Letter

Title	Guide to Intervention for Federally Regulated Property and Casualty Insurance Companies (Letter)
Date	March 8, 2018
Sector	Property and Casualty Companies

To: Federally Regulated Property and Casualty Insurance Companies

In February 2018, OSFI released a revised *Guide to Intervention for Federally Regulated Property and Casualty Insurance Companies* (the "Guide"). It replaces the Supervisory Guide Applicable to Federally Regulated Insurance Companies.

The objective of the Guide is to promote awareness and enhance transparency of the intervention framework for federally regulated property and casualty insurance companies. The Guide:

- outlines the types of involvement that a federally regulated property and casualty insurance company can normally expect from OSFI and PACICC;
- summarizes the circumstances under which certain intervention measures may be expected; and,
- describes the coordination mechanisms in place between OSFI and PACICC.

The Guide states that OSFI has primary responsibility for regulating and supervising federal property and casualty insurance companies. In exercising this responsibility, OSFI conducts risk-based assessments of their safety and soundness. The Guide also explains that PACICC's role in the intervention process is to protect policyholders by minimizing loss of benefits and ensuring a quick transfer of their policies to a solvent company where their benefits will continue to be honoured.

The Guide is premised on greater information sharing between OSFI and PACICC. This has become possible due to the creation of a new PACICC Board Committee (the Pre-insolvency Regulation Liaison Committee, or PIRL) that is comprised solely of PACICC Directors who are not affiliated with any PACICC member companies (i.e., Public Directors). The members of PIRL are bound by a confidentiality agreement. These membership and confidentiality

protections enable OSFI to share confidential information with PIRL.

Questions concerning the revised Guide should be addressed to the Approvals Division by email at approvals-approbations@osfi-bsif.gc.ca.

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Regulation Sector