



October 19, 2017

To: All Federally Regulated Property and Casualty Insurance Companies

Subject: Minimum Capital Test 2018 Guideline

OSFI is releasing a revised Minimum Capital Test (MCT) Guideline which takes effect on January 1, 2018 for federally regulated property and casualty (P&C) insurers. Amendments to the MCT Guideline remove transition requirements that are no longer applicable and provide OSFI regulatory capital treatment clarifications in respect of inquiries received from the P&C insurance industry during the past year.

A draft MCT Guideline reflecting the amendments was published for consultation on June 15th, 2017. After reviewing the limited number of comments received from stakeholders, OSFI determined that no further substantive changes to the guideline were required. However, additional wording changes were made to provide further clarifications.

We would like to thank everyone who provided comments during the public consultation period relating to the draft MCT Guideline. OSFI appreciates the collaboration and support of the industry in helping to refine the regulatory capital framework for P&C insurers.

The final version of Guideline A - *Minimum Capital Test* is available on [OSFI's website](#). Comments or enquiries may be addressed to Judith Roberge, Director, Property and Casualty Insurance Capital, at 613-990-4412 or judith.roberge@osfi-bsif.gc.ca.

Sincerely,

Carolyn Rogers
Assistant Superintendent
Regulation Sector

