



Instruction Guide

Subject: Guide for Incorporating Federally Regulated Insurance Companies

Category: Application Guides

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Introduction

The Office of the Superintendent of Financial Institutions (OSFI) is responsible for administering a number of federal statutes, including the *Insurance Companies Act*, the statute applicable to the regulation of federal insurance companies. As part of the regulatory process, OSFI assesses applications for incorporation and makes recommendations to the Minister of Finance (the Minister), who has the ultimate responsibility for approving the incorporation of federally regulated life insurance and property and casualty insurance companies under the legislation.

This Instruction Guide sets out prudential requirements designed to help ensure safety and soundness, and legislative requirements.

The Guide identifies:

- the criteria that an applicant (typically a corporation or one or more individuals) must meet to incorporate and commence operating a federal insurance company (referred to as a federally regulated financial institution (FRFI) in the remainder of this Guide);
- the information that must be submitted in support of an application to incorporate and operate a FRFI; and
- the procedures to be followed in making an application.

OSFI will evaluate a proposed incorporation against the criteria in this Guide. OSFI officers from the Legislation and Approvals Division and the Supervision Sector are jointly assigned to each application for the incorporation of a FRFI.

The objective of this Guide is to promote awareness and enhance transparency of the assessment criteria for the incorporation of a FRFI. The Guide includes the requirements of all sectors of OSFI to ensure that the applicant is aware of prudential and regulatory criteria.

This Guide does not deal with the requirements for incorporating insurance holding companies or fraternal benefit societies. In addition, this guide does not apply to the establishment of a foreign insurance branch in Canada. Applicants are encouraged to contact OSFI for further information regarding the establishment of these entities.

Additional Requirements

OSFI encourages new insurers to contact the Canadian Life and Health Insurance Compensation Corporation (CompCorp) or the Property & Casualty Insurance Compensation Corporation (PACICC), as appropriate, early in the application process to ascertain the requirements for membership. Additional information about CompCorp and PACICC can be found on their websites at www.compcorp.ca and www.pacicc.com.

Applicants should also note that the responsibility for the regulation of FRFIs is shared between the federal and provincial governments. Applicants should approach provincial regulators to determine licensing and filing requirements in each of the provinces and/or territories in which they wish to transact insurance business.

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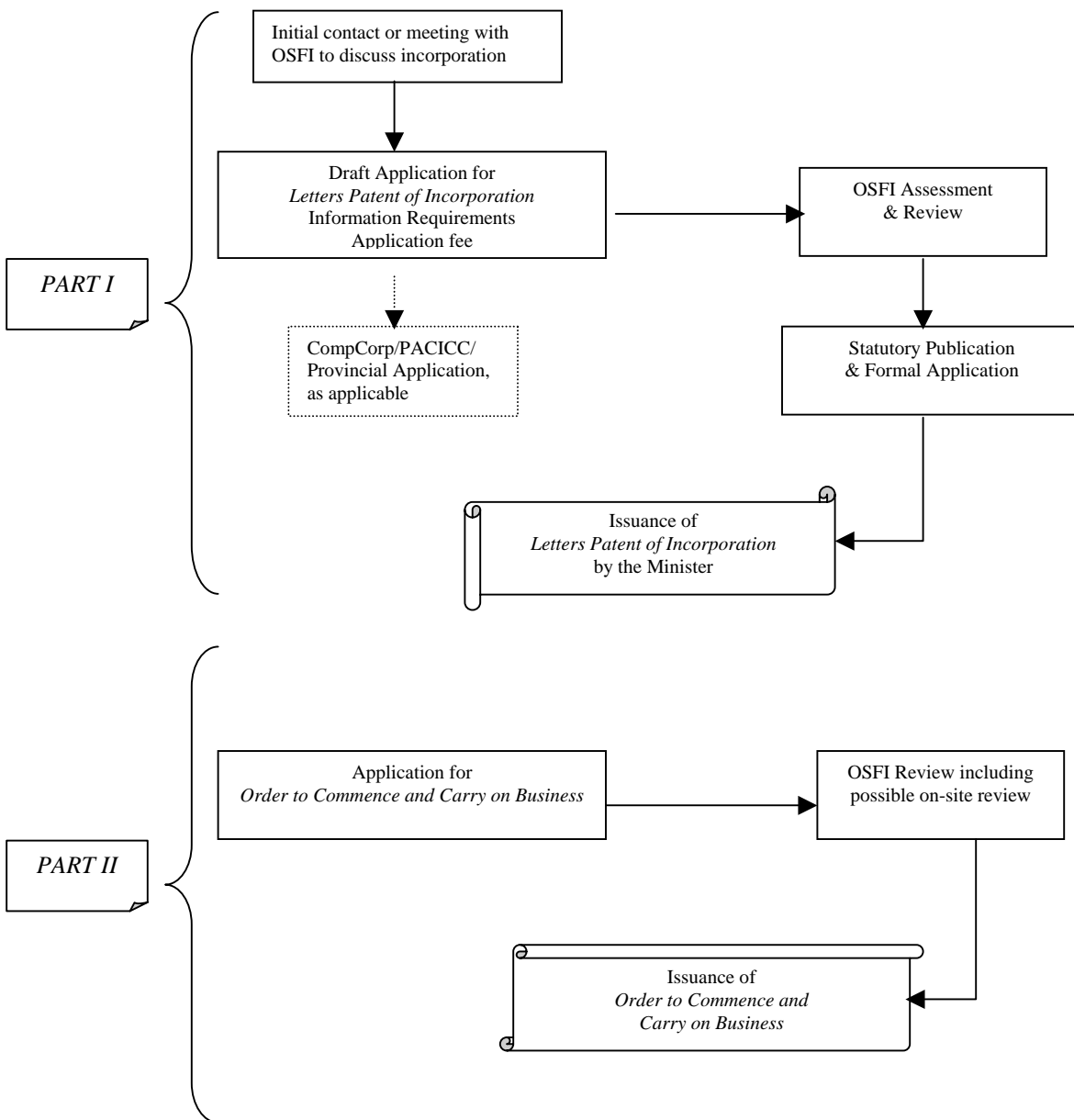
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Overview

From OSFI's perspective, there are two parts to the application process for establishing a FRFI in Canada. The first part deals with requirements to obtain letters patent of incorporation, which are issued by the Minister upon recommendation of the Superintendent of Financial Institutions (the Superintendent). The second part sets out the requirements to obtain an Order to Commence and Carry on Business. This Order is issued by the Superintendent after letters patent of incorporation have been issued. The following flowchart depicts the main steps leading to the establishment of a FRFI.



PART I

1.0 Statutory Criteria for Issuance of Letters Patent of Incorporation by the Minister

Section 27 of the *Insurance Companies Act* (the Act) states that the Minister shall take into account all matters that are considered relevant to the application, including:

- (a) the nature and sufficiency of the financial resources of the applicant or applicants as a source of continuing financial support for the FRFI;
- (b) the soundness and feasibility of the plans of the applicant or applicants for the future conduct and development of the business of the FRFI;
- (c) the business record and experience of the applicant or applicants;
- (d) the character and integrity of the applicant or applicants or, if the applicant or any of the applicants is a body corporate, its reputation for being operated in a manner that is consistent with the standards of good character and integrity;
- (e) whether the FRFI will be operated responsibly by persons with the competence and experience suitable for involvement in the operation of a financial institution;
- (f) the impact of any integration of the operations and businesses of the applicant or applicants with those of the FRFI on the conduct of those operations and businesses; and
- (g) the best interests of the financial system in Canada.

2.0 Assessment Criteria

OSFI is responsible for assessing applications for incorporation and making a recommendation to the Minister, who may take into consideration all relevant matters. In some instances, applicants may want to consult with OSFI to review the classes of insurance that the company is permitted to insure in Canada.

The assessment criteria follow.

2.1 Ownership

The ownership regime is based on the size of the FRFI. While the ownership provisions or restrictions may not apply at the time of incorporation, the applicant should be aware of the ownership criteria as the FRFI crosses each size threshold. The applicant should also refer to the statutory criteria, and to other factors set out in this Guide, that govern the establishment and ownership of a FRFI.

No approval is needed to own up to 10% of any class of shares of a FRFI. Any person may own more than 10% of any class of shares of a FRFI, with the approval of the Minister. However, when an insurance company has policyholders' and/or shareholders' equity of \$1 billion or more, at least 35% of the voting shares must be listed on a recognized Canadian stock exchange and owned by persons who are not major shareholders^{1&2}.

If a financial services group wishes to establish a FRFI, OSFI expects the group to select as the applicant the entity through which most of the group's insurance business or financial activities is conducted. However, there may be valid reasons for choosing another applicant in the group.

2.2 Eligible Applicants

The legislation provides that any entity or person is eligible to own a FRFI. However, applicants who do not meet the statutory criteria listed in section 1.0 and those who fall in the following category are not eligible to apply for letters patent of incorporation:

- (a) Her Majesty in right of Canada or in right of a province, an agency of Her Majesty in either of those rights, or an entity controlled by Her Majesty in either of those rights;
- (b) the government of a foreign country or any political subdivision thereof;
- (c) an agency of the government of a foreign country or any political subdivision thereof; or
- (d) an entity that is controlled by the government of a foreign country or any political subdivision thereof, other than an entity that is a foreign institution or any subsidiary of a foreign institution.

2.3 Supervision and Regulation of Insurance Companies

As for all applications to create a FRFI, the Superintendent will assess OSFI's ability to supervise, examine, and regulate the insurance company effectively. This will entail assessing whether the corporate structure of the group to which the FRFI belongs, the scope and risks associated with its affiliates' activities, and the interdependence between itself and its affiliates affects OSFI's ability to supervise, examine, and regulate the FRFI effectively. If OSFI identifies supervisory concerns, the applicant may be required to restructure or provide undertakings intended to provide OSFI with information and/or to limit the applicant's activities. OSFI may also impose additional requirements or restrictions on the activities of the insurance company.

¹ The applicant may apply, under certain circumstances, to be exempted from the public holding requirements.

² Major shareholder is generally defined as a person who beneficially owns more than 20% of any class of voting shares or 30% of any class of non-voting shares (refer to the Act for definition).

3.0 Information Requirements

The following information should be submitted in support of an application. The level of detail of information to be provided will depend on the size of the FRFI, its corporate group, the ownership structure of the applicant and the nature and complexity and related inherent risks of its business. This information will assist OSFI in assessing the principal shareholders' commitment to the FRFI and in ensuring that the new FRFI has, and will continue to have, sufficient capital, and that there will be adequate risk management controls in place to support its operations from the outset, thereby reducing the likelihood of failure. In addition, it will enable OSFI to form an opinion on the FRFI's ability to manage and control its activities. Therefore, the information submitted should clearly demonstrate that the applicant meets the criteria listed in this Guide.

Key information required when filing a draft application includes:

3.1 Ownership and Financial Strength

- (a) name of applicant;
- (b) name of jurisdiction and date of incorporation or establishment of the applicant;
- (c) address of principal place of business and head office of the applicant;
- (d) copy of constating documents and amendments, and company by-laws of the applicant certified by legal counsel (include name and address of the legal counsel);
- (e) current organization chart (with percentages owned) for the applicant and its ultimate parent, if any, and all entities in the corporate group;
- (f) entities in which the applicant beneficially owns 10% or more of the voting rights, (indicate by an asterisk whether any of the entities shown on the charts operate in Canada, and provide a summary of their operations);
- (g) details of any information on any voting agreement or other arrangements that involve persons exercising direct or indirect control over the applicant or its ultimate parent;
- (h) names of all persons owning more than 10% of any class of shares or ownership interests in the applicant and the percentage of shares or ownership interests held, as well as, date of birth, address, occupation, and citizenship of each person;
- (i) details of any shares or ownership interests of the applicant held by a government or a political subdivision, an agent or agency thereof, together with a summary of their involvement in the operation and affairs of the applicant;

- (j) summary of the financial and other activities carried on by the applicant and its affiliates, including a list of jurisdictions in which they operate;
- (k) if the applicant is a foreign-owned financial institution, provide information on the type and scope of supervision that applies in its home jurisdiction and whether it is subject to comprehensive consolidated supervision and regulation. The applicant should confirm that the regulatory authority where the applicant principally carries on its financial business is aware of its intention to own a FRFI, and whether the applicant needs regulatory approval from the home regulator to establish a FRFI. The name of the regulatory contact and, if applicable, the process and timing of the regulatory approval in the home jurisdiction should also be included;
- (l) copy of the audited consolidated financial statements of the applicant and of the ultimate parent, if applicable, for the last three years (balance sheet, income statement, a statement of changes in shareholders' equity) and a copy of the latest annual report. If the applicant is a foreign financial institution, provide a comparison between the accounting standards used to complete the applicant's financial statements and the Canadian Generally Accepted Accounting Principles;
- (m) details of whether the applicant has been the subject of any criminal convictions or breaches of statutory or other administrative or regulatory enactments; and
- (n) evidence that the nature and sufficiency of the applicant's financial resources are such that it would be capable of providing continuing support to the FRFI or would have access to financial resources to enable it to do so. In this regard, the applicant must demonstrate that it is adequately capitalized and meets, as a minimum, standards as applied in both its home jurisdiction and in Canada.

In cases where a FRFI will be directly or indirectly held by one or a few individuals, OSFI will require additional personal information including, as a minimum, each individual's place and date of birth, current address and curriculum vitae, and a completed OSFI Security Information Form so that law enforcement and intelligence agencies, such as the Royal Canadian Mounted Police and Canadian Security Intelligence Service, can conduct security assessments. OSFI will also require personal financial information from each of those individuals that demonstrates clearly that they have, or have access to, the necessary financial resources to provide ongoing financial support to the FRFI. Each individual should also provide details of any material regulatory actions, criminal convictions or breaches of statutory or other administrative/regulatory enactments against the individual.

3.2 Business Plan

A three-year business plan, including:

- (a) the reasons why the applicant wants to establish a FRFI;
- (b) an analysis of target markets and opportunities that the FRFI will pursue in Canada, and the plans to address them;
- (c) an analysis of competitors, showing both threats and opportunities, and plans to address them;
- (d) the reasons why the applicant believes that the FRFI will be successful and the overall strategy for achieving this success, including key assumptions;
- (e) a summary of the FRFI's businesses as a whole and how they interrelate as well as an overview of each line of business to be conducted by the FRFI, including a description of the type of business it wishes to insure and the classes of insurance that it will require;
- (f) pro-forma financial statements (base case), including balance sheet and income statement, for the first three years of operations. Pro-forma income statement should include premium volumes on a gross and net basis, net retention per class of insurance, and a detailed description of all reinsurance arrangements³;
- (g) a discussion of key assumptions used, including those underlying claims, valuation, pricing, underwriting, expenses, and persistency of policies. In addition, provide detailed capital calculations and calculation of financial ratios relevant to the proposed business of the applicant. Premium volumes and sales targets should be supported by market studies in Canada and projected results should be compared to the peer group or industry as a whole. Major asset, liability, income and expense categories should be identified, including start-up costs and any amount and description of off-balance sheet activities;
- (h) details of the actuarial assumptions used in the pro-forma financial statements (base case scenario). Conduct scenario testing showing the results of changes in key assumptions on the base case business plan (include a worst case scenario). Discuss the changes in assumptions and separately identify the margins for adverse deviations resulting from these changes;

³ Refer to *Reinsurance (Canadian Companies) Regulations*, and OSFI Guideline B-3, *Unregistered Reinsurance* as applicable.

- (i) contingency plans to address the worst case and other adverse scenarios;
- (j) source of initial and future capital provided for in the base case and other scenarios, in the form of a capital plan and funding policies. The capital must, at all times, meet OSFI's [Minimum Continuing Capital and Surplus Requirements for Life Insurance Companies](#) or the [Minimum Capital Test for Canadian Property and Casualty Companies](#). As well, the capital plan should identify an optimum (target) level of capital to support the risks undertaken by the FRFI. At no time should the capital be less than \$5 million or any greater amount that may be specified by the Minister;
- (k) projected staff complement and organization chart showing reporting lines for senior positions and key responsibilities in the FRFI over the three-year period and a description of the functions the individuals will perform;
- (l) where an internet platform (e-commerce) would form the key delivery structure of the FRFI, the risks that this technology would pose, for both the FRFI and its clients, must be identified and addressed to the satisfaction of OSFI. The business plan must address:
 - how policyholders, customers, employees and vendors will be authenticated and authorised to prevent repudiation and fraud;
 - the physical and logical network security including security of the web site;
 - security of policyholder/customer information;
 - management of systems capacity and denial of service attacks;
 - encryption of communications;
 - provision for electronic data processing audits; and
 - continuing and contingency costs related to the development and maintenance of information management and information technology plans;
- (m) description of any material outsourcing arrangements between the FRFI and its affiliates or third parties, that may be anticipated, including any data processing functions that may be conducted outside of Canada which will require a specific approval. Generally, OSFI would expect a new FRFI to comply with the revised [Guideline B-10 on Outsourcing of Business Activities, Functions and Processes](#). In addition, refer to [Guideline E-3, Processing Information Outside Canada](#);
- (n) the intended financial year-end for the FRFI; and
- (o) a copy of any shareholders' agreement.

3.3 Management

- (a) Information on each senior officer of the FRFI who will be responsible for oversight of the operations. The information should include:
- full name and address;
 - title;
 - birthplace and date of birth;
 - citizenship;
 - description of the principal business of the individual (if not a full-time employee of the FRFI);
 - details of any material regulatory actions, criminal convictions or breaches of statutory or other administrative/regulatory enactments against the individual or any entity, for which he/she was, or is, a senior officer;
 - current curriculum vitae demonstrating that the individual has the qualifications and expertise to manage or direct the FRFI's proposed business; and
 - a completed OSFI Security Information Form so that law enforcement and intelligence agencies may conduct security assessments.
- (b) The name and address of the proposed appointed actuary (refer to OSFI's [Guideline E-15, Appointed Actuary: Legal Requirements, Qualifications and External Review](#)).
- (c) The name and address of the external audit firm and the partner who will be responsible for auditing the FRFI.

3.4 Policies, Procedures and Controls

As outlined in the document entitled [Supervisory Framework](#)⁴, OSFI applies a risk-based approach to assessing a FRFI's safety and soundness on a consolidated basis. OSFI will focus on areas of higher risk. For each activity that OSFI identifies as significant, OSFI assesses the level of risk, and considers the impact of risk mitigation by evaluating the quality of risk management. Institutions that are well managed relative to their risks will require less supervision.

As part of the incorporation process, applicants must provide a description of the major risk management and control processes and policies for the new FRFI. A review of these processes will enable OSFI to assess the FRFI's ability to manage and mitigate the risks inherent in its business activities and comply with the governing statutes, regulations and OSFI guidelines. The scope of this work will depend on the size and the risk profile of the institution.

⁴ For more information on OSFI's Assessment Criteria see http://www.osfi-bsif.gc.ca/eng/publications/practices/index_supervisorypract.asp#INSURlife

In this regard, the applicant should:

- (a) identify the major risks inherent to the FRFI's proposed business activities and describe the related key risk management and control processes. Major risks may include:
 - product design and pricing risk, which arises from the exposure to financial loss from transacting insurance and/or annuity business where costs and liabilities assumed in respect of a product line exceed the expectation in pricing the product line;
 - underwriting and liability risk, which is the exposure to financial loss resulting from the selection and approval of risks to be insured, the reduction, retention and transfer of risk, the reserving and adjudication of claims, and the management of contractual and non-contractual product options; and
 - operational, technology, legal, regulatory, reputational, and strategic risks;
- (b) provide details of any risk management and control processes that are integrated with those of the operations of the parent or are outsourced to third parties;
- (c) provide an overview of the investment and lending policies, standards and procedures in respect of the FRFI's portfolio of investments and loans (refer to OSFI's [Guideline B-1, Prudent Person Approach](#) and [Guideline B-2, Large Exposure Limits](#)); and
- (d) provide the capital management policy which should outline the targeted levels of capital and should describe on-going monitoring procedures to ensure that the FRFI will meet OSFI's minimum capital requirement.

3.5 Board of Directors and Committees

- (a) For each director, provide the information listed in subsection 3.3(a) of the Guide.
- (b) Describe the composition of the Board and its committees, the Board's role, responsibilities, policies and practices, the mandate of the Board committees, and the self-assessment programs the Board intends to put in place. In addition, describe the Board's responsibilities with respect to risk management and internal controls. Particular attention should be given to the audit and conduct review committees. Please note that OSFI will assess the strength of the Board at the time of incorporation and the Board's effectiveness going forward.

- (c) Describe the FRFI's conflict of interest policy and, if applicable, the oversight that will be provided by the parent's management committees.

The corporate governance practices adopted by a FRFI will likely depend on the nature, scope, complexity, and risk profile of that institution. Please refer to [OSFI's Corporate Governance Guideline](#).

3.6 Internal Audit

Describe the roles and responsibilities, organization structure, and methodology and practices of the internal audit function, to assist OSFI in its assessment of the independent oversight of the organizational and procedural controls. Where applicable, involvement of any internal audit groups from the parent company to assess internal controls of the FRFI should also be documented.

3.7 Compliance Management

- (a) Describe the system of internal controls and policies the FRFI will follow to ensure compliance with its governing legislation, and regulations and the guidelines issued by OSFI. Include the name of the senior officer responsible for compliance and describe the resources and authority allocated to discharge this responsibility. Refer to OSFI's [Guideline E-13, Legislative Compliance Management](#).
- (b) Describe the system of internal controls and the policies the FRFI will follow to ensure compliance with sections 83.08 to 83.12 of the *Criminal Code* and the *United Nations Suppression of Terrorism Regulations* ("UNSTR") and related directives issued by OSFI and the Government of Canada. Include the name of the senior officer responsible for compliance with the UNSTR, and describe the resources and authority allocated to discharge this responsibility.
- (c) For life insurance companies, describe the system of internal controls and policies that the FRFI will follow to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"), and related guidelines issued by [The Financial Transactions and Reports Analysis Centre of Canada](#) (FINTRAC) and OSFI's [Guideline B-8, Deterring and Detecting Money Laundering](#). Include the name of the Chief Anti-Money Laundering Officer of the FRFI appointed under that Act, and describe the resources and authority allocated to discharge this responsibility.

3.8 Information Technology Governance Structure

Describe, in overview form, the FRFI's information technology governance structure, including separation of functions, reporting lines and a breakdown of full-time equivalents within each functional area.

3.9 Systems and Business Continuity

Describe in overview form, the FRFI's computer systems, including the technology platforms used, the type of hardware, the type of application software, and a risk assessment of information technology operations. Include any plans for e-commerce, addressing the related risk controls to be used. A business resumption plan for data recovery should be included.

A business continuity plan should be included. The business continuity plan and related back-up systems should be commensurate with the risk of a service disruption. In particular, the FRFI's business continuity plan should ensure that the FRFI has in its possession or can readily access all records necessary to allow it to sustain business operations, meet its regulatory obligations, and provide all information as may be required by OSFI to meet its legislated mandate.

All FRFIs are required to complete and file with OSFI the [Designation of Business Continuity/Disaster Recovery Coordinator form](#).

3.10 Other Requirements

In addition, the following is required:

- (a) the by-laws, including capital by-laws;
- (b) the proposed name⁵ of the FRFI, with corresponding name in French, if so desired, and a standard name-search report. This will assist OSFI in determining the availability and suitability of the proposed name;
- (c) a Support Principle acknowledgement letter, usually from the ultimate controlling shareholder(s), with respect to supporting the operations and capital needs of the FRFI. This acknowledgement will be effected by the provision of a letter duly signed by a senior officer if the applicant is a corporation or by an individual if the applicant is an individual or a number of individuals. The acknowledgement letter to be signed will be provided by the Legislation and Approvals Division officer responsible for reviewing the application. When no person or entity will control the FRFI, the applicant will not be required to provide this letter;
- (d) details of whether any regulatory authority has refused an application for incorporation of a financial institution by the proposed applicant; and
- (e) [Service Charges \(Office of the Superintendent of Financial Institutions\) Regulations](#) require that a non-refundable fee be filed in respect of the processing of an

⁵ The proposed name can be reserved under the Act.

application. A cheque or draft should be made payable to the Receiver General for Canada.

4.0 OSFI Review Process

OSFI will review the draft application and may contact the applicant to discuss its completeness, status, and outstanding issues. Where necessary, OSFI may request additional information to complete the application assessment. A draft application will not be considered complete by OSFI until all requested information is received, it is in a form satisfactory to OSFI and it is accompanied by the applicable fee. Additional fees may apply if the FRFI is applying for other regulatory approvals.

5.0 Formal Application

The formal application process is discussed below.

5.1 Statutory Publication

Before making a formal application, the applicant must give notice of the intention to apply for letters patent of incorporation. The Act outlines the timing and means by which notice is to be made. The notice of intent allows for public comment and is to be placed in the *Canada Gazette* and in a newspaper in general circulation at or near the place where the head office of the FRFI is to be situated. The form of notice must be satisfactory to OSFI and must contain the name under which the FRFI intends to carry on business in Canada. Draft notices should be provided to OSFI for review prior to publication.

The Act provides that a person or persons may formally object to the proposed incorporation of a FRFI by submitting the objection, in writing, to the Superintendent within 30 days of the last publication. The Superintendent will advise the Minister of any objection and whether a public enquiry into the objection is warranted.

5.2 Submission of Formal Application

After OSFI has determined that the draft application is complete and the statutory publication is finished, the applicant should submit a formal application to the Minister, through OSFI. This application should include:

- (a) a formal letter of application;
- (b) a statutory declaration by a representative of the newspaper and *Canada Gazette* pertaining to the dates that the applicant's notice of intention was published, and a copy of the published notice;

- (c) a certified copy of resolution of the Board of Directors of the applicant, approving the application;
- (d) the signed Support Principle acknowledgement letter; and
- (e) if applicable, evidence that the regulator in the home jurisdiction reports favourably on an applicant. OSFI requires that a statement be filed by an appropriate public official stating that the home jurisdiction is aware of the applicant's intention to incorporate a subsidiary in Canada and that the applicant is in good standing. If an application is made by a foreign insurance company/institution domiciled in a country that is not a member of the World Trade Organization, evidence that treatment as favourable exists or will be provided to Canadians in the jurisdiction in which the applicant principally carries on business, either directly or through a subsidiary.

5.3 Letters Patent

The FRFI comes into existence on the date provided in the letters patent of incorporation. The Minister may set out in the letters patent restrictions on the FRFI's business to address supervisory and regulatory concerns raised by the corporate structure of the applicant.

On receipt of the letters patent, a FRFI is incorporated, although it may not carry on any business until the Superintendent has issued an Order to Commence and Carry on Business.

PART II

6.0 Requirements for Making of an Order by the Superintendent to Commence and Carry on Business

Section 52 of the Act provides that no business can be carried on unless the Superintendent has, by order, approved the commencement and carrying on of business.

6.1 Requirements

The FRFI's application for an Order to Commence and Carry on Business should be supported by:

- (a) a certified copy of the minutes of the first directors meeting;
- (b) a confirmation, on behalf of the FRFI, of deposit of at least \$5 million of paid-in capital, or such greater amount as may be specified;

- (c) a certified copy of the minutes of the first meeting of the shareholders of the FRFI;
- (d) a breakdown of the amounts paid or to be paid by the FRFI in connection with its incorporation and organization, and a statement that the amounts are reasonable; and
- (e) if applicable, evidence that the applicant has applied to CompCorp and/or PACICC.

Before issuing an Order to Commence and Carry on Business, OSFI must be satisfied that the FRFI has the necessary systems, management structure, control processes and compliance management systems in place. An on-site review is usually arranged at this stage. The purpose of the review is to assess the control processes and management systems referred to in section 3.4 of this Guide and to ensure that the FRFI is capable of producing the required statutory and supervisory information in an accurate and timely fashion as soon as it starts operations.

6.2 Order to Commence and Carry on Business

- (a) The Superintendent may not make an Order more than one year after the day on which the FRFI came into existence. Therefore, the FRFI should ensure that information required for the issuance of an Order is submitted to the Superintendent as soon as possible after it receives its letters patent of incorporation.
- (b) Once an Order to Commence and Carry on Business has been made by the Superintendent, it remains in force, subject to any conditions or limitations set out in the Order, unless changed by further Order of the Superintendent.
- (c) The FRFI will be required to publish notice of the making of the Order in a newspaper in general circulation in the city where the head office is located.
- (d) In addition to obtaining an Order issued by the Superintendent, FRFIs must be licensed to operate in each of the provinces and/or territories in which they wish to transact the business of insurance.

7.0 Timing

While there is no specific time limit on assessing applications, OSFI will undertake to complete the assessment as quickly as possible. Each application will depend on its own specifics, but applicants should be aware that the initial assessment takes an average of 3 months and that additional time must be factored in (approximately 3 months) for the required statutory publication. OSFI will communicate regularly with the applicant throughout this process. It is important to note that delays in regulatory approval often result from incomplete information being filed.

A new FRFI may require several months to prepare for the on-site review prior to receiving its Order to Commence and Carry on Business. To a large extent, the timing of receipt of an Order will depend on the readiness of the FRFI.

For Additional Information

All enquiries regarding incorporating a FRFI should be directed to:

Office of the Superintendent of Financial Institutions
Legislation and Approvals Division
13th Floor
255 Albert Street
Ottawa, ON K1A 0H2
CANADA

Telephone: (613) 990-3590
Facsimile: (613) 991-0325
(613) 991-2980

Web site: <http://www.osfi-bsif.gc.ca/>