

Automobile Insurance Division  
5160 Yonge Street, 17<sup>th</sup> Floor, Box 85  
North York ON M2N 6L9  
Telephone: (416) 250-7250  
Toll Free: 1-800-668-0128  
Facsimile: (416) 590-7265

Division d'assurance-automobile  
5160, rue Yonge, 17<sup>e</sup> étage, boîte 85  
North York ON M2N 6L9  
Téléphone: (416) 250-7250  
Sans frais: 1-800-668-0128  
Télécopieur: (416) 590-7265

Direct Line: (416) 590-7109  
E-mail: [dchan@fSCO.gov.on.ca](mailto:dchan@fSCO.gov.on.ca)

## MEMORANDUM

**TO:** All Ontario Incorporated Fraternal Benefit Societies and Life Insurance Companies

**FROM:** Dennis Chan, Chief Actuary (Insurance)  
Actuarial Services

**DATE:** December 22, 2014

**RE:** **2014 INSTRUCTIONS FOR ACTUARIAL REPORT  
REQUIRED UNDER THE INSURANCE ACT**

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All Ontario incorporated Fraternal Benefit Societies and Life Insurance Companies are required, under subsection 121.13 (1) of the Insurance Act, to submit an actuarial valuation report on the actuarial and other policy liabilities of the insurer. This actuarial report must be submitted with the Annual Statements filed under subsection 102(1) of the Insurance Act.

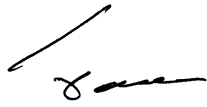
Actuaries who prepare the above actuarial report are advised to follow the OSFI Memorandum to the Appointed Actuary (Life Insurance) 2014, which is available on the OSFI website at <http://www.osfi-bsif.gc.ca>. The document may contain specific references to provisions of the federal Insurance Companies Act and federal regulatory requirements. Where appropriate, these should be read as references to the corresponding provisions in the Insurance Act (Ontario) and Ontario regulatory requirements.

This memorandum and the updated 2014 OSFI instructions replace the previous instructions. We outline the following key changes in OSFI's 2014 Memorandum:

1. Disclosure requirements have been added for changes in valuation methodology and results related to the 2014 revisions made to the CIA Consolidated Standard of Practice (CSOP) with respect to economic reinvestment assumptions.
2. The term "Actuarial Liabilities" has been modified to be consistent with the terminology used in the CIA CSOP (e.g., insurance contract liabilities, policy liabilities).
3. Various minor changes have been made to clarify information requirements, including the reconciliation of AAR information to LIFE-1 annual returns.

Please send the electronic filing of the Report of the Actuary with your annual filing return to FSCO per instruction in the FSCO annual filing instruction letter. For companies who are required to submit the Dynamic Capital Asset Testing report (DCAT), they should send the electronic copy of the report to FSCO no later than September 30, 2015.

Please discuss the filing requirements with your Appointed Actuary. If there are any questions about the appropriateness of any particular requirement to your company, please do not hesitate to contact Vivien Chiang, Senior Actuarial Associate, at (416) 590-2095.

A handwritten signature in black ink, appearing to read 'Dennis Chan', with a long horizontal stroke extending to the right.

Dennis Chan  
Chief Actuary, Insurance  
Actuarial Services  
Automobile Insurance Division