

**Reference: Guideline for P&C Companies  
and Branches of Foreign P&C  
Insurers**

**Our File: P2221-3**

**December 30, 2003**

**To: Chief Executive Officers and Chief Agents  
Federally Regulated Property and Casualty Insurers**

**Subject: Supervisory Targets for Property and Casualty Insurers**

This letter is to advise you of the release of an Advisory for Federally Regulated Property and Casualty Insurers that clarifies OSFI's expectations and approach to supervisory targets under the Minimum Capital Test (MCT) for Canadian P&C Insurers, and the Branch Adequacy of Assets Test (BAAT) for Branches of Foreign P&C Insurers operating in Canada. It also explains how the assessment of capital relates to OSFI's supervisory framework.

The Advisory is available in English and French on OSFI's Web site (<http://www.osfi-bsif.gc.ca>) under the Publications section. If you require additional information please contact your OSFI Relationship Manager. Alternatively you may contact Mr. Denis Sicotte, Director, Capital Division at 613-990-7196 or by e-mail at [Denis.Sicotte@osfi-bsif.gc.ca](mailto:Denis.Sicotte@osfi-bsif.gc.ca).

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