

OSFI-77	85.010	<b>MOVEMENT OF LIFE INSURANCE CERTIFICATES (DIRECT)</b>	
<p><b>Purpose:</b></p> <p>To provide information on certificate count and certificate sum insured movements during the accounting period.</p>			
<p><b>General Commentary:</b></p> <p>In Force amounts should include changes since issue of the contract due to bonus addition.</p> <p>Amounts related to segregated funds are not to be included in the movement of life certificates. The opening balances should agree with the prior year's closing balances.</p> <p>Changes in plans should only be recorded if the amount of insurance has increased or decreased with the increase or decrease being reported on line 005 or line 027, as appropriate.</p> <p>When convertible term certificates are converted to life or endowment certificates in accordance with the contract privilege, the conversion should be treated as a certificate change and no entries should appear in the Movement of Certificates unless the amount of insurance is changed. In this latter event, an increase or a decrease, as the case may be, should be shown on line 005 or 027.</p> <p>When a certificate is terminated, the amount shown as "ceased" should be the amount heretofore carried as in force. No attempt should be made to reflect, on this page, adjustments to the face amount that may take place on termination.</p>			
Line	Col	Cross Ref	Practice
001	All		<p><b>In Force - Beginning of Year</b></p> <p>The opening balance should agree with the closing balance for the prior year. Other corrections or adjustments to the opening balances should be reported on lines 006 and 028 with appropriate descriptions.</p>

OSFI-77	85.010 (cont'd)	MOVEMENT OF LIFE INSURANCE CERTIFICATES (DIRECT)	
Line	Col	Cross Ref	Practice
002			<p><b>New Effected</b></p> <p>Certificates are to be included on this line from the date the society underwrites the risk.</p> <p>This line is not to include paid-up or extended insurance granted in lieu of surrendered policies (whether surrendered at the end of the deferred period or at any other time), or certificates that are mere transfers or changes of former certificates.</p> <p>Certificates newly issued but not taken or rescinded during the 10-day "free-look" period should not be included as "new effected". In cases of accounting systems where such new issues are already included as completed transactions prior to the expiry of the "free look" period, a reversal of the transactions or an adjustment to reflect the actual amount of new business for which the society is on the risk is appropriate, as opposed to entering such not taken amounts on other lines on this page.</p>
003			<p><b>Old Revived</b></p> <p>This covers certificate and amount movements of certificates which were reinstated from lapse status during the accounting period.</p>
004			<p><b>New Bonus Additions</b></p> <p>This covers additional permanent insurance amounts purchased by certificate dividends.</p>

OSFI-77	85.010 (cont'd)	<b>MOVEMENT OF LIFE INSURANCE CERTIFICATES (DIRECT)</b>	
Line	Col	Cross Ref	Practice
005 027			<p><b>Old Increased (net)/Decrease (net)</b></p> <p>Increases and decreases not specified in other item descriptions should be netted and the net entry shown on line 005 or line 027.</p> <p>The increases and decreases would include the reduction in the face amount of a certificate due to a change to reduce paid-up insurance or reduced extended term insurance. Adjustments to the face amount of insurance on termination should not be included.</p>
006			<p><b>Blank Line</b></p> <p>Includes corrections to beginning of year count and insurance amounts.</p>
007			<p><b>Blank Line</b></p> <p>Use this line for significant increases not covered elsewhere.</p>
019			<p><b>Total</b></p> <p>Line is a subtotal, summing lines 001 to 007.</p>
020			<p><b>Death</b></p> <p>Certificate count and insurance amounts ceased by death.</p>
021			<p><b>Maturity</b></p> <p>Certificate count and insurance amounts ceased by maturity.</p>

OSFI-77	85.010 (cont'd)	MOVEMENT OF LIFE INSURANCE CERTIFICATES (DIRECT)	
Line	Col	Cross Ref	Practice
022			<p><b>Disability</b></p> <p>This line should include only certificates under which, by reason of the occurrence of disability:</p> <ul style="list-style-type: none"> <li>(1) the certificate matures or terminates, or</li> <li>(2) the sum insured: <ul style="list-style-type: none"> <li>(a) becomes payable in instalments for a term certain; or</li> <li>(b) is reduced by amounts payable during the continuance of disability.</li> </ul> </li> </ul> <p>From the time of the acceptance of proof of disability, certificates of class 2(a) are to be regarded as settlement annuities while certificates of class 2(b) are to be regarded as disability annuities; both are to be so classed in the Movement of Annuities and on page 85.070, Net Actuarial Liabilities - Summary.</p> <p>If, on account of the occurrence of disability, an annuity becomes payable under an insurance certificate, but without deduction from the sum insured, no entry is to be made in the Movement of Certificates, but the annuity while payable is to be classed as a disability annuity in the Movement of Annuities and included as appropriate in the net actuarial liability.</p>
023			<p><b>Expiry</b></p> <p>Certificate count and amounts which have reached the end of the coverage period.</p>

OSFI-77	85.010 (cont'd)	<b>MOVEMENT OF LIFE INSURANCE CERTIFICATES (DIRECT)</b>	
Line	Col	Cross Ref	Practice
024			<p><b>Surrender</b></p> <p>A certificate surrendered on the completion of its deferred dividend period is to be shown as "ceased by surrender" and not by maturity or by expiry. Certificates terminated by payment of the proceeds in advance of the maturity date, at a discount, or by reason on non-repayment of certificates loans, are to be entered here as ceased by surrender.</p>
025			<p><b>Lapse</b></p> <p>Only certificates under which no surrender values or non-forfeiture options were available at the date of termination should be included on this line.</p>
027			<p><b>Decrease (net)</b></p> <p>Certificates amounts terminated due to scheduled and unscheduled insurance reductions.</p>
028			Miscellaneous decreases. (Specify)
039			<p><b>Total Ceased</b></p> <p>Line is a subtotal of lines 020 to 028.</p>
049			<p><b>In Force - End of Year</b></p> <p>Line 049 = lines 019 - 039 + 040.</p>

<b>OSFI-77</b>	<b>85.020</b>	<b>ANALYSIS OF AMOUNTS OF LIFE INSURANCE EFFECTED, IN FORCE &amp; CEASED</b>	
<b>Purpose:</b>			
To provide further breakdown of new and inforce life insurance amounts by plan type.			
<b>General Commentary:</b>			
Direct written minus reinsurance ceded will give the amount of net business. The second exhibit relates to the direct amount of life insurance business classified by plan of certificate.			
<b>Line</b>	<b>Col</b>	<b>Cross Ref</b>	<b>Practice</b>
001	01	P 85.010 L 002 C 02	<b>New Effected - Direct Written</b>  New direct insurance amounts reported on page 85.010, line 002.  See instructions for page 85.010, line 002.
001	03		<b>New Effected - Reinsurance Ceded</b>  Report new reinsurance ceded amounts.
001	04		<b>New Effected - Net</b>  Line is equal to column 01 minus column 03.
002	01	P 85.010 L 049 C 02	<b>In Force - Direct Written</b>
002	03		<b>Inforce - Reinsurance Ceded</b>
002	04		<b>Inforce - Net</b>  Line is equal to column 01 minus column 03.

<b>OSFI-77</b>	<b>85.020 (cont'd)</b>	<b>ANALYSIS OF AMOUNTS OF LIFE INSURANCE EFFECTED, IN FORCE &amp; CEASED</b>	
Line	Col	Cross Ref	Practice
020	01		<b>Amount Ceased by Death - Direct</b>
021	01		<b>Amount Ceased by Maturity - Direct</b>
022	01		<b>Amount Ceased - Other - Direct</b>
030			<b>Life</b>  Life insurance amounts with insurance coverage for life or to age 100.
031			<b>Endowment</b>  Life insurance amounts that endows prior to age 100.
032			<b>Term</b>  Life insurance amounts expiring at age stated in the certificate (i.e., before age 100 without an endowment value).
033			<b>Other</b>
039	01	P 85.020 L 001 C 01	<b>Total - New Effected</b>  This line equals the sum of lines 030 to 033 and should equal line 001, column 01.
039	02	P 85.020 L 002 C 01	<b>Total - In Force</b>  This line equals the sum of lines 030 to 033 and should equal the total of line 001, column 01.

<b>OSFI-77</b>	<b>85.040</b>	<b>MOVEMENT OF ANNUITIES (DIRECT) - DEFERRED, VESTED, DISABILITY AND SETTLEMENT ANNUITIES</b>
<p><b>Purpose:</b></p> <p>To provide annuity movement statistics for deferred, vested, settlement annuities and disability annuities.</p>		
<p><b>General Commentary:</b></p> <p>Please note that the line descriptions in this reconciliation type exhibit involving number of annuity contracts and their related tie-in financial data reconciliation, such as "deposits", "interest credited", and "payment" would be appropriate for some deposit accumulation type contracts. However, in the case of other types of contracts that may involve the use of individual mortality tables in the valuation basis, it is more difficult to break down and categorize these components for disclosure and reconciliation of the tie-in financial data by line descriptions provided in the exhibit. Include in this exhibit, individual deposit administration type deferred annuities.</p> <p>What is set out in the exhibit is a simple summary of complex products, each of which has an underlying accounting working paper. This exhibit is intended to:</p> <ol style="list-style-type: none"> <li>1. Reconcile the count of annuity contracts in force between years and for verification of various components of movement e.g., newly issued, surrender, etc. where such is applicable.</li> <li>2. Serve as a control mechanism for inclusion of all annuity products in the setting up of actuarial liabilities and any payable that is outstanding on the annuities.</li> </ol> <p>Societies are required to maintain working papers providing the appropriate summary data underlying the reported figures by product categories.</p> <p>Societies should use the most appropriate bases for disclosing the tie-in financial data in respect of contracts to which such data relates and the numerical movement should be recorded in this exhibit.</p> <p>The working papers referred to above, reconciling the contracts to control totals in the annuity ledgers and their primary accounting records to provide audit trail, should be available for on-site verification by OSFI examiners, or for submission to OSFI in unusual circumstances of concern upon request.</p>		



OSFI-77	85.040 (cont'd)	<b>MOVEMENT OF ANNUITIES (DIRECT) - DEFERRED, VESTED, DISABILITY AND SETTLEMENT ANNUITIES</b>	
Line	Col	Cross Ref	Practice
001	All		<p><b>In Force - Beginning of Year</b></p> <p>The opening balance should agree with the closing balances for the prior year. Other corrections or adjustments to the opening balances should be reported on lines 010 and 030 with appropriate descriptions.</p>
004	01 04 06 08		<p><b>New Effected</b></p> <p>Record the number of new annuity contracts newly affected.</p>
004	02		<p>Record the total deposits received for new contracts excluding transfers from other annuity products.</p>
005			<p><b>Old Revived</b></p> <p>Reversal of previous terminations.</p>
006			<p><b>Old Increased (net)</b></p> <p>Includes increases when annuities are moved from deferred to vested.</p>
007			<p><b>Interest Credited</b></p> <p>Interest credited to accumulation account value contracts in column 02. No entry for column 03.</p>
010			<p><b>Corrections</b></p> <p>Opening balance corrections and other reporting adjustments.</p>

OSFI-77	85.040 (cont'd)	<b>MOVEMENT OF ANNUITIES (DIRECT) - DEFERRED, VESTED, DISABILITY AND SETTLEMENT ANNUITIES</b>	
Line	Col	Cross Ref	Practice
019			<b>Total</b>  This line equals the sum of lines 001 to 012 for each column.
021			<b>Payment</b>  Amounts terminating due to payment expiry.
022			<b>Surrender</b>  Amounts terminated due to surrender of certificate value.
023			<b>Other</b>  Amounts ceased by annuitant's death.
030			<b>Corrections</b>
039			<b>Total Ceased</b>  This line equals the sum of lines 021 to 030 for each column.
059			<b>InForce, End of Year</b>  Line 059 = lines 019 - 039 + 049 for each column.
079			<b>Reinsurance in Force - Ceded</b>  The annuities inforce, end of year ceded to other companies.

<b>OSFI-77</b>	<b>85.055</b>	<b>REINSURANCE CEDED TO UNREGISTERED COMPANIES - LIFE - In Canada Business By Block of Reinsurance Business</b>
<p><b>Purpose:</b></p> <p>To summarize reinsurance ceded to unregistered companies.</p>		
<p><b>General Commentary:</b></p> <p>Reference: <b>OSFI Guideline B-3 Guideline on Unregistered Reinsurance (February 1997)</b></p> <p>Under GAAP, in a reinsurance transaction, where there has been a transfer of risk, the amount of liability reported by the ceding society should be reduced by the amount of liability assumed by the reinsurer. There is no distinction between business ceded to registered or unregistered companies.</p> <p>Although the actuarial liability may be reduced in respect of all reinsurance, companies that cede reinsurance to unregistered companies where the arrangements have not been approved by the Superintendent are required to include a provision in the Test of Adequacy of Assets and Margin Requirements calculation.</p> <p>Societies must complete pages 85.055 and 85.057 in respect of reinsurance ceded to unregistered companies.</p> <p>The major classifications of reinsurance, both life and accident and sickness business are as follows:</p> <p>In Canada Business  Page 85.055  - Affiliated Companies  - Non-Affiliated Companies</p> <p>A number of provincially incorporated companies, which are not federally registered have been approved by OSFI for reinsurance purposes. Business ceded to such companies should be treated as approved business. OSFI will maintain a list of approved provincial companies which will be reviewed and updated annually based on the provincial company meeting OSFI's ongoing requirements.</p> <p>Where major blocks of business have been ceded to a particular reinsurer, the society need only include the totals for the reinsurer. Societies cannot, however, combine reinsurance that is ceded to different companies in one block, even if it coincides with the terms of a particular reinsurance contract.</p>		

OSFI-77	85.055 (cont'd)	<b>REINSURANCE CEDED TO UNREGISTERED COMPANIES - LIFE - In Canada Business By Block of Reinsurance Business</b>	
Line	Col	Cross Ref	Practice
	01		<p><b>Country of Origin of Assuming Company</b></p> <p>The jurisdiction of incorporation for the assuming company should be reported in this column. If the reinsurance is arranged through a branch of the assuming company, the country of origin of the head office and not the branch should be reported.</p>
	03		<p><b>Effective Date or Date of Latest Revision of Contract</b></p> <p>The date the contract originally became effective should be reported unless there have been substantial revisions to the contract. In the latter case, the date of the latest revision to the contract should be reported. An annual renewal of a contract does not constitute a revision. In such cases, the original date or the date of the latest major revision should be noted.</p>
	04		<p><b>Insurance and Annuity Premiums</b></p> <p>The gross amount of premiums ceded should be reported</p>
	05		<p><b>Amount of Insurance Ceded</b></p> <p>The amount of insurance refers to the face amount of the benefits and, for annuity products, the consideration paid by the certificateholder.</p>
	06		<p><b>Amount Recoverable on Claims Paid</b></p> <p>The amount recoverable on paid claims should be included in the amounts due from other insurers on page 87.060, line 025.</p>

OSFI-77	85.055 (cont'd)	<b>REINSURANCE CEDED TO UNREGISTERED COMPANIES - LIFE - In Canada Business By Block of Reinsurance Business</b>	
Line	Col	Cross Ref	Practice
	07		<p><b>Amount Recoverable on Claims Due and Unpaid</b></p> <p>Societies must include a provision for claims incurred but not reported. The total of such provisions should be shown on line 089.</p> <p>Claims due and unpaid on unregistered reinsurance are not included in outstanding claims reported on the liabilities page since outstanding claims are net of all reinsurance ceded.</p>
	08		<p><b>Reserves Ceded to Reinsurer</b></p> <p>Include actuarial and other certificate liabilities ceded.</p>
	09 10		<p><b>Security Held from Assuming Company</b></p> <p>Reference: OSFI Guideline B-3</p> <ul style="list-style-type: none"> <li>- Amounts Held in Trust, column 09, should be reported at market value as at the reporting date (not to be reported in society's balance sheet).</li> <li>- Amounts of Acceptable Letter of Credit (LOC), column 10. (Not to be reported in society's balance sheet).</li> </ul>

OSFI-77	85.057	<b>REINSURANCE CEDED TO UNREGISTERED COMPANIES - ACCIDENT AND SICKNESS - In Canada Business By Block of Reinsurance Business</b>	
<p><b>Purpose:</b></p> <p>To summarize reinsurance of accident and sickness insurance ceded to unregistered companies.</p>			
<p><b>General Commentary:</b></p> <p>Reference: <b>OSFI Guideline B-3 Guideline on Unregistered Reinsurance (February 1997)</b></p> <p>See general commentary for page 85.055.</p>			
Line	Col	Cross Ref	Practice
	05		Societies are required to show the actuarial liability and unearned premiums (include mid-terminal reserves with unearned premiums), ceded to the reinsurer.
	08 09		<p><b>Security Held from Assuming Company</b></p> <p>Reference: OSFI Guideline B-3</p> <ul style="list-style-type: none"> <li>- Amounts Held in Trust, column 08, should be reported at market value as at the reporting date (not to be reported in society's balance sheet).</li> <li>- Amounts of Acceptable Letter of Credit (LOC), column 09. (Not to be reported in society's balance sheet).</li> </ul>

<b>OSFI-77</b>	<b>85.059</b>	<b>REINSURANCE CEDED</b>
<p><b>Purpose:</b></p> <p>Summary of reinsurance ceded to registered and unregistered companies.</p>		
<p><b>General Commentary:</b></p> <p>Reference: <b>OSFI Guideline B-3 Guideline on Unregistered Reinsurance (February 1997)</b></p> <p>A summary page has been added for all reinsurance ceded to both registered and unregistered companies. The totals for unregistered reinsurance in each category should agree with the totals on pages 85.055 and 85.057.</p>		

<b>OSFI-77</b>	<b>85.070</b>	<b>ACTUARIAL LIABILITIES - SUMMARY</b>	
<b>Purpose:</b>			
To provide a summary of the actuarial liabilities of the society in Canada.			
<b>General Commentary:</b>			
The Actuarial Liabilities Exhibit summarizes the direct and net actuarial liabilities by line of business and should be prepared in accordance with GAAP as outlined in the CICA Handbook section 4210.			
The Memorandum to the Actuary sets out the procedures used in determining all actuarial liabilities and requires that a detailed analysis by line of business be provided in the Actuary's Report.			
The actuarial liabilities reported should be net of all reinsurance ceded, including reinsurance with unregistered companies which has not been approved by the Superintendent.			
While premium tax is based on current residency of the certificateholder, irrespective of where the certificate was issued, (as per instructions re. provincial exhibit pages 91.000-95.000), actuarial liabilities are based only on certificates originally issued in Canada and current residence is irrelevant in this case, i.e., even if the certificateholder ceases to reside in Canada.			
Line	Col.	Cross Ref.	Practice
<b>NET ACTUARIAL LIABILITIES</b>			
001 & 039	02	P 83.020 L 002 C 01	The sum of the net actuarial liabilities under insurance certificates reported on lines 001 and 039 should agree to the balance sheet on page 83.020.
011	02	P 83.020 L 003 C 01	The net actuarial liabilities under annuity contracts reported on line 011 should agree to the balance sheet on page 83.020.



OSFI-77	85.070 (cont'd)	SUPPLEMENTARY ACTUARIAL EXHIBIT	
Line	Col.	Cross Ref.	Practice
<p><b>General Commentary:</b></p> <p>The Supplementary Actuarial Exhibit pertaining to the Canadian business of the society is required to be used in the Test of Adequacy of Assets and Margin Requirements calculation. This information was previously reported as part of the Head Office Account.</p> <p>The information on the Supplementary Actuarial Exhibit should include amounts for all life insurance subsidiaries on the same basis as would be required if they were federally incorporated Canadian life insurers.</p>			
<b>SUPPLEMENTARY ACTUARIAL EXHIBIT</b>			
020	All		<p><b>Cash Surrender Value Deficiencies - Aggregate Basis</b></p> <p>Calculate the society's cash value deficiencies on an aggregate basis in a consistent manner, regardless of the different type of business which gave rise to them. Reserve excesses on certificates with excesses would be allowed to offset reserve deficiencies on certificates with such deficiencies.</p>
021	All		<p><b>Cash Surrender Value Deficiencies - Certificate by Certificate Basis</b></p> <p>Calculate the society's cash value deficiencies on a certificate by certificate basis in a consistent manner regardless of the type of business which gives rise to them. Certificates with reserve excesses are not allowed to offset certificates with deficiencies (except where noted in the Memorandum to the Actuary).</p>

OSFI-77	85.070 (cont'd)	SUPPLEMENTARY ACTUARIAL EXHIBIT	
Line	Col.	Cross Ref.	Practice
022	All		<p><b>Transitional Solvency Provisions</b></p> <p>Report the society's transitional solvency provision established in accordance with the Memorandum to the Actuary. OSFI requires the transitional solvency provision be held until formal standards have been implemented for the GAAP valuation of certificates of insurance.</p>
023	All		<p><b>Negative Reserves</b></p> <p>Calculate the society's negative reserves on a certificate by certificate basis in a consistent manner regardless of the different types of business which gave rise to them.</p>