

## SECTION I

All Life insurance companies and Fraternal Benefit Societies are required to complete harmonized quarterly and annual supplement (LIFE) returns, although jurisdictions may apply certain conditions to meet their own particular requirements.

These instructions are generally applicable to all jurisdictions, but insurers should refer any specific LIFE return questions to their primary regulator.

Canadian Life insurance companies and Fraternal Benefit Societies may be registered federally under the *Insurance Companies Act*, or incorporated under the statutes of a province or territory and, in some cases, under private bill. Foreign Life insurance companies and Fraternal Benefit Societies must be registered federally under the *Insurance Companies Act* to insure in Canada a risk. Regardless of the jurisdiction of incorporation, all insurers/societies must first obtain a licence in a province or territory before operations can commence. Completing some schedules in the LIFE return depends on jurisdiction of incorporation and/or provincial licensing. Please refer to the “Table of Contents” of the LIFE return and Section VI for detailed instructions.

Insurers/societies must comply with the legislation of the primary regulator with respect to record retention.

### **Foreign Life Insurance Companies and Fraternal Benefit Societies**

Foreign insurers/societies should refer any questions about completing the LIFE return to the Office of the Superintendent of Financial Institutions Canada (OSFI), except for specific problems or questions relating to licensing, which should be referred to the appropriate jurisdiction.

The LIFE return of a foreign company should reflect only the company’s risks that were insured in Canada. Under Part XIII of the ICA regulatory reporting, a foreign entity’s business is now based on the location of the insurance rather than the location of the risk. For this reason, risks located outside Canada but insured in Canada by the Canadian branch should also be reported on the regulatory return. Conversely, risks located in Canada but insured outside Canada (e.g. by Home Office) would not be included.

Please refer to the Advisory 2007-01-R1, *Insuring in Canada of Risks*. This advisory provides guidance on indicators to consider in determining, for the purpose of the ICA, whether a foreign entity is insuring in Canada a risk and states how OSFI will apply these indicators to various business models.

This definition of business in Canada is to be applied on a retroactive restatement basis by adjusting the opening balance sheet on January 1, 2010 through the Head Office Account for:

- Previously unreported business; and/or
- Removal of business where prior approval has been received from OSFI.

Amendments to the ICA do not change the obligation for foreign entities to comply with provincial requirements. New pages have been added to satisfy these requirements for insurers/ societies licensed in the province of Quebec. Therefore, pages 98.060, 98.070 and 98.080 must be completed based on location of risk and must include risks located in Canada that have been insured in Canada and/or abroad.

Please refer to OSFI's website for a list of all current validation rules.

### **Accounting Principles – Quarterly and Annual Supplement Returns**

The Canadian Accounting Standards Board (AcSB) has adopted International Financial Reporting Standards (IFRS) as Canadian Generally Accepted Accounting Principles (CGAAP) for publicly accountable enterprises (PAEs). Life insurers have fiduciary responsibilities, and they are considered to meet the definition of a PAE and are required to report using IFRS for fiscal years beginning on or after January 1, 2011.

**For the purposes of the regulatory return instructions, the term “IFRS” will refer to requirements under “Part I - International Financial Reporting Standards” of the *CICA Handbook*.**

## **Consolidated Financial Statements (Canadian Life Insurance Companies and Fraternal Benefit Societies)**

All regulatory return core financial statements, notes, supporting schedules and exhibits are to be completed on a consolidated basis in accordance with IFRS.

Non-consolidated statements, additional supporting pages and exhibits should be reported on an IFRS basis, except for investments in subsidiaries, interests in joint ventures and variable interest entities, which should be reported on an equity basis.

## **Statutory Authority**

Each jurisdiction has its own statutes which govern the reporting requirements of a particular insurer. A jurisdiction may allow an insurer licensed in their jurisdiction but domiciled in another to follow the reporting requirements of the home jurisdiction. Insurers are advised to refer to the statutes of all jurisdictions in which they are licensed. Relevant legislation for federally and provincially registered insurers is noted in “Section V - Jurisdictional Requirements.”

## **Guidelines and Bulletins**

Guidelines and bulletins issued by regulators are listed under the applicable jurisdictions in “Section V - Jurisdictional Requirements.”

## **Language Preference**

The LIFE return and related instructions are available in both official languages. Some jurisdictions will accept filings in either official language. See “Section V - Jurisdictional Requirements” for specific details.

## **General**

The Canadian Council of Insurance Regulators (CCIR) Forms Committee is interested in your comments on any aspect of the return and/or instructions. Please direct your comments to the:

Office of the Superintendent of Financial Institutions  
Regulatory Data Management Division  
255 Albert Street, 12<sup>th</sup> floor  
Ottawa, ON K1A 0H2

Attention: Chairperson  
CCIR Forms Committee

Email: [carole.gagnon@osfi-bsif.gc.ca](mailto:carole.gagnon@osfi-bsif.gc.ca)