are used in the valuation of Canadian policy liabilities.</p>
599	01	P 20.030 L 540 C 01 & P 35.010 L 540 C 81	<b>Total General Expenses and Taxes</b>

LIFE-2		23.030	Other Expenses
Line	Col	Cross Ref	Practice
710			<p><b>Amortization of Capital Assets (Write-down included \$____)</b></p> <p>Refer to the CICA Handbook section 3061, 3063 and 3475.</p> <p>In the space provided for inside the title line, report the current year write down of capital assets included in the amortization.</p>
730			<p><b>Amortization of intangible assets (Impairment losses included \$____)</b></p> <p>Refer to the CICA Handbook section 3062.</p> <p>In the space provided for inside the title line, report the current year impairment losses of intangible assets included in the amortization.</p>
899	01	P 20.030 L 570 C 01 & P 35.010 L 570 C 81	<b>Total Other Expenses</b>

## INTRODUCTION

These Annual and Quarterly Return Filing Specifications have been prepared to give detailed technical guidance to insurers and software vendors in developing systems for capturing Return data for filing with Regulators. All software packages **must receive prior approval from the primary Regulator or the Return will not be accepted.**

The Specifications were designed initially for electronic filing by diskette or CD-Rom; however, they may be expanded later to include electronic filing through communication networks.

The Specifications define the characteristics of the data to be submitted and have been designed to be as generic as possible.

The American Standard Code for Information Interchange (ASCII) is used as the data representation standard. Those familiar with systems will know that ASCII can be generated by spreadsheet-based systems and by systems developed in more traditional mainframe or microcomputer-based programming environments.

Specific guidelines on how to transmit files to Regulators are also included in the Specifications.

The Specifications refer to a detailed set of Crosscheck formulae which are provided in the software package or on OSFI's website. These formulae must be used as the minimum number of tests within Return preparation software to pre-validate data before the file is submitted. **Files that are not fully validated before being sent to the primary Regulator will be returned automatically and considered not filed.**

The Specifications are subject to revision and improvement. Any queries or suggestions should be addressed to Regulatory Information Division at (613) 990-3591 or by fax at (613) 991-6248.



## DEFINING VARIOUS FORMS OF DATA

The current Return forms consist of **numeric data** in many different formats: whole numbers; amounts rounded to thousands; decimals; ratios and percentages. In addition, the Annual Returns (LIFE-2) contain **Yes/No answers** to questions. All data will continue to be included in the hard copy Annual Return; diskette/CD-Rom filing of data **or electronic filing via a secure means provided by their Regulator** is intended at this time to be a supplement to the complete hard copy Annual Return. **Electronic filing is mandatory for all Return forms.**

The **data representation standard** used is ASCII (see previous page). Data can be assembled in ASCII format from either spreadsheets or other data processing applications.

These Specifications require that:

- a) The data reporting **file** (the complete set of data recorded on the **file**) consist of ASCII Standard Delimited Format ("SDF") fixed-length **records**;
- b) The **file** be given a unique file name, as described under File Naming and Record Layout (see next page), to identify the insurer and the year of reporting;
- c) Each **record**, consisting of a **datapoint address** and an **amount**, follow the record layout described under File Naming and Record Layout (see next page);
- d) Each **datapoint address** contained in a record must be defined using the common three-element (10 numeric digit) system:

**ppppp**(page) / **lll** (line) / **cc**(column)  
(see examples under File Naming and Record Layout).

As illustrated under File Naming and Record Layout (see next page), all data will be represented in the file in the same numeric formats as prescribed in the Instructions for completing the forms (i.e., figures rounded to thousands should be represented in thousands; ratios to two decimal places should be represented as such, etc.). Negative figures in the data will be represented in the file with a leading minus sign.

**Note: there are a number of "inside datapoints". Examples are:**

2003080099	"Extraordinary Items Net of Income Taxes"
2003083099	"Discontinued Operations Net of Income Taxes"
3501080099	"Extraordinary Items Net of Income Taxes"
3501083099	"Discontinued Operations Net of Income Taxes"

A File Header will be on the first line of each ASCII file. This will consist of an Institution Code, e.g. (H001), a Return Type (20) and a Time Period 05A, 06Q1, etc.

Position 1-4 Institution Code

Position 5-6 Return Type

Position 7-9 Time Period

## FILE NAMING AND RECORD LAYOUT

### File Naming

The file containing the datapoints that are to be reported will have a file name unique to the insurer and the period reported on, as follows:

#### First digit - **Primary Regulator**

OSFI	"C"	Newfoundland	"F"
Quebec	"Q"	Nova Scotia	"N"
Ontario	"O"	New Brunswick	"W"
Manitoba	"M"	P.E.I.	"P"
Alberta	"A"	Saskatchewan	"S"
B.C.	"B"	Yukon	"Y"
N.W.T	"T"	Nunavut	"U"

Second to fifth digit - A unique number assigned by OSFI that identifies the insurer.

In sixth and seventh digits - the last two digits of the **year** (e.g., in the year 2007 - "07").

Eighth digit - **For Annual Returns, a sequence code** to be used in the event of more than one filing for the same period (e.g., a revision to previously submitted data). Default value would be "A". The first revision (amended filing) would be coded "B", the second revision "C", etc.

#### Example (i) "**CH00107A**"

This file name refers to a federally registered insurer regulated by OSFI (C). Its unique number, assigned by OSFI is **H001**, the filing year is 2007, and this is the initial filing (sequence code: **A**)

#### Example (ii) "**CH00107B**"

This file name refers to the same federally registered insurer (**H001**) filing an amended (**B**) Annual Return for 2007.

Eighth digit - **For Quarterly Returns**, the last digit of the eight-digit file name should be replaced with "1", "2" or "3" indicating the 1st, 2nd, or 3rd Quarter.

For example: the File Name for the First Quarter of 2008 would be "**CH001081**".

#### Record Layout for Financial Data

The file is to be made up of ASCII Standard Delimited Format fixed length records, each record consisting of a datapoint address and an associated, right justified numeric amount. The layout of each record, including the **field location, length and information** about each field is as follows:

<b>Location</b>	<b>Length</b>	<b>Information</b>
1 - 5	5,N*	Page Number (Annual Return page number)
6 - 8	3,N	Line Number (Pre-printed line number)
9 - 10	2,N	Column Number (Pre-printed column number)
11 - 25	15(2)** ,N	Amount reported in the Annual Return. (All amounts must be recorded with two decimal places. Dollar amounts, including those already rounded to the nearest thousand, must end with ".00" as in the first and second examples below. A leading minus sign will designate negative amounts, as in the second example below. Zero value should be reported as "0.00"). Where a <b>page</b> is not applicable, the amount should be "0.00"
	* " N "	<i>indicates "numeric only".</i>
	**"(2)"	<i>indicates "two decimal places".</i>

Examples of record layout:

Page					Line			Column			Amount													
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
2	0	0	3	0	0	4	0	0	3							3	2	7	5	0	6	.	0	0
2	0	0	4	0	1	3	0	0	1								-	6	2	4	9	.	0	0
1	0	0	6	0	1	5	1	1	8											1	2	.	2	3
2	1	1	0	0	0	0	1	0	6											7	8	.	8	4
3	5	0	5	0	2	2	0	1	1												0	.	8	0
6	0	0	1	0	2	8	9	0	3												0	.	7	8

**Record Layout for Yes/No data**

All Yes/No data for Annual Return forms will have a page, line, column number similar to the financial data.

For example: the General Interrogatories Pages 10.050 to 10.070 and Pages 60.040 to 60.050 of the LIFE-2 have been given line numbers. The **Yes** will be column 1, **No** column 2 and the **Amount** column 3 unless otherwise noted. Each Yes answer will be reported as "8" and No reported as "9".

There is no Yes/No data in the Quarterly Returns.

## **CROSSCHECK ROUTINES**

To benefit fully from receiving data on **files**, **Regulators** must be assured that the data is validated by a set of cross check routines, before the **data** is filed.

These tests are designed to ensure that, as a minimum, the relationships of datapoints provided are tested.

Insurers who generate annual returns from their internal systems or from purchased commercial software, must ensure that these tests are included as an integral part of the return generation programs.

As noted earlier, **files** that are not fully validated before being sent to **the primary Regulator** will be returned and considered not filed.

## **PHYSICAL CHARACTERISTICS OF **THE ELECTRONIC FILE****

All data relating to an insurer will be contained in a **single file**, and the file should be submitted on a **diskette, CD Rom** or **via a secure means provided by their Regulator**.

### **File** Labelling

The **file** must be clearly labelled with the name of the insurer, the year being reported on, the name of the file, the date the file was created and the name and telephone number of a contact person.

Suggested label:   ABC Life Insurance Company - 2007  
                          File: CH00107B  
                          Date: 28/02/08   Phone: (416) 737-1110  
                          Contact: I.M. Able

**FILE SUBMISSION**

The procedures for submitting a **file** to **the Regulators** are as follows:

**File Transmittal Form**

A "**File Transmittal Form**" is to be completed and submitted with the **data** filed with **the primary Regulator** and any other Regulators who may request a copy of the **file** (see attached).

The form has two purposes. It supplies some additional information, and it serves as a certification that the data in the **file** matches the data on the hard copy.

The form is self explanatory, with the possible exception of the following terms:

**Software Vendor** - if you are using a commercially marketed package, please give the name of the vendor.

**Version Number** - refers to the version number of the commercial software used. This will normally be indicated on distribution **files** or copyright screens.

**Signing Authority** - one of the officers who is authorized to sign the affidavit in the return should also sign the **File** Transmittal Form.

**Validation Report**

This report is also to be submitted with the **file** and transmittal form (see next page).

**Shipping Instructions**

The **file** is to be sent with the hard copy on or before the due date prescribed for the filing of the Annual Return. The **file** should be well protected in special-purpose diskette **or CD-Rom** shipping packaging. "**FRAGILE**" should be marked on the outside of the package.

**VALIDATION REPORT**

A **Validation Report** containing a pre-selected sample of datapoints from each Return must be generated and printed at the same time that the **ASCII file** is produced, and filed.

The purpose of this report is to give **Regulators** initial assurance that the **file** has been produced from the same data used to generate the hard copy.

Insurers are asked to ensure that the printing of this report is incorporated into the programs written to generate the **file**.

Annual

The validation report is to be filed in the format below:

<b>VALIDATION REPORT (LIFE-2)</b>	
ABC Life Insurance Company	
This report has been generated from the following data file:	
Data file name	----+CH00107B
Data created	----+28/02/08
Datapoint	Amount
2001089901	\$\$\$
2002038901	\$\$\$
2002089901	\$\$\$
2003089901	\$\$\$
2004401001	\$\$\$
2102088940	\$\$\$
2201058901	\$\$\$
2301088901	\$\$\$
3501089981	\$\$\$
4501028956	\$\$\$
9501069923	\$\$\$
9503002023	\$\$\$

**VALIDATION REPORT (OSFI 86 - TAAM)**

ABC Life Insurance Company

This report has been generated from the following data file:

Data file name ----+CH00107B

Data created ----+28/02/08

Datapoint	Amount
1300003002	\$\$\$
2401003502	\$\$\$
2501201902	\$\$\$
3101006905	\$\$\$
5501009903	\$\$\$
6002009906	\$\$\$
7001009903	\$\$\$
8001009904	\$\$\$



Interim

The validation report is to be filed with the **ASCII file** in the format below:

<b>VALIDATION REPORT (LIFE-2 Interim)</b>	
ABC Life Insurance Company	
This report has been generated from the following data file:	
Data file name	----+CH001082
Data created	----+15/08/08
Datapoint	Amount
2001089901	\$\$\$
2002038901	\$\$\$
2002089901	\$\$\$
2003089901	\$\$\$
2004401001	\$\$\$
3501089981	\$\$\$

Quarterly

<b>VALIDATION REPORT (OSFI 86 Quarterly TAAM)</b>	
ABC Life Insurance Company	
This report has been generated from the following data file:	
Data file name	----+CH001082
Data created	----+15/08/08
Datapoint	Amount
1300003002	\$\$\$
1300010002	\$\$\$
1300012002	\$\$\$

**FILE TRANSMITTAL FORM**

Name of Insurer			Year	
Contact Person			Telephone #	
Title			Facsimile #	
Email address				
Return Type				Annual Returns
Software Vendor			Version Number	
Is the Validation Report attached?			(If not, please explain)	
<b>For Annual Returns only,</b>		If this is not the first time that an <b>ASCII file</b> has been filed for this Return period, please indicate if it is the:		
1 <sup>st</sup> revision "B"	2 <sup>nd</sup> revision "C"	3 <sup>rd</sup> revision "D"		
If a revised <b>file</b> is being submitted, please enclose a printed hard copy of each changed page with the changed datapoints highlighted.				
The undersigned hereby certifies that, according to the best of his/her knowledge and belief, the datapoint amounts contained in this <b>ASCII file</b> are the same as those contained in the hard copy of the Annual Return (also enclosed).				
Name		Title		
Date		Signed		

\_\_\_\_\_  
Year

\_\_\_\_\_  
*Name of Insurer*

**ANNUAL RETURN**

**LIFE-2**

**Foreign Life Insurers**

*Canadian Business*

**Institution Code** \_\_\_\_\_

## LIFE-2

### TABLE OF CONTENTS

	Page #
<b>Affidavits</b>	
Affidavit Verifying Annual Return - Chief Agent .....	10.000
Affidavit - CEO .....	10.001
<b>Corporate Information</b>	
Annual Corporate Information .....	10.010
Corporate and Regulatory Information.....	10.020
Corporate Organization Chart .....	10.040
General Interrogatories .....	10.050 -070
<b>WorldWide Business</b>	
Assets.....	15.010
Liabilities, Policyholders' and Shareholders' Equity.....	15.020
Income Statement.....	15.030
Capital/Solvency Information.....	15.040
<b>Canadian Business</b>	
<b>Financial Statements</b>	
Assets .....	20.010
Liabilities, Head Office Account and Accumulated Other Comprehensive Income (Loss) .....	20.020
Income Statement .....	20.030
Head Office Account.....	20.044
Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss) .....	20.046
Statement of Cash Flows .....	20.050
Notes to the Financial Statements .....	20.060
Auditor's Report .....	20.070
Appointed Actuary's Report .....	20.080
<b>Assets</b>	
Summary of Investments (Vested in Trust) .....	21.012
Summary of Provisions (Investments Vested in Trust) .....	21.020
Corporate Investments by Sector (Vested in Trust) .....	21.030
Significant Exposures (Vested in Trust) .....	21.040
Mortgage Loans (Vested in Trust) .....	21.050
Mortgage Loans - 25 Largest Uninsured (Vested in Trust) .....	21.060
Mortgage Loans - Geographic Distribution (Vested in Trust) .....	21.070
Real Estate - Valuation and Amortization of Unrealized Gains and Losses (Vested in Trust) ..	21.080
Real Estate - Geographic Distribution by Type (Vested in Trust) .....	21.090
Other Equity Investments and Other Loans and Invested Assets (Vested in Trust) .....	21.100
Derivative Instruments Risk Profile .....	21.110
Derivative Instruments Risk Profile: Gross/Net Mark to Market Exposures .....	21.120
Accounts Receivable .....	21.150
Other Assets .....	21.150
<b>Liabilities</b>	
Actuarial Liabilities by Line of Business .....	22.010
Other Insurance Policy and Contract Liabilities .....	22.020
Accounts Payable .....	22.030
Other Liabilities .....	22.030
Other Debt .....	22.060

**LIFE-2**  
**TABLE OF CONTENTS**

	<b>Page #</b>
<b>Canadian Business (cont'd)</b>	
<b>Income and Expenses</b>	
Net Investment Income .....	23.010
Capital Gains and Losses on Real Estate .....	23.020
Other Revenue .....	23.030
Interest Expense .....	23.030
General Expenses and Taxes .....	23.030
Other Expenses .....	23.030
<b>Analysis by Line of Business</b>	
Analysis of Income by Line of Business .....	35.010
Liquid Assets (Vested in Trust) and Cashable Liabilities .....	35.080
<b>Insurance and Reinsurance Exhibits</b>	
Premiums and Commissions .....	45.010
Reinsurance Ceded - Life Insurance and Annuity.....	45.040
Reinsurance Ceded - Accident and Sickness .....	45.050
<b>Segregated Funds</b>	
Net Assets .....	60.010
Changes in Net Assets.....	60.010
Policyholders' Equity Reconciliation .....	60.020
Life Insurer's Equity Reconciliation .....	60.020
Segregated Funds Net Assets - By Type of Guarantee .....	60.030
Interrogatories to Segregated Funds .....	60.040 -.050
<b>Miscellaneous Exhibits</b>	
Analysis of Amounts of Life Insurance - Effected and In Force .....	75.040
Movement of Annuities (Gross) -- Individual Annuities .....	75.050
-- Group Annuities .....	75.060
Reinsurance Ceded to Unregistered Insurers .....	75.070
<b>Provincial Exhibits</b>	
Premiums.....	95.010
Policyholder Benefits Paid and Incurred .....	95.020
Policyholder Dividends and Experience Rating Refunds - (Direct).....	95.020
Movement of Insurance -- Life - Individual (Direct) .....	95.030
-- Life - Group (Direct) .....	95.040

Insurer \_\_\_\_\_

Year \_\_\_\_\_

**GENERAL INTERROGATORIES**

**Balance  
Sheet Value  
(\$'000)**

1.1 Does the Canadian Branch invest in any of the following.

If so please indicate total amounts:

a) Mortgage Backed Securities		<b>010</b>	<b>Yes</b> _____	<b>No</b> _____	_____
b) Collateralized Mortgage Obligations:	Canada	<b>020</b>	<b>Yes</b> _____	<b>No</b> _____	_____
	U.S.A.	<b>030</b>	<b>Yes</b> _____	<b>No</b> _____	_____
	Other	<b>040</b>	<b>Yes</b> _____	<b>No</b> _____	_____
c) Other Asset Backed Securities		<b>050</b>	<b>Yes</b> _____	<b>No</b> _____	_____
d) Zero Coupon Bonds:	Corporate	<b>060</b>	<b>Yes</b> _____	<b>No</b> _____	_____
	Government	<b>070</b>	<b>Yes</b> _____	<b>No</b> _____	_____
e) Floating Rate Bonds		<b>080</b>	<b>Yes</b> _____	<b>No</b> _____	_____
f) Structured Notes		<b>090</b>	<b>Yes</b> _____	<b>No</b> _____	_____
g) Leases		<b>100</b>	<b>Yes</b> _____	<b>No</b> _____	_____

1.2 Does the Canadian Branch have any inadmissible assets (i.e., investments in subsidiaries and affiliates as defined in I.C.A. section 612) in its vested trust account?

**210** **Yes** \_\_\_\_\_ **No** \_\_\_\_\_  
**If Yes, Amount (\$'000)** \_\_\_\_\_

If yes, please provide details.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2.1 Does the insurer have any material contingent liabilities or contractual obligations or other off-balance sheet liabilities in Canada that have not otherwise been disclosed?

**510** **Yes** \_\_\_\_\_ **No** \_\_\_\_\_  
**If Yes, Amount (\$'000)** \_\_\_\_\_

If yes, please provide details.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2.2 Does the insurer have any unfunded liabilities in respect of pension plans for Canadian employees?

**610** **Yes** \_\_\_\_\_ **No** \_\_\_\_\_  
**If Yes, Amount (\$'000)** \_\_\_\_\_

If yes, please provide the amounts and outline the manner in which the insurer will fund these liabilities over time.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2.3 Is there any certified class action litigation against the insurer and/or any of its subsidiaries that affects the Canadian Branch specifically or that is related to the Canadian Branch business?

**710** **Yes** \_\_\_\_\_ **No** \_\_\_\_\_

If the answer is in the affirmative, please elaborate:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Insurer

**ASSETS**  
(\$'000)

Reference Page		Current Year		Prior Year	
		Total (01)	Vested in Trust (02)	Total (03)	Vested in Trust (04)
	Cash .....	010			
21.012	Short Term Investments .....	040			
	Accrued Investment Income .....	070			
	Accounts Receivable .....	100			
	Policy Loans .....	200			
21.012	Bonds and Debentures .....	250			
	Mortgage Loans .....	300			
21.012	Preferred Shares .....	420			
21.012	Common Shares .....	440			
	Real Estate .....	500			
	Other Equity Investments .....	550			
	Other Loans and Invested Assets .....	600			
	Interests in Joint Ventures .....	700			
	Investments in Subsidiaries .....	750			
	Future Income Taxes .....	800			
	Goodwill .....	820			
	Intangible Assets .....	830			
	Other Assets .....	880			
	<b>TOTAL ASSETS</b> .....	899			
60.010	<b>Total Segregated Funds Net Assets</b> .....	929			

Insurer

Year

**LIABILITIES, HEAD OFFICE ACCOUNT**  
**and**  
**ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**  
**(\$'000)**

Reference Page		Current Year (01)	Prior Year (03)
	<b>Liabilities</b>		
22.010	Net Actuarial Liabilities..... 010		
22.020	Other Insurance Policy & Contract Liabilities ..... 040		
22.030	Accounts Payable ..... 100		
21.080	Mortgage Loans and Other Real Estate Encumbrances ..... 130		
22.030	Other Liabilities ..... 160		
23.020	Net Deferred Gains (Losses) on Real Estate:		
	Backing Liabilities..... 180		
	Backing Head Office Account ..... 240		
	Future Income Taxes ..... 250		
22.060	Other Debt ..... 310		
	<b>Total Liabilities</b> ..... 389		
20.044	<b>Head Office Account</b> ..... 800		
20.046	<b>Accumulated Other Comprehensive Income (Loss)</b> ..... 840		
	<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT and</b>		
	<b>ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)</b> 899		



Insurer

Year

**COMPREHENSIVE INCOME (LOSS)**  
and  
**ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**  
(\$'000)

Reference Page		Current Year (01)	Prior Year (03)
	<b>Comprehensive Income (Loss), net of Income Taxes</b>		
20.030	Net Income ..... 010		
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 110		
	- Bonds and Debentures ..... 140		
	- Equities ..... 170		
	Reclassification to Earnings of (Gains) Losses ..... 210		
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses ..... 310		
	Reclassification to Earnings of (Gains) Losses ..... 340		
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses ..... 410		
	Impact of Hedging ..... 440		
	<b>Other</b> ..... 480		
	Total Other Comprehensive Income (Loss) ..... 510		
	<b>Total Comprehensive Income (Loss)</b> ..... 589		

		Current Year (01)	Prior Year (03)
	<b>Accumulated Other Comprehensive Income (Loss), net of Income Taxes</b>		
	Transition Amount ..... 660		
	Accumulated Gains (Losses), net of tax, on:		
	<b>Available for Sale:</b>		
	- Loans ..... 710		
	- Bonds and Debentures ..... 740		
	- Equities ..... 770		
	<b>Derivatives Designated as Cash Flow Hedges</b> ..... 810		
	<b>Foreign Currency (Net of Hedging Activities)</b> ..... 840		
	<b>Other</b> ..... 880		
20.020	Balance at end of Year ..... 899		

Insurer

Year

**STATEMENT OF CASH FLOWS**  
(\$'000)

	Current Year (01)	Prior Year (03)
<b>Cash flows from (used in) operating activities:</b>		
Net Income (loss) for the year .....	020	
Adjustment for:		
Decrease (increase) in Accrued Investment Income .....	040	
Decrease (increase) in Accounts Receivable .....	060	
Future Income Tax Expense (Benefit) .....	080	
Increase (decrease) in Net Actuarial Liabilities .....	100	
Increase (decrease) in Other Insurance Policy & Contract Liabilities .....	120	
Increase (decrease) in Accounts Payable and Other Liabilities .....	140	
Amortization of Capital Assets .....	160	
Amortization of Premium (discount) on Investments .....	180	
Amortization of realized and unrealized losses (gains) on Investments ...	200	
Amortization of Goodwill and Other Intangible Assets .....	220	
Fair value (gains) losses on held for trading assets .....	230	
.....	240	
<b>Cash flows from (used in) operating activities .....</b>	<b>299</b>	
<b>Cash flows from (used in) investing activities:</b>		
Short Term Investments - (purchases) proceeds on maturity/sale .....	320	
Policy Loans - (loan advances) proceeds on repayment .....	340	
Bonds and Debentures - (purchases) proceeds on maturity/sale .....	360	
Mortgage Loans - (purchases and loans underwritten) .....	380	
- proceeds on maturity/sale/repayment .....	400	
Preferred and Common Shares - (purchases) proceeds on disposition.....	420	
Real Estate - (purchases) proceeds on sale .....	440	
Other Loans and Invested Assets - (purchases) proceeds on sale .....	460	
(Purchase) sale of Goodwill and Other Intangible Assets .....	490	
.....	500	
<b>Cash flows from (used in) investing activities .....</b>	<b>599</b>	
<b>Cash flows from (used in) financing activities:</b>		
Increase in (repayment of) Mortgage Loans and Other Real Estate Encumbrances.....	610	
Increase in (repayment of) Other Debt.....	630	
Transfer from (to) Head Office.....	650	
.....	700	
<b>Cash flows from (used in) financing activities .....</b>	<b>799</b>	
<b>Increase (decrease) in cash and cash equivalents (lines 299 + 599 + 799) .</b>	<b>849</b>	
<b>Cash and cash equivalents at beginning of year .....</b>	<b>880</b>	
<b>Cash and cash equivalents at end of year (lines 849 + 880) .....</b>	<b>899</b>	
<b>Cash and cash equivalents at end of year consist of:</b>		
Cash .....	900	
Cash equivalents .....	920	
(Overdrafts) .....	940	

Insurer

Year

## SUMMARY OF INVESTMENTS

(Vested in Trust)  
(\$'000)

	Held for Trading (FV)	Available for Sale (FV)	Fair Value Hedges (FV)	Cash Flow Hedges	Fair Value Option* (FV)	Amortized Cost or MAMM**	Balance Sheet Value Col. 11+16+21 +26+31+36	Specific Provisions	General Provisions	Impaired Amount (Before Provisions)	Market Value of Column 36
	(11)	(16)	(21)	(26)	(31)	(36)	(40)	(46)	(51)	(56)	(60)
Short Term Investments .....	010										
<b>Bonds and Debentures</b>											
Government											
Canada .....	020										
Other .....	040										
Below Investment Grade .....	065										
Municipal, Public Authority, Schools											
Canada .....	120										
Other .....	140										
Below Investment Grade .....	145										
Corporate - Public:											
Canada											
- Investment Grade .....	175										
- Below Investment Grade .....	180										
Other											
- Investment Grade .....	200										
- Below Investment Grade .....	220										
Corporate -Private:											
Canada											
- Investment Grade .....	360										
- Below Investment Grade .....	380										
Other											
- Investment Grade .....	400										
- Below Investment Grade .....	420										
<b>Total Bonds and Debentures</b> .....	479										
Mortgage Loans .....	500										
Preferred Shares											
Fixed Term											
- Canada .....	520										
- Other .....	540										
Equity Preferred											
- Canada .....	560										
- Other .....	580										
<b>Total Preferred Shares</b> .....	599										
Common Shares											
- Canada .....	620										
- Other .....	640										
<b>Total Common Shares</b> .....	659										
<b>Total Shares</b> .....	679										
Real Estate .....	759										
Other Equity Investments .....	800										
Other Loans and Invested Assets .....	870										
<b>Grand Total</b> .....	889										

\* Assets designated as Held for Trading

\*\* Moving Average Market Method

LIFE-2 (2007)

Next Page is 21.020

Insurer

Year

**CORPORATE INVESTMENTS BY SECTOR**  
**Bonds, Preferred and Common Shares**  
**(Vested in Trust)**  
**(\$'000)**

Sector*	Bonds & Debentures		Preferred Shares		Common Shares		Total	
	Balance Sheet Value	Market Value	Balance Sheet Value	Market Value	Balance Sheet Value	Market Value	Balance Sheet Value	Market Value
	(01)	(06)	(21)	(26)	(31)	(36)	Col. 01+21+31 (40)	Col. 06+26+36 (50)
Bloomberg/(GICS)								
<b>Energy</b>								
Canada .....	011							
U.S.A. ....	012							
Other .....	030							
Total .....	049							
<b>Basic Materials/(Materials)</b>								
Canada .....	061							
U.S.A. ....	062							
Other .....	080							
Total .....	099							
<b>Industrial</b>								
Canada .....	111							
U.S.A. ....	112							
Other .....	130							
Total .....	149							
<b>Consumer Cyclical/(Discretionary)</b>								
Canada .....	161							
U.S.A. ....	162							
Other .....	180							
Total .....	199							
<b>Consumer Non-Cyclical/(Staples)</b>								
Canada .....	211							
U.S.A. ....	212							
Other .....	230							
Total .....	249							
<b>Diversified/(Health Care)</b>								
Canada .....	261							
U.S.A. ....	262							
Other .....	280							
Total .....	299							
<b>Financial</b>								
Canada .....	311							
U.S.A. ....	312							
Other .....	330							
Total .....	349							
<b>Technology/(Information Technology)</b>								
Canada .....	361							
U.S.A. ....	362							
Other .....	380							
Total .....	399							
<b>Communications/(Telecommunications)</b>								
Canada .....	411							
U.S.A. ....	412							
Other .....	430							
Total .....	449							
<b>Utilities</b>								
Canada .....	461							
U.S.A. ....	462							
Other .....	480							
Total .....	499							
<b>Other</b>								
Canada .....	511							
U.S.A. ....	512							
Other .....	530							
Total .....	549							
<b>Total - All Sectors</b>								
Canada .....	819							
U.S.A. ....	829							
Other .....	889							
Total .....	899							

\* Sector based on either the Bloomberg or GICS Sector Classification System. Specify Classification System Used

Insurer

Year

**MORTGAGE LOANS  
(Vested in Trust)  
(\$'000)**

Category	Number of Mortgages (01)	Balance Sheet Value Before Provisions (06)	Loans on Watch List					General & Specific Provisions (36)	Balance Sheet Value (41)
			Loans in Arrears (>90 Days) (11)	Restructured Loans (16)	Vendor Take Back Loans (21)	Impaired Amount (26)	Total Loans on Watch List Watch (31)		
<b>INSURED</b> .....	010								
<b>UNINSURED</b>									
Single Residential .....	110								
Multiple residential .....	160								
Office .....	210								
Retail Stores .....	260								
Industrial .....	310								
Hotel .....	360								
Other .....	410								
General Provisions.....	460								
<b>TOTAL</b> .....	<b>699</b>								
Second and subsequent mortgage loans .....	710								



Insurer

Year

**MORTGAGE LOANS - GEOGRAPHIC DISTRIBUTION**  
**(Vested in Trust)**  
**Balance Sheet Value (Before Provisions)**  
**(\$'000)**

Location of Property	INSURED Mortgage Total	UNINSURED MORTGAGES						Total Mortgages	Amount of Principal on which Interest was overdue > 90 days		Total Specific Provisions			
		Single Residential	Multiple Residential	Office	Retail Stores	Industrial	Hotels		Other	Insured		Uninsured		
		(01)	(06)	(11)	(16)	(21)	(26)		(31)	(36)		(41)	(51)	(61)
Newfoundland & Labrador.....	010													
P. E. I. ....	020													
Nova Scotia .....	030													
New Brunswick .....	040													
Quebec .....	050													
Ontario .....	060													
Manitoba .....	070													
Saskatchewan .....	080													
Alberta .....	090													
British Columbia .....	100													
Yukon .....	110													
N. W. T. ....	120													
Nunavut .....	130													
<b>Total Canada .....</b>	<b>199</b>													





Insurer

Year

**REAL ESTATE - GEOGRAPHIC DISTRIBUTION BY TYPE**  
**(Vested in Trust)**  
**Balance Sheet Value (Before Provisions)**  
**(\$'000)**

Location of Property	Single Residential (01)	Multiple Residential (06)	Office (11)	Retail Stores (16)	Industrial (21)	Hotel (26)	For Own Use (31)	Other (36)	Total Real Estate (41)	Foreclosed Real Estate	
										Held for Investment (46)	Held for Sale (51)
Newfoundland & Labrador . 010											
P. E. I. .... 020											
Nova Scotia ..... 030											
New Brunswick ..... 040											
Quebec ..... 050											
Ontario ..... 060											
Manitoba ..... 070											
Saskatchewan ..... 080											
Alberta ..... 090											
British Columbia ..... 100											
Yukon ..... 110											
N. W. T. .... 120											
Nunavut ..... 130											
<b>Total Canada</b> ..... 199											

Insurer

Year

**DERIVATIVE INSTRUMENTS RISK PROFILE**  
 (\$'000)

	Employed by the Insurer		Gross Notional Principal Amount at year end					Credit Risk** (Positive Mark to Market Exposure) (42)	Credit Equivalent Amount (47)	
	Yes/No (01)	Risk* Role (02)	Total Notional Amount (07)	Over the Counter Amount (17)	Amount held for Trading (22)	Remaining Term of Exposure				
						Less than 1 Year (27)	1 - 5 Years (32)			Over 5 Years (37)
<b>Interest Rate Contracts:</b>										
Forward rate agreements ...	010									
Futures contracts .....	020									
Swap contracts .....	030									
Options purchased .....	040									
Options written .....	050									
<b>Subtotal</b> .....	<b>099</b>									
<b>Foreign Exchange Contracts:</b>										
Foreign exchange spot and forward contracts .....	210									
Futures contracts .....	220									
Swap contracts .....	230									
Options purchased .....	240									
Options written .....	250									
<b>Subtotal</b> .....	<b>299</b>									
<b>Other:</b>										
Equity Related .....	310									
Commodity Related .....	320									
Other .....	330									
<b>Subtotal</b> .....	<b>399</b>									
<b>Total</b> .....	<b>499</b>									
Adjustment for master netting agreements .....	550									
<b>Total - Net of Adjustment</b> .....	<b>899</b>									

\*Legend - Risk Role  
 1. Hedging                      2. Trading                      3. Market-maker                      4. Other

\*\* Refer to instructions regarding netting of amounts

Insurer

Year

**NET INVESTMENT INCOME**  
**(\$'000)**

Reference Page		Current Year (01)	Prior Year (03)
	<b>Bonds:</b>		
	Interest ..... 010		
	Realized Gains (Losses) on sale ..... 030		
	Fair Value Gains (Losses) ..... 040		
	<b>Mortgage Loans:</b>		
	Interest ..... 110		
	Realized Gains (Losses) on sale ..... 130		
	Fair Value Gains (Losses) ..... 140		
	<b>Preferred &amp; Common Shares:</b>		
	Dividends ..... 210		
	Realized Gains (Losses) on sale ..... 230		
	Fair Value Gains (Losses) ..... 240		
	<b>Real Estate:</b>		
	Rental Income Including \$ _____ for Insurer's Own Use ..... 310		
23.020	Amortization of Realized and Unrealized Gains and (Losses) ..... 320		
	Interest on Policy Loans ..... 610		
	Interest on Cash and Short Term Investments ..... 620		
	Income from Other Loans and Invested Assets ..... 630		
	Interest on Overdue Premiums ..... 640		
	Income from Derivative Activities ..... 650		
	Income from Other Equity Investments ..... 660		
	<b>Less:</b>		
21.020	Provision for Losses ..... 710		
21.020	Write-Downs ..... 720		
	<b>Gross Investment Income</b> ..... 749		
	<b>Less:</b>		
	Investment Expenses (other than Investment Taxes) .... 810		
	Investment Taxes ..... 820		
	<b>Net Investment Income</b> ..... 889		

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**Insurer**


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**Year**

**CAPITAL GAINS (LOSSES) ON REAL ESTATE  
REALIZED, NET REALIZED DEFERRED AND NET UNREALIZED AMORTIZED  
(\$'000)**

		Real Estate
<b>Movement during the year</b>		(21)
Realized Gains on Sale or Maturity .....	010	
Realized Loss on Sale or Maturity .....	040	
Net Gain (Loss) .....	079	
Writing Up (Down) of Balance Sheet Value .....	100	
Currency Adjustment .....	130	
Non-Amortizable Gains (Losses) .....	160	
<b>Net Realized Deferred</b>		
Balance of Deferred Items - Beginning of Year .....	210	
Adjusted Realized Gain (Loss) .....	240	
Subtotal .....	279	
Amortized to Revenue in Year .....	300	
Currency Adjustment .....	330	
Net Deferred Balance - End of Year .....	389	
<b>Net Unrealized Amortized Gains and Losses</b>		
Balance - Beginning of Year .....	410	
Amortized to Revenue in Year		
Market Value Increase (Decrease) .....	440	
Less: Amounts Realized During Year .....	470	
Net Amortized During Year .....	499	
Currency Adjustment .....	530	
Balance - End of Year .....	589	

LIFE-2 (2007)

Next Page is 23.030

Insurer

**ANALYSIS OF INCOME BY LINE OF BUSINESS**  
(\$'000)

	NON-PARTICIPATING								Total Par (51)	Total Par & Non-Par (56)	Head Office Account (71)	Other (76)	Total Canada (81)
	Life		Annuity		A&S		Rein- surance (31)	Total Non- Par (41)					
	Individual (01)	Group (02)	Individual (11)	Group (12)	Individual (21)	Group (22)							
<b>Revenue</b>													
Premiums .....	040												
Net Investment Income .....	070												
Fee Income .....	130												
Other Revenue .....	160												
<b>Total Revenue</b> .....	199												
<b>Policy Benefits and Expenses</b>													
Policyholder Benefits													
Claims .....	210												
Annuity Payments .....	220												
Surrenders .....	230												
Other .....	240												
Net Changes to Actuarial Liabilities													
Normal .....	300												
Basis Change .....	330												
Policyholder Dividends .....	360												
Experience Rating Refunds .....	390												
Transfer to and (Transfer from)													
Other Funds .....	420												
Commissions .....	450												
Interest on Policyholder Amounts													
on Deposit .....	480												
Interest Expense .....	510												
General Expenses and Taxes													
(excl. Income Taxes) .....	540												
Other Expenses .....	570												
<b>Total Benefits and Expenses</b> .....	649												
<b>Income Before Income Tax</b> .....	669												
Provision for Income Taxes.....	720												
<b>Income Before the following:</b> .....	749												
Extraordinary items (net of income													
Taxes of \$_____)	800												
Discontinued Operations (net of													
Income Taxes of \$_____)	830												
<b>Net Income</b> .....	899												

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 Insurer

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 Year

**INTERROGATORIES TO SEGREGATED FUNDS (continued)**

2. Do the segregated funds employ financial contracts such as options, futures, forwards and other derivative transactions?

**010**      **Yes:** \_\_\_\_\_      **No:** \_\_\_\_\_

If yes, please provide details by type of fund outlining the purpose, arrangements and contract amount for all such transactions outstanding at any time during the current year. Also, disclose by type of fund, as described in page 60.020, the income derived from the specified transactions.

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3. (a) Has any fund given a security interest on any of its assets, provided a guarantee or arranged for the general fund to give a guarantee on its behalf?

**110**      **Yes:** \_\_\_\_\_      **No:** \_\_\_\_\_

If yes, please provide details outlining the purpose and arrangements for such security interest.

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- (b) Have the policyholders been informed of the fact that guarantees and security interest arrangements may be entered into by the funds?

**140**      **Yes:** \_\_\_\_\_      **No:** \_\_\_\_\_

- (c) Are policyholders provided with an explanation of such activity for the current year?

**170**      **Yes:** \_\_\_\_\_      **No:** \_\_\_\_\_

4. Will all segregated funds with individual contracts be audited and will financial statements for the current year of such funds be made available to the policyholders?

**210**      **Yes:** \_\_\_\_\_      **No:** \_\_\_\_\_

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\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of Insurer)

# Interim Return

## LIFE-2

### Foreign Life Insurers

Contents	
20.010	Assets
20.020	Liabilities, Head Office Account and Accumulated Other Comprehensive Income (Loss)
20.030	Income Statement
20.044	Head Office Account
20.046	Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)
21.012	Summary of Investments - Vested in Trust
21.020	Summary of Provisions - Investments Vested in Trust
35.010	Analysis of Income by Line of Business

**Certification**

I, \_\_\_\_\_ certify that, to the best of my knowledge, the attached statement and supporting schedules present fairly the financial position of the Insurer as at \_\_\_\_\_ and the results of its operations for the \_\_\_\_\_ months then ended in accordance with the generally accepted accounting principles and statutory provisions that were applied in the preparation of the most recent Annual Return that the Insurer filed with the Office of the Superintendent of Financial Institutions.

\_\_\_\_\_  
*Signature (Chief Agent)*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Title*

**Statement Contact**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Telephone: \_\_\_\_\_

Insurer

**COMPREHENSIVE INCOME (LOSS)**  
and  
**ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**  
(\$'000)

Reference Page		Current Period (01)	Prior Period (03)
20.030	<b>Comprehensive Income (Loss)</b>		
	Net Income .....	010	
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans .....	110	
	- Bonds and Debentures .....	140	
	- Equities .....	170	
	Reclassification to Earnings of (Gains) Losses .....	210	
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses .....	310	
	Reclassification to Earnings of (Gains) Losses .....	340	
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses .....	410	
Impact of Hedging .....	440		
<b>Other</b> .....	480		
Total Other Comprehensive Income (Loss) .....	510		
<b>Total Comprehensive Income (Loss)</b> .....	589		

		Current (01)	Prior (03)
20.020	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains (Losses), net of tax, on:		
	<b>Available for Sale:</b>		
	- Loans .....	710	
	- Bonds and Debentures .....	740	
	- Equities .....	770	
	<b>Derivatives Designated as Cash Flow Hedges</b> .....	810	
	<b>Foreign Currency (Net of Hedging Activities)</b> .....	840	
	<b>Other</b> .....	880	
	Balance at end of Period .....	899	



Insurer

**ANALYSIS OF INCOME BY LINE OF BUSINESS**  
(\$'000)

	NON-PARTICIPATING								Total Par (51)	Total Par & Non-Par (56)	Head Office Account (71)	Other (76)	Total Canada (81)
	Life		Annuity		A&S		Rein- surance (31)	Total Non- Par (41)					
	Individual (01)	Group (02)	Individual (11)	Group (12)	Individual (21)	Group (22)							
<b>Revenue</b>													
Premiums .....	040												
Net Investment Income .....	070												
Fee Income .....	130												
Other Revenue .....	160												
<b>Total Revenue</b> .....	199												
<b>Policy Benefits and Expenses</b>													
Policyholder Benefits													
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Annuity Payments .....	220												
Surrenders .....	230												
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Net Changes to Actuarial Liabilities													
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Basis Change .....	330												
Policyholder Dividends .....	360												
Experience Rating Refunds .....	390												
Transfer to and (Transfer from)													
Other Funds .....	420												
Commissions .....	450												
Interest on Policyholder Amounts													
on Deposit .....	480												
Interest Expense .....	510												
General Expenses and Taxes													
(excl. Income Taxes) .....	540												
Other Expenses .....	570												
<b>Total Benefits and Expenses</b> .....	649												
<b>Income Before Income Tax</b> .....	669												
Provision for Income Taxes .....	720												
<b>Income Before the following:</b> .....	749												
Extraordinary items (net of income													
Taxes of \$ _____) .....	800												
Discontinued Operations (net of													
Income Taxes of \$ _____) ....	830												
<b>Net Income</b> .....	899												