

LIFE-1	20.010	Assets	
<p>References</p> <p>CICA Handbook sections 3025 and 4210 AcG-9 - Financial Reporting by Life Insurance Enterprises</p>			
<p>Disclosure should be consistent with amounts reported as assets in the non-consolidated financial statements on page 70.010 and in accordance with GAAP.</p> <p>The principal custodians of cash and invested assets other than real estate are to be disclosed on page 21.140.</p>			
Line	Col	Cross Ref	Practice
010			<p>Cash</p> <p>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.</p>
040			<p>Short Term Investments</p> <p>Investments having an original term to maturity of one year or less; includes term deposit, GICs, commercial paper, treasury bills, etc.</p>
070			<p>Accrued Investment Income</p> <p>Include income due and accrued as at the balance sheet date.</p>
100			<p>Accounts Receivable</p> <p>Include outstanding premiums, agents' debit balances, and amounts due from brokers and other insurers. Amounts should be reported after the deduction, if any, of an allowance for doubtful accounts.</p>
200			<p>Policy Loans</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>

LIFE-1		20.010	Assets
Line	Col	Cross Ref	Practice
250	01	P 21.012 L 479 C 40	Bonds and Debentures 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).
300	01	P 21.012 L 500 C 40 and P 21.050 L 699 C 41	Mortgage Loans 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 life insurer.
420	01	P 21.012 L 599 C 40	Preferred Shares Include convertible preferred shares.
440	01	P 21.012 L 659 C 40	Common Shares Include options, warrants and rights in respect of common shares.
500	01	P 21.012 L 759 C 40	Real Estate Real estate includes ground rent, foreclosed property where title has passed to the life insurer and properties held for the life insurer's own use. Amounts 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 should be reported as liabilities on line 130 page 20.020.
550	01	P 21.012 L 800 C 40 and P 21.100 L 099 C 06	Other Equity Investments For details, refer to instructions for 21.100 – Part A. Note that investments in mutual funds etc. should not be reported here.

LIFE-1		20.010	Assets
Line	Col	Cross Ref	Practice
600	01	P 21.012 L 870 C 40 and P 21.100 L 299 C 16	Other Loans and Invested Assets 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 Line 160 Other Liabilities in accordance with GAAP.
800			Future Income Taxes Net debit balances in Future Income Taxes arising from different treatment of amounts in income tax returns and in financial statements.
820			Goodwill Refer to the CICA Handbook Section 3062.22-.48. The Amount attributed to Goodwill established by the life insurer to be realizable from future additional benefits to the extent not written down should be reported.
830			Intangible Assets Refer to the CICA Handbook Sections 3062.06-.21, 3063 and 3475.
880	01	P 21.150 L 499 C 01	Other Assets 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.

LIFE-1	20.020	Liabilities, Policyholders' and Shareholders' Equity	
References			
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 22.020 L 349 sum of C 01 & 11	Net Actuarial Liabilities See details on pages 22.010-.020.
040	01	P 22.020 L 489 C 41	Other Insurance Policy & Contract Liabilities 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.
070			Trust and Banking Deposits Deposits relating to the life insurer's banking and trust subsidiary operations are to be included here. Quebec life insurers: Deposits relating to the life insurer's banking and trust operations are to be included here also.
100	01	P 22.030 L 099 C 01	Accounts Payable Details are shown on Page 22.030. For bank overdrafts, see page 20.010, line 010.
130			Mortgage Loans and Other Real Estate Encumbrances 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	Other Liabilities Details are shown on Page 22.030. Include negative mark to market derivative positions and other financial liabilities not included in line items above.

LIFE-1		20.020	Liabilities, Policyholders' and Shareholders' Equity
Line	Col	Cross Ref	Practice
180 230			<p>Net Deferred Gains (Losses) on Real Estate</p> <p>All deferred gains (losses) that are taken into account by the Appointed Actuary in determining the actuarial liabilities should be reported on line 180.</p> <p>All other deferred gains (losses) should be reported on line 230.</p>
280	01	P 22.050 L 899 C 42	<p>Subordinated Debt</p> <p>All subordinated shareholder loans, notes and debentures (as defined in the relevant legislation), including subordinated debt issued by subsidiaries are to be reported on this line, notwithstanding its treatment for Capital Adequacy purposes. The total here should agree with the total on page 22.050, line 899, column 42.</p>
310	01	P 22.060 L 899 C 26	<p>Other Debt</p> <p>All other non-subordinated debt, including commercial paper, loans and notes payable is to be included on this line.</p>
410			<p>Non-Controlling Interests</p> <p>Amounts representing interests of non-controlling shareholders including those pertaining to subsidiaries.</p>
510	01	P 20.040 L 199 C 01	<p>Participating Account</p> <p>Total surplus of the participating policyholders. See also the instruction for Question 5.4 on Page 10.090.</p>
520	01		<p>Participating Account - Accumulated OCI (Loss)</p> <p>Total Accumulated OCI (Loss) allocated to the participating policyholders.</p>
540	01	P 20.040 L 499 C 01	<p>Non-Participating Account (Mutual Companies Only)</p> <p>For use only by mutual companies transacting non-participating business. Stock companies should leave this line blank as any amount not included in the participating account should be included in retained earnings.</p>

LIFE-1		20.020	Liabilities, Policyholders' and Shareholders' Equity
Line	Col	Cross Ref	Practice
550	01		Non- Participating Account – Accumulated OCI (Loss) For use only by mutual companies transacting non-participating business. Total Accumulated OCI (Loss) allocated to the non-participating policyholders.
610			Capital Stock Include preferred shares issued by mutual companies.
640			Other Capital Refer to the CICA Handbook, section 3861.
670			Contributed Surplus Refer to the CICA Handbook, section 3251.
700	01	P 20.040 L 859 C 01	Retained Earnings For use by stock companies only.
740	01		Shareholders' Accumulated OCI (Loss) Total Accumulated OCI (Loss) allocated to shareholders.

LIFE-1	20.030	Income Statement	
References			
CICA Handbook sections 3855, 3865 and 4211 AcG-9 - Financial Reporting by Life Insurance Enterprises			
The income statement excludes any income earned on Segregated Funds in accordance with GAAP; 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 35.030 L 040 C 89 and P 45.030 L 289 C 89	Premiums These are in respect of Life, Annuities, Accident & Sickness and Property & Casualty. See instructions for page 35.010 on Instruction Page 35-1.
070	01	P 23.010 L 889 C 01 and P 35.030 L 070 C 89	Net Investment Income Include taxes other than income taxes (e.g., property tax) on investments in the determination of net investment income.
130	01	P 35.030 L 130 C 89	Fee Income Include fees from Administrative Services Only (ASO) business, investment services and other administrative fees earned from Segregated Funds.
160	01	P 23.030 L 199 C 01 and P 35.030 L 160 C 89	Other Revenue Include the amount as detailed on page 23.030.

LIFE-1		20.030	Income Statement
Line	Col	Cross Ref	Practice
250			<p>Policyholder Benefits</p> <p>See details on page 35.010, lines 210 to 240.</p>
300 330	01	P 35.030 L 300 & 330 C 89	<p>Net Changes to Actuarial Liabilities</p> <p>Quebec life insurers: Memorandum to the appointed actuary, section B18.1-.3 (in French only).</p> <p>Basis change should include the following. These are examples and are not meant to be all- inclusive.</p> <ul style="list-style-type: none"> (i) Changes in MfAD levels, including changes in the conditional tail expectation (CTE) level. (ii) Changes due to refinements in valuation calculation systems. (iii) Changes due to new actuarial or accounting standards unless otherwise specified as change in method in which case it is classified as “other variation and/or miscellaneous, such as those related to methods and corrections” and restatement prior year must be done. (iv) Correction of errors. Under Canadian GAAP, errors that are material to the total insurer must result in a restatement of the prior year. This category is for any errors that are not material to the total, but could be regarded as material in a particular segment shown in the SOE analysis. (v) Changes in non-formula bulk actuarial or other liabilities. This category does not include actuarial liabilities that are consistently calculated using an aggregate level methodology, as opposed to a policy-by-policy level calculation. An example is the C-3 PfAD. This category includes any amounts that the actuary has set up that 1) are not calculated using a direct link to the underlying policies and contingencies, 2) are not required by CIA standards or 3) which can be changed at the actuary’s discretion. This category would include, for example, general contingency reserves, general data integrity reserves, experience fluctuation reserves, non-formulaic cyclical reserves, etc.

LIFE-1		20.030	Income Statement
Line	Col	Cross Ref	Practice
300 330 (cont'd)			<p>(vi) New economic scenario for Canadian Asset Liability Method. When deterministic scenarios are used, any changes in the interest scenario results from one year to the next, if the same scenarios are run, is not a basis change. Cases where the scenarios are unchanged, but a different scenario from the same set of scenarios is the most adverse, would be considered a normal change due to updated assumptions. However, a basis change would occur in cases where the use of a new scenario, or the removal of a previous scenario, causes a reserve to increase or decrease relative to the previous set of scenarios. If an insurer uses stochastic modeling, it should consider any changes from one year to the next to be experience gains or losses, unless the methodology has been materially changed.</p> <p>(vii) Federal life insurers only: Changes in any best-estimate assumptions for in-force business. This includes changes in mortality, morbidity, lapse, policyholder dividends, expenses, ultimate interest rates, equity returns, real estate returns, default rates, etc. This also includes changes in PfADs where the MfADs are a function of the best-estimate actuarial liabilities.</p> <p>The “Normal change in actuarial liabilities” is the total change, less the basis change amount.</p>
360	01	P 35.030 L 360 C 89	<p>Policyholder Dividends</p> <p>Include amounts paid as well as any change in the due and unpaid.</p>
390	01	P 35.030 L 390 C 89	<p>Experience Rating Refunds</p> <p>Include amounts paid as well as any change in the provision.</p>

LIFE-1		20.030		Income Statement	
Line	Col	Cross Ref	Practice		
420	01	P 35.030 L 420 C 89	<p>Transfer to and (Transfer from) Other Funds</p> <p>This line is to be used for reporting movement of funds pertaining to transactions involving: a) acquisition / release of a block of business through reinsurance; and b) transfer of policy risk between general fund and Segregated Funds, (up to the date of such acquisition / release and transfer of risk).</p> <p>In respect of such existing risk or block of business, the offsetting reporting should be to the “Net Changes to Actuarial Liabilities” and this line of “Transfer to and (from) Other Funds”. In effect, the transfer of a block of business or policy should not give rise to a change in net income as a result of the change in actuarial liabilities as at that date.</p>		
450	01	P35.030 L 450 C 89 & P 45.030 L 489 C 89	<p>Commissions</p> <p>Include commission expense relating to net outstanding premiums.</p>		
510	01	P 23.030 L 299 C 01 & P 35.030 L 510 C 89	<p>Interest Expense</p> <p>Include interest expense on banking and trust deposits, on loans, notes and debentures.</p> <p>Exclude interest paid or credited with respect to policyholder amounts on deposit, which should be reported on line 480.</p>		
540	01	P 35.030 L 540 C 89 & P 23.030 L 599 C 01	<p>General Expenses and Taxes (excl. income taxes)</p> <p>Details are shown on page 23.030.</p> <p>Exclude expenses and taxes deducted from investment income on line 070 Net Investment Income.</p>		
570	01	P 23.030 L 899 C 01 & P 35.030 L 570 C 89	<p>Other Expenses</p> <p>Details are shown on page 23.030.</p>		

LIFE-1	20.030	Income Statement	
Line	Col	Cross Ref	Practice
600	01	P 35.030 L 600 C 89	Non-Controlling Interests Net Operating Income attributable to holders of non-controlling shares.
700 + 710	01	P 35.030 L 720 C 89	Provision for Income Taxes Taxes should include Investment Income Taxes but exclude other taxes (i.e., property taxes) on investments deducted from Investment Income on line 070 Net Investment Income.
800	01	P 35.030 L 800 C 89	Extraordinary Items (net of Income Taxes of \$____) Refer to the CICA Handbook, section 3480. In the space provided for inside the title line, report the related current year's income tax amount in respect of Extraordinary Items.
830	01	P 35.030 L 830 C 89	Discontinued Operations (net of Income Taxes of \$____) Refer to the CICA Handbook, section 3475. In the space provided for inside the title line, report the related current year's income tax amount in respect of Discontinued Operations.

LIFE-1	20.040	Statement of Equity in Participating Account	
References			
<p>Federal life insurers: Section 456 of the <i>Insurance Companies Act</i> requires life insurers to maintain accounts in respect of participating policies separate from accounts that are maintained in respect of other policies. Income and expenses should be allocated between the participating and non-participating accounts in accordance with the method established in sections 457 and 458 of the <i>Insurance Companies Act</i>.</p> <p>Quebec life insurers: Section 310 of <i>An Act Respecting Insurance</i>.</p>			
Transfers between par, non-par and retained earnings accounts should offset each other.			
Line	Col	Cross Ref	Practice
010			<p>Beginning of Year</p> <p>Report the ending balance of the participating account as reported at the end of the preceding year.</p>
040 070			<p>Adjustments (Refer to the CICA Handbook, section 1506.)</p> <p>The portions of i) prior period adjustments, and ii) accounting policy changes which have been applied retroactively and which have been allocated to the participating account are to be reported on this line. Such changes should be fully explained in the Notes to the Financial Statements, or in the answer to Question 5.4 on Page 10.090.</p> <p>Any transitional adjustments / balances from the adoption of a new accounting standard should be reported on line 070 in the year of transition.</p>
100	01	P 20.030 L 870 C 01	<p>Share of Net Income (Loss)</p> <p>Cross reference is for stock companies only.</p>
130			<p>Transfer from (to) Retained Earnings (Stock companies)</p> <p>Amounts which have been transferred in accordance with legislative requirements.</p>
160			<p>Transfer from (to) Non-Par Account (Mutual companies)</p> <p>For mutual companies, transfers from/to the non-participating account can only be made where there has been a corresponding transfer of liabilities, such as where a participating policy has been changed to a non-participating policy, or where legislative requirements have been met.</p>

LIFE-1		20.040	Statement of Non-Participating Account – Mutual Companies Only
Line	Col	Cross Ref	Practice
310			<p>Beginning of Year</p> <p>Report the ending balance of the non-participating account as reported at the end of the preceding year.</p>
340 370			<p>Adjustments</p> <p>Refer to the CICA Handbook, section 1506.</p> <p>The portions of i) prior period adjustments and ii) accounting policy changes which have been applied retroactively and which have been allocated to the non-participating account are to be reported on this line. Such changes should be fully explained in the Notes to the Financial Statements.</p> <p>Any transitional adjustments / balances from the adoption of a new accounting standard should be reported on line 370 in the year of transition.</p>
430			<p>Transfer from (to) Par Account</p> <p>For mutual companies, transfers from/to the participating account can only be made where there has been a transfer of liabilities, such as where a participating policy has been changed to a non-participating policy, or where legislative requirements have been met.</p>
460			<p>Dividends to Preferred Shareholders</p> <p>Dividends on preferred shares issued by mutual insurance companies should be reported on this line.</p>

LIFE-1		20.040	Statement of Retained Earnings – Stock Companies Only
Line	Col	Cross Ref	Practice
510			<p>Beginning of Year</p> <p>Report the ending balance of the Statement of Retained Earnings as reported at the end of the preceding year.</p>
540 570			<p>Adjustments</p> <p>Refer to the CICA Handbook, section 1506.</p> <p>The portions of i) prior period adjustments, and ii) accounting policy changes which have been applied retroactively and which have been allocated to opening retained earnings are to be reported on this line. Such changes would normally be fully explained in the Notes to the Financial Statements or on page 20.060.</p> <p>Any transitional adjustments / balances from the adoption of a new accounting standard should be reported on line 570 in the year of transition</p>
600	01	P 20.030 L 899 C 01	Share of Net Income (Loss)
630			<p>Transfer from (to) Par Account</p> <p>Transfers meeting legislative requirements.</p>

LIFE-1	20.042	Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)
<p><u>References</u></p> <p>CICA Handbook section 1530 and 3251.</p>		
<p><u>Transition Instructions</u></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 the total of lines 520, 550 and 740, 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><u>General Instructions</u></p> <p>All amounts should be reported on an after tax basis.</p>		

LIFE-1	20.050	Statement of Cash Flows
<p>This Statement is provided as a guide only. Life insurers may complete this page or attach a Statement of Cash Flows as prepared for the life insurer's financial statements.</p>		

LIFE-1	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><i>Life insurers are reminded to file a copy of their Management Discussion & Analysis.</i></p>		

LIFE-1	20.070	Auditor's Report
<p>The Auditor's Report should be addressed to the primary Regulator (Superintendent / Autorité), and (other) Provincial Superintendents, where applicable. The Auditor's Report must cover pages 20.010 - 20.060 and page 60.010 of LIFE-1. This includes the (consolidated) Balance Sheet, Income Statement, Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss), Statement of Cash Flows, Notes to the Financial Statements, Segregated Funds Net Assets and Changes in Net Assets.</p>		

LIFE-1	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 most recently appointed by the Directors of the life insurer.</p> <p>Please refer to the Primary Regulator's instructions to the Actuary for additional instructions.</p>		

LIFE-1	20.085	Appointed Actuary's Certificate (Quebec)
<p>Under section 298.14 of <i>An Act Respecting Insurance</i>, the AMF requires that all life insurers set up under Quebec law practicing life insurance attach to their Annual Return the actuary's certificate described in that section. Instructions concerning the presentation of that report as well as the elements to be disclosed are found in the Memorandum to the Appointed Actuary.</p>		