

| OSFI-56 | 40.010 | PREMIUMS COMMISSIONS AND DIVIDENDS | |
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| <p>Purpose:</p> <p>To provide details of premiums and commissions by line of business and by nature of premiums.</p> | | | |
| <p>General Commentary:</p> <p>The information contained on page 40.010 relates to the society's total business on a non-consolidated basis. (See instructions on pages 20.030, 30.030 and 30.060 and the note following the instructions on this page.)</p> | | | |
| Line | Col | Cross Ref | Practice |
| 002 003 | 01 02 04 | | Please provide details of Direct Premiums written by First Year and Renewal Premiums. |
| 009 | All | P 91.000 | <p>Total Direct Premiums</p> <p>Total direct premiums, line 009, should cross-reference to the Provincial Exhibits (formerly OSFI-195) on page 91.000.</p> <p>(See validation references on page 91.000 instructions.)</p> |
| 14 | All | P 91.000 | <p>Total Reinsurance Ceded Premiums</p> <p>Total reinsurance ceded premiums, line 029, should cross-reference to the Provincial Exhibits (formerly OSFI-195) on page 91.000</p> <p>(See page 91.000 instructions for validation references.)</p> |
| 039 | All | P 91.000 | <p>Total Net Premiums</p> <p>Total net premiums, line 039, should cross- reference to the Provincial Exhibits (formerly OSFI-195) on page 91.000.</p> <p>(See page 91.000 instructions for validation references.)</p> |

| OSFI-56 | | 40.010 (cont'd) | PREMIUMS COMMISSIONS AND DIVIDENDS |
|---------|-----|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 039 | All | P 30.060 | <p>Total Net Premiums</p> <p>Total Net Premiums, line 039, column 01 representing life premiums, should cross-reference to page 30.060, line 001, column 01.</p> <p>Total Net Premiums, line 039, column 02 representing annuity premiums, should cross-reference to page 30.060, line 003, column 02.</p> |
| 049 | All | P 30.061 | <p>Total Net Commissions Incurred</p> <p>Total Net Commissions Incurred, line 049, columns 01, 02 and 04 should cross-reference to page 30.061, line 040, columns 01, 02 and 03 respectively.</p> |

Inclusion in Premiums

In premiums, include consideration for life insurance certificates and annuity contracts in force at any time during the year. The full amounts are to be reported without any deduction for dividends to policyholders, commissions or expenses.

Dividends

Dividends applied to purchase bonus additions, extend insurance, paid-up insurance or premium reductions, or shorten the premium paying or endowment period should be included as single premiums.

Premium Reductions

Where premiums have been reduced by the purchase of premium reductions, only the reduced premium is to be entered in subsequent years. Note that the application of cash dividends in part payment of premium falling due in the succeeding 12 months is not to be considered as the purchase of a premium reduction. In these cases, the full premium should be shown and the dividend treated as a cash dividend.

Premiums Waived

Premiums waived because of the death or disability of the person paying the premiums are not to be included, even though the certificate might still be in force.

Cash Equity

The cash equity of any insurance, benefit or annuity contract, or any part thereof, that is applied to purchase a new insurance certificate, benefit or annuity contract should only be included as premiums if the new or continued certificate, benefit or contract may properly be included among "new effected" in the movement of certificates or movement of annuities pages.

Commissions Provision

The change during the year in the deduction for commissions on outstanding insurance premiums and annuity considerations should be included in the commission account.

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| OSFI-56 | 40.010 (cont'd) | CERTIFICATEHOLDER DIVIDENDS - LIFE | |
| Purpose: To provide analysis of certificateholder dividends. | | | |
| <p>General Commentary:</p> <p>Changes in the provision for dividends and accrued dividends to certificateholders are to be included on this page and should be reflected in the income statement.</p> <p>For both accident and sickness certificates and life insurance certificates, premiums reported on page 40.010 should be prior to any deduction for certificateholder dividends. The full amount of such dividends should be included on this page, lines 060 to 089.</p> | | | |
| Line | Col | Cross Ref | Practice |
| 060 | All | | <p>Paid or Payable in Cash</p> <p>Societies are to include dividends that have been paid in cash or are payable in cash, as well as those that have been applied by the certificateholder in payment of a premium or certificate loan. Reductions in future premiums are not included in this line, see line 064.</p> |
| 063 | All | | <p>Applied as single premiums for Paid-up Additions</p> <p>The amounts entered on this line should be offset by a corresponding amount included on page 40.010, line 001 as single premiums.</p> |
| 064 | All | | <p>Applied as Single Premiums for Reducing Premiums</p> <p>Only dividends applied as a single premium to purchase a single life annuity which will reduce all future premiums under the contract by a fixed amount are to be reported on this line.</p> <p>Such a purchase involves computation on the basis of interest and mortality. Dividends ordinarily paid in cash that are used to reduce subsequent instalment or fractional premium payments are not considered dividends applied for premium reduction. Such reductions are to be treated as "Premiums Received in Advance" and are to be included on line 002, page 60.011.</p> |

| OSFI-56 | | 40.010 (cont'd) | CERTIFICATEHOLDER DIVIDENDS - LIFE |
|---------|-----|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 069 | All | P 93.000 | <p>Total Direct Dividends</p> <p>Total direct dividends, line 069, should cross-reference to the Provincial Exhibits (formerly OSFI-195) on page 93.000.</p> <p>(See page 93.000 instructions for validation references.)</p> |
| 071 | All | P 93.000 | <p>Dividends on Reinsurance Ceded</p> <p>Dividends on Reinsurance Ceded, line 071, should cross-reference to the Provincial Exhibits (formerly OSFI-195) on page 93.000.</p> <p>(See page 93.000 instructions for validation references.)</p> |
| 079 | All | P 93.000 | <p>Dividends (Subtotal)</p> <p>Net Dividends paid, line 079, should cross-reference to the Provincial Exhibits (formerly OSFI-195) on page 93.000.</p> |
| 080 | All | | <p>Provision - Dividends</p> <p>Change during the year allocated by line. The provision is the change for the year as shown on line 011, page 30.020.</p> |
| 089 | All | P 30.060 | <p>Total Net Dividends</p> <p>Line 089, columns 01, 02 and 04, should cross-reference to page 30.060, line 035, columns 01, 02 and 03 respectively.</p> |

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| OSFI-56 | 40.020 | CERTIFICATEHOLDER BENEFITS PAID AND INCURRED AND OUTSTANDING CLAIMS | |
| Purpose: | | | |
| To display claims incurred in the income statement by type of claim and line of business and to display by type and line the outstanding claims that appear on the balance sheet. | | | |
| General Commentary: | | | |
| Greater detail of the breakdown of claims incurred during the year and the purpose for balance outstanding at the end of the year. Also refer to Income Statement. is provided. | | | |
| Line | Col | Cross Ref | Practice |
| | | | Lines 001 to 029 Claims Incurred |
| 001 | All | | <p>Death Claims</p> <p>Include unreported death claims with outstanding claims for the purpose of reporting incurred claims for the year.</p> <p>Death claims payable in other than one sum should also be included here in the full amount of the incurred claim amount. The exercise of a settlement option by a beneficiary of a deceased insured whereby the death claim is to be paid in other than a lump sum payment does not change the incurred amount which should be reported as death claims.</p> <p>Premiums waived under any in force certificate are not to be included in death claims or any other item of expenditure.</p> |
| 002 | All | | <p>Accidental Death Claims</p> <p>Include only the additional benefits arising from accidental death claims, if any.</p> |

| OSFI-56 | 40.020 (cont'd) | CERTIFICATEHOLDER BENEFITS PAID AND INCURRED AND OUTSTANDING CLAIMS | |
|---------|--------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 003 | All | | <p>Disability Claims</p> <p>Include payments due on the occurrence or continuance of a disability.</p> <p>Include the commuted value of an annuity certain that becomes payable on occurrence of disability.</p> <p>Do not include on this line payments arising on death following a disability, including the commuted value of instalment payments made thereafter. Report such payments as death claims on line 001.</p> <p>Similarly, do not include on this line any payment due on completion of an endowment period following disability, including the commuted value of subsequent payments not dependent on continuance of disability. Include these payments on line 004.</p> <p>Premiums waived on disability are not included here or on any other item of expenditure.</p> |
| 004 | 01 | | <p>Matured Endowments</p> <p>Include lump sum payments and the commuted values of serial payments (include any payments due on acceptance of proof of claim).</p> |
| 005 | 02 | | <p>Annuity Payments</p> <p>Do not include payments under settlement annuities here. Settlement annuity payments should be reported netted against settlement annuity considerations and reported on page 40.070, line 004 Other Revenue.</p> |

| OSFI-56 | 40.020 (cont'd) | CERTIFICATEHOLDER BENEFITS PAID AND INCURRED AND OUTSTANDING CLAIMS | |
|---------|--------------------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 006 | 01 | | <p>Surrender Values</p> <p>Include the cash surrender value applied to purchase a new insurance certificate or benefit, or to continue a certificate or benefit in accordance with terms of the original certificate, provided the new or continued certificate or benefit can be included as new effected in the movement of certificates.</p> <p>Cash values applied to repay a loan should be included here.</p> <p>Exclude cash surrender values applied to purchase reduced paid up or extended term insurance.</p> |
| 019 | All | P 30.060 L 030 L 031 L 032 | <p>Total Net Claims</p> <p>Total paid and incurred for life and annuity business should equal the balances shown on page 30.060 column 05.</p> |
| 029 | All | | <p>Total Reinsurance Ceded - Claims</p> <p>Include ceded claims paid and incurred under both registered and unregistered reinsurance treaties, if any.</p> |
| | | | <p>Lines 030 to 059 Outstanding Claims</p> <p>Do not include accrued interest on outstanding claims on this page. It belongs on line 023, Other Liabilities, page 60.011. The total provision for resisted claims is part of this amount.</p> |
| 030 | All | | <p>Death Claims</p> <p>Claims reported prior to year-end, but for which proofs have not been filed should be included on this line.</p> <p>Provision for unreported death claims goes on line 049.</p> |

| OSFI-56 | 40.020 (cont'd) | CERTIFICATEHOLDER BENEFITS PAID AND INCURRED AND OUTSTANDING CLAIMS | |
|---------|--------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 032 | All | | <p>Disability Claims</p> <p>Report only disability claims that fell due during the year but were not paid by year-end.</p> <p>Provision for disability claims reported but not admitted or unreported should be included in Net Actuarial Liability.</p> |
| 034 | 02 | | <p>Annuity Payments</p> <p>Do not include settlement annuities, they should be included on line 037.</p> |
| 037 | 01, 02 | | <p>Include payments under settlement annuities on this line.</p> |
| 049 | All | | <p>Provision for Unreported Claims</p> <p>Report the provision for unreported claims on this line.</p> <p>The change in provision for unreported claims (i.e., add current year provision subtract provision at the end of the previous year) should be included in incurred claims for the year.</p> |
| 059 | All | P 30.020 L 012 | <p>Total</p> <p>These details back up the outstanding claims reported on line 012 of the liabilities page.</p> |
| 069 | All | | <p>Due from Other Companies on Reinsurance Contracts for Claims Paid</p> <p>Include amounts recoverable both from registered and unregistered reinsurers, if any.</p> |

| OSFI-56 | 40.020 (cont'd) | CERTIFICATEHOLDER BENEFITS PAID AND INCURRED AND OUTSTANDING CLAIMS | |
|---------|--------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 019 | All | P 92.000 P 92.040 | <p>Claims Incurred Life</p> <p>Total Claims Incurred, line 019, should cross-reference to the Provincial Exhibits (formerly OSFI-195) on pages 92.000 and 92.040.</p> <p>(See page 92.040 instructions for validation references.)</p> |
| 029 | All | P 92.000 P 92.040 | <p>Total Reinsurance Ceded</p> <p>Total Reinsurance Ceded, line 029, should cross-reference to the Provincial Exhibits (formerly OSFI-195) on pages 92.000 and 92.040.</p> <p>(See page 92.040 instructions for validation references.)</p> |

| OSFI-56 | | 40.050 | OUTSTANDING PREMIUMS |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose: To display outstanding premiums by type of plan and line of business. | | | |
| General Commentary: Premiums reported here should be “gross” of commissions and estimated loss in collection. The amount reported as current on lines 010, 030, 050 and 058 should be net of any allowance for uncollectibility. | | | |
| Line | Col | Cross Ref | Practice |
| 001 | 01, 02 | | Life Insurance Include all types of life insurance products written. |
| 010 & 011 | 01 02 | | OSFI provides space for definition of "In Arrears" so the criteria used to define such receivables must be determined by the society and described at the bottom of the page. As a general guideline premiums outstanding 90 days or more are considered "In Arrears" and can be shown as such if eventual collection is expected. |
| 020, 030, 031 | 01, 02 | | Annuity Business These lines are to be completed in the same manner as those described above for the equivalent life insurance business lines. |
| 040, 050, 051 | All | | Accident and Sickness Business These lines are to be completed in the same manner as those described above for the equivalent life insurance business lines. |
| 058 | 01 | | Total - Life, Annuity and Accident and Sickness Current Line 058 is the sum of lines 010, 030 and 050. |
| 059 | 01 | | In Arrears Line 059 is the sum of lines 011, 031 and 051. |

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| OSFI-56 | 40.060 | NET INVESTMENT INCOME | |
| <p>Purpose:</p> <p>To disclose the details of the Society's Net Investment Income on an unconsolidated basis.</p> | | | |
| <p>General Commentary:</p> <p>References: CICA Handbook sections 3025 and 4210 Impaired Loans and AcG-9 - Financial Reporting by Life Insurance Enterprises OSFI Guideline C-1, Impaired Loans</p> <p>Investment income in respect of segregated funds should not be included on this page, but reported on page 40.070 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 expenses relating to certificateholder amounts on deposit, and other interest expense are shown separately on the income statement and therefore should not be included in the determination of net investment income. Other interest would include interest on delayed certificate benefit payments, if such interest element is not shown included as part of the claim payments. Interest expense relating to bank loans, etc. used to finance or relating to investing activities should be shown here.</p> <p>Both the amount earned or incurred during the year as well as the accrued balance at the end of the year should be reported on this page.</p> <p>Total Net Investment Income is carried forward to the income statement page 30.030, line 010 and total Gross Investment Income Accrued is carried forward to the balance sheet, on page 30.010, line 007.</p> | | | |
| Line | Col | Cross Ref | Practice |
| 001 | 01 & 02 | | <p>Bonds - Interest</p> <p>Include amortization of premium or discount and interest earned on bonds and debentures during the year. Interest on other fixed term investments should be reported on lines 041 or 050, as appropriate.</p> <p>No accrual should be made for interest due or accrued on bonds in default as to either principal, interest or both.</p> |

| OSFI-56 | 40.060 (cont'd) | NET INVESTMENT INCOME | |
|---------|--------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 003 | 01 | P 70.003 L 020 C 01 | <p>Bonds - Amortization of Net Realized Gains and Losses</p> <p>Gains and losses arising on the sale of bonds should be amortized to income over the remaining term to maturity of the investment sold. Net realized gains and losses arising on the sale of impaired investments that have been written down prior to the sale or on which interest accruals had been stopped prior to the disposal should be reported on line 060.</p> |
| 010 | 01, 02 | | <p>Equities - Dividends</p> <p>Accrued dividends on equity investments (excluding joint ventures) should only be included in respect of declared and unpaid dividends on shares that were sold ex-dividend on a recognized stock exchange at the fiscal year end.</p> |
| 011 | 01 | P 70.003 L 020 + L 031 C 03 | <p>Equities - Amortization of Realized and Unrealized Gains and Losses</p> <p>Net deferred realized and unrealized gains and losses on equity investments (excluding joint ventures) should be amortized to income at a rate of:</p> <ul style="list-style-type: none"> a) for years ending up to and including December 31, 2002: 15% per annum b) for years ending after December 31, 2002: 5% per quarter (refer to the General Section of these Instructions). |
| 020 | 01, 02 | | <p>Mortgage Loans - Interest</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> |

| OSFI-56 | 40.060 (cont'd) | NET INVESTMENT INCOME | |
|---------|--------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 023 | 01 | P 70.003 L 020 C 02 | <p>Mortgage Loans - Amortization of Net Realized Gains and Losses</p> <p>Gains and losses arising on the sale of mortgages should be amortized to income over the remaining term to maturity of the mortgage sold. Net realized gains and losses arising on the sale of impaired investments should be reported on line 060.</p> |
| 030 | 01, 02 | | <p>Rental Income Including \$ for Society's Own Use</p> <p>Report gross income, <u>including an imputed rent for society owned premises which are for its own use.</u> In the space provided for the inside datapoint page 40.060, line 003, column 03, report the current year's imputed rent for the society's own use. Real estate expenses should be included with other investment expenses and reported on line 070. Similarly, real estate taxes are included on line 079.</p> |
| 031 | 01 | P 70.003 L 020 + L 031 C 04 + C 05 | <p>Real Estate - Amortization of Realized and Unrealized Gains and Losses</p> <p>Net deferred realized and unrealized gains and losses on real estate owned by the society and its subsidiaries should be amortized to income at a rate of:</p> <ul style="list-style-type: none"> a) for years ended on or before December 31, 2002: 10% per annum b) for years ended after December 31, 2002: 3% per quarter (refer to the General Section of these Instructions). |
| 038 | 01 02 | | <p>Interest on Certificate Loans</p> <p>Include interest earned on certificate loans during the year. Unpaid interest should be recorded as an addition to the certificate loan on page 30.010, line 020 to the extent that the loan would not exceed the cash surrender value on the certificate.</p> |

| OSFI-56 | 40.060 (cont'd) | NET INVESTMENT INCOME | |
|---------|--------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 041 | 01, 02 | | <p>Interest on Term Deposits and GIC's</p> <p>Include interest earned on short-term investments. Short-term investments are defined as investments that are issued with a maturity date not exceeding 12 month at the time of issue (e.g., T-bills, GIC's, Certificate of Deposit etc.).</p> <p>Interest earned on bank deposits should be recorded on line 050.</p> |
| 047 | 01, 02 | | <p>Interest on Overdue Premiums</p> <p>Interest earned on outstanding premiums should be recorded on this line.</p> <p>Interest should not be recorded on overdue premiums relating to certificates that have lapsed.</p> |
| 050 | 01, 02 | | <p>Income from other Investments</p> <p>Include interest income from bank deposits, income earned on other assets (e.g., equity share of net income of joint ventures) on this line.</p> |
| 053 | 01 | P 70.050 | <p>Provision for Losses</p> <p>References: CICA section 3025, Impaired Loans, and AcG-9 - Financial Reporting by Life Insurance Enterprises 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> |

| OSFI-56 | 40.060 (cont'd) | NET INVESTMENT INCOME | |
|----------------|----------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 056 | 01 | P 70.050 | <p>Write-downs</p> <p>References: CICA section 3025, Impaired Loans, and AcG-9 - Financial Reporting by Life Insurance Enterprises OSFI Guideline C-1, Impaired Loans</p> |
| 060 | 01 | | <p>Non-Amortizable Capital Gains and Losses</p> <p>Include on this line any capital gains or losses arising from the sale of investments that would not be amortizable, (i.e., sale of a subsidiary or leases). Net realized gains and losses on the sale of impaired investments, that have been written down prior to the sale or on which interest accruals had been stopped prior to the disposal should be included here.</p> |
| 069 | 02 | P 30.010 L 007 C 01 | <p>Gross Investment Income Accrued</p> <p>To be carried over to Non-Consolidated Assets.</p> |

| OSFI-56 | 40.060 (cont'd) | NET INVESTMENT INCOME | |
|---------|--------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 070 | 01, 02 | | <p>Investment Expenses (other than Investment Taxes)</p> <p>General expenses relating to investment activities e.g., salaries and employee benefits of Investment Department personnel, or fees paid to investment management agencies and other expenses of society allocated to Investment Department, and specific investment costs (e.g., bank charges, brokerage fees) are included on this line. Interest on amounts on deposit and interest on delayed payments, are shown separately on the income statement, page 30.030, lines 051 and 053 respectively 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 the society's 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> |
| 079 | 01, 02 | | <p>Investment Taxes</p> <p>Realty taxes on real estate properties whether for the society's own use or not should be included. Additionally, only 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> |

| OSFI-56 | 40.060 (cont'd) | NET INVESTMENT INCOME | |
|---------|--------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 089 | 01 | P 30.030 L 010 C 01 | <p data-bbox="721 384 1149 415">Net Investment Income Earned</p> <p data-bbox="721 453 1422 594">Total of line 069 minus lines 070 and 079. The total from column 01 should be carried forward to the income statement on page 30.030, line 010, column 01.</p> |

| OSFI-56 | 40.070 | OTHER REVENUE | |
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| <p>Purpose:</p> <p>To disclose the sources of fee income and revenue derived from non-insurance activities related to the General Account of the society; Fraternal and Other Fund revenue is to be reported on line 024, page 30.030.</p> | | | |
| <p>General Commentary:</p> <p>Other revenue includes fee income generated by the society such as management fees for segregated funds and fees for Administrative Services Only (ASO) business. <u>These items should be shown gross with the expenses applicable to them included in general expenses and taxes.</u></p> <p>The total is carried forward to the income statement on page 30.030, line 023.</p> | | | |
| Line | Col | Cross Ref | Practice |
| 001 | 01 02 | | <p>Management Fees for Segregated Funds</p> <p>This item should be shown gross with the expenses applicable to them included in general expenses and taxes on page 30.030, line 060.</p> |
| 004 005 006 | 01 02 | | <p>Specify Other Revenue Items</p> <p>Reference <i>Insurance Companies Act</i> section 542</p> <p>Societies should specify on the blank lines the specific items (such as reserve adjustment on insurance ceded on a modco basis, etc.) that provide additional revenue to the society.</p> <p>Mortality charge levied to segregated funds by general fund is to be reported here in a blank line separately.</p> <p>Income generated by changes in market value of transfers to/from Segregated Funds for seed capital and maintenance purposes should be reported here as Other Revenue (specify)</p> <p>The descriptions provided for these items should be sufficient to permit OSFI to determine the types of activities that generated the additional revenue.</p> |

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| OSFI- 56 | 40.070 (cont'd) | GENERAL EXPENSES AND TAXES (Excluding Investment Expenses and Income Taxes). | |
| <p>Purpose:</p> <p>To provide a breakdown of general expenses and taxes incurred by major categories for the General Account.</p> | | | |
| <p>General Commentary:</p> <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 40.060.</p> <p>Total expenses is carried forward to the income statement on page 30.030, line 060.</p> <p>Note: Expenses related to Fraternal and Other Funds are <u>not</u> to be included here; such should be shown on page 30.030, line 061.</p> | | | |
| Line | Col | Cross Ref | Practice |
| 020 | 01 | | <p>Rent</p> <p>Expenses incurred as tenant for light, heat, water, etc., rent paid to a third party and <u>an imputed rent for the society's own premises which it occupies should be included.</u> The imputed rent for the society's own premises recorded on this line should coincide with the component amount shown as revenue on line 030, page 40.060.</p> <p>The imputed rent should approximate the amount of rent the society would have to pay in an arm's length transaction for premises of similar size and quality under current market conditions.</p> |
| 023 | 01 | | <p>Salaries, Wages and Allowances</p> <p>Salaries, wages, allowances and similar payments or expenses incurred for staff should be included with the exception of those employees engaged in investment related activities for the society. Their expenses will be included with other investment related expenses and shown on page 40.060.</p> |

| OSFI-56 | 40.070 (cont'd) | GENERAL EXPENSES AND TAXES (Excluding Investment Expenses and Taxes) | |
|---------|--------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line | Col | Cross Ref | Practice |
| 026 | 01 | | <p>Employees' and Agents' Benefits</p> <p>Premiums under group insurance and annuity contracts paid to a life insurance company and contributions to pension plans should be included. Contributions for programs such as unemployment insurance (in Canada or elsewhere), 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 employees and agents.</p> |
| 030 | 01 | | <p>Professional and Service Fees and Expenses</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> |
| 039 | 01 | | <p>Miscellaneous Expenses</p> <p>Expenses 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> |
| 040 | 01 | | <p>Premium Taxes</p> <p>Penalties if any incurred for late payment of premium taxes or late filing of the premium tax return should be included on this line.</p> |

| OSFI-56 | 40.070 (cont'd) | GENERAL EXPENSES AND TAXES (Excluding Investment Expenses and Taxes) | |
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| Line | Col | Cross Ref | Practice |
| 043 | 01 | | <p>Supervision and Examination</p> <p>All fees charged by OSFI and other government insurance departments for the general supervision and examination of the society should be reported on this line.</p> |
| 046 | 01 | | <p>Licenses and Fees</p> <p>Fees charged by government insurance departments for filing and society and agent licenses should be reported here.</p> |
| 050 | 01 | | <p>Miscellaneous Taxes</p> <p>City and county taxes (business taxes) and provincial and state taxes (including capital tax) should be reported here. U.S. guarantee fees if any paid, should also be reported here.</p> |
| 069 | 01 | P 30.030 L 060 C 01 | <p>Total General Expenses and Taxes</p> |