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Educational Note

Guidance for the 2020 Reporting of Capital and Financial Condition Testing for Life, P&C, and Mortgage Insurers

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Educational Note

Guidance for the 2020 Reporting on Capital and Financial Condition Testing for Life, P&C, and Mortgage Insurers

**Committee on Risk Management
and Capital Requirements**

April 2020

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The actuary should be familiar with relevant educational notes. They do not constitute standards of practice and are, therefore, not binding. They are, however, intended to illustrate the application of the Standards of Practice, so there should be no conflict between them. The actuary should note however that a practice that the educational notes describe for a situation is not necessarily the only accepted practice for that situation and is not necessarily accepted actuarial practice for a different situation. Responsibility for the manner of application of standards of practice in specific circumstances remains that of the members. As standards of practice evolve, an educational note may not reference the most current version of the Standards of Practice; and as such, the actuary should cross-reference with current Standards. To assist the actuary, the CIA website contains an up-to-date reference document of impending changes to update educational notes.

MEMORANDUM

To: Members in the life, property and casualty insurance and mortgage insurance practice areas

From: Steven W. Easson, Chair
Actuarial Guidance Council

Michelle Lindo, Chair
Committee on Risk Management and Capital Requirements

Date: April 28, 2020

Subject: **Educational Note: Guidance for the 2020 Reporting of Capital and Financial Condition Testing for Life, P&C, and Mortgage Insurers**

Introduction

This educational note provides an overview of guidance to actuaries in several areas affecting the reporting of the 2020 regulatory capital requirements and financial condition testing of Life, P&C and mortgage insurers operating in Canada. In addition, the note provides an update on recently published educational notes and introductory information about potential changes in regulatory capital reporting. This educational note is not intended to replace the review of applicable guidelines by the actuary but provides a high-level summary of key changes and updates. The actuary should refer to regulators' publications and to the relevant guideline(s) in order to ascertain whether the changes impact his or her situation. The guidance in this educational note represents a majority view of the members of the Committee on Risk Management and Capital Requirements (CRMCR) of appropriate practice consistent with the Standards of Practice.

As the COVID-19 situation continues to evolve, it is highly recommended that actuaries pay close attention to all guidance and updates from the Office of the Superintendent of Financial Institutions (OSFI), the Autorité des marchés financiers (AMF) and the Canadian Institute of Actuaries (CIA) as the information presented in this educational note may not fully capture all the impacts of the pandemic on timelines and regulatory requirements by the time of its publication.

The creation of this cover letter and educational note has followed the Actuarial Guidance Council's (AGC's) Protocol for the adoption of educational notes. In accordance with the Canadian Institute of Actuaries' (CIA) *Policy on Due Process for the Approval of Guidance Material Other than Standards of Practice and Research Documents*, this educational note has been prepared by CRMCR, and has received final approval for distribution by the Actuarial Guidance Council on April 14, 2020.

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CRMCR would like to acknowledge the contribution of the working group that assisted in the development of this educational note: Christian Nadeau-Alary (Chair), Devon Esson, Steve Firman, Marc-André Harvey, Michelle Lindo, William Shi, and Sylvain St-Georges.

Guidance to members on specific situations

From time to time, CIA members may seek advice or guidance from CRMCR. Both the CIA and CRMCR strongly encourage such dialogue. CIA members would be assured that it is proper and appropriate for them to consult with the chair or vice-chairs of CRMCR.

CIA members are reminded that responses provided by CRMCR are intended to assist them in interpreting the CIA Standards of Practice, educational notes, and Rules of Professional Conduct in assessing the appropriateness of certain techniques or assumptions. A response from CRMCR does not constitute a formal opinion as to whether the work in question is in compliance with the CIA Standards of Practice. Guidance provided by CRMCR is not binding upon the member.

Recent guidance

The following are recent regulatory guidelines issued by OSFI and the AMF and relevant CIA educational notes and changes to the Standards of Practice (SOP):

OSFI

- Regulatory capital requirements: [Draft 2020 LICAT Guideline \(LICAT\)](#) (February 26, 2020)
- Regulatory capital requirements: [Life Insurance Capital Adequacy Test \(LICAT\)](#) (January 1, 2019)
- Regulatory capital requirements: [Minimum Capital Test For Federally Regulated Property and Casualty Insurance Companies \(MCT\)](#) (January 1, 2019)
- Regulatory capital requirements: [Mortgage Insurer Capital Adequacy Test \(MICAT\)](#) (January 1, 2019)

AMF

- Regulatory capital requirements: [Capital Adequacy Requirements Guideline – Insurance of persons \(CARLI\)](#) (January 1, 2020) – English version available soon
- Regulatory capital requirements: [Guideline on Capital Adequacy Requirements –](#)

[Property and Casualty Insurance \(MCT\)](#) (January 1, 2020)

- Regulatory capital requirements: [Guideline on Capital Adequacy Requirements – Self-Regulatory Organizations \(MCT\)](#) (January 1, 2020)
- Regulatory capital requirements: [Guideline on Capital Adequacy Requirements – Reciprocal Unions \(MCT\)](#) (January 1, 2020)

CIA

- Revised Standard of Practice: [Section 2500 Financial Condition Testing](#) (October 15, 2019)
- Educational Note: [Financial Condition Testing](#) (April 27, 2020)
- Revised Educational Note: [Regulatory Capital Filing Certification for Life Insurers](#) (July 12, 2018)
- Educational note: [Life Insurance Capital Adequacy Test \(LICAT\) and Capital Adequacy Requirements for Life and Health Insurance \(CARLI\)](#) (March 8, 2018)

The publications listed above can either be found on the OSFI website under [Table of Guidelines](#), the AMF website under [Guidelines – Insurers](#), or the CIA website under [Publications](#). A list of some of the current guidelines, filing requirements, educational notes, and research papers related to capital management is available in the appendices.

Notable potential future changes

OSFI issued a [draft 2020 LICAT Guideline](#) in February, for public consultation. OSFI expected to publish the final guideline by the end of June 2020 with immediate effect. Given the COVID-19 developments, the public consultation and finalization of the proposed updates related to this guideline is currently on hold until further notice. The AMF issued in December 2019 an updated CARLI guideline, but the further consultation and changes initially expected in spring 2020 are currently postponed until further notice, also due to the COVID-19 developments.

In 2019, OSFI issued proposed revisions to *Guideline B-3: Sound Reinsurance Practices and Procedures* as well as a *Draft Guideline E-25: Internal Model Oversight Framework* for comments.

- OSFI *Draft Revised Guideline B-3: Sound Reinsurance Practices and Procedures* (June 12, 2019);
- OSFI *Draft Guideline E-25: Internal Model Oversight Framework*, for P&C insurers (June 21, 2019)

OSFI expected to issue in 2020 *Draft Guideline B-2: Large Exposure Limits for P&C insurers*.

Given the COVID-19 situation, public consultations and finalization of Guidelines B-3, E-25, and B-2 are all on hold until further notice.

This educational note is organized in the following sections:

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If you have any questions or comments regarding this educational note, please contact either Christian Nadeau-Alary (Chair of the working group) at Christian.Nadeau-Alary@tdassurance.com or Michelle Lindo at mlindo@munichre.ca.

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1. Life regulatory capital requirements for 2020 (*modified*)

The Office of the Superintendent of Financial Institutions (OSFI) and the Autorité des marchés financiers (AMF) introduced new regulatory capital frameworks called, respectively, Life Insurance Capital Adequacy Test (LICAT) and Capital Adequacy Requirements for Life and Health Insurers (CARLI), effective January 1, 2018 with revisions in 2019. OSFI and the AMF developed in collaboration LICAT and CARLI over a period of more than 10 years, in consultation with life insurers and other industry stakeholders. LICAT and CARLI were designed to “better align measures of risks with the economic reality faced by life insurers, thereby promoting appropriate risk management and business decisions.”¹

The guidelines provide the framework within which OSFI and the AMF assess whether a Life and Health insurance company maintains adequate capital and whether a company operating in Canada on a branch basis maintains an adequate margin. The guidelines describe the capital required using measures based on risks, and define the capital or the margin that is available to meet the minimum standard.

OSFI published a [draft 2020 LICAT Guideline](#) in February for public consultation. OSFI expected to publish the final guideline by the end of June 2020 with immediate effect.

Notable changes in the *draft 2020 LICAT Guideline* include the following:

- Sections 2.1.2.10 *Other Items deducted from Gross Tier 1* and 9.1.1 *Conditions for the par credit* – Clarifications of expectations on the treatment of negative Dividend Stabilization Reserves or other similar experience leveling mechanisms.
- Sections 5.1.2 *Stress scenarios*, 8.1.2 *Calculation of the par credit for a block* and 9.3 *Participating products that are contractually adjustable* – Changes to the requirement for the par credit floor in the calculation of interest rate risk requirements.

Given the COVID-19 situation, work related to this guideline is currently on hold until further notice.

The AMF published an updated [2020 CARLI guideline](#), effective January 1, 2020. The objective of the update was to adapt the guideline to the new Quebec Insurers Act that came into effect in June 2019. Notable changes in the AMF’s 2020 CARLI guideline compared to AMF’s 2019 CARLI guideline were as follows:

- Section 2.1.2.7 *Investments in capital instruments of P&C insurance company subsidiaries, dissimilar regulated financial subsidiaries and non-qualifying subsidiaries* – Specified what a non-qualifying subsidiary is for the purpose of deducting capital from participation in capital instruments of non-qualifying subsidiaries.

Prior to the COVID-19 situation, further changes and consultation were expected later this spring regarding the 2020 CARLI guideline, including the changes included in the *draft 2020 LICAT Guideline*. These changes are currently postponed until further notice.

¹ OSFI’s “Life Insurance Capital Framework Standard Approach”, published January 5, 2015.

To address issues stemming from COVID-19, OSFI and the AMF announced the following actions with respect to LICAT in their respective news release ([OSFI](#), [AMF](#)) of April 9, 2020 :

- Loan payment deferrals due to COVID-19 will not increase capital requirements on related mortgages, leases or other loans.
- Approved premium payment deferrals will not increase capital requirements on outstanding premiums related to those deferrals.
- LICAT interest rate risk requirements for participating products to be smoothed over six quarters.

Additional changes may be included in the final version of *2020 LICAT Guideline* and *2020 CARLI Guideline*. Therefore, the actuary should refer to the final version of these guidelines to fully ascertain the changes and their impact.

2. P&C regulatory capital requirements for 2020 (modified)

OSFI's Guideline A, Minimum Capital Test (MCT) for property & casualty insurance companies was originally implemented in 2003. The following year, the AMF implemented its own MCT, the *Guideline on Capital Adequacy Requirements – Property and Casualty Insurance*, largely harmonized with OSFI's MCT guideline. Each year, OSFI and the AMF consider whether changes are required to improve the risk measures, address emerging issues, and encourage improved risk management.

The guidelines provide the framework within which OSFI and the AMF assess whether a P&C company maintains adequate capital and whether a company operating in Canada on a branch basis maintains an adequate margin. The guidelines describe the capital required using measures based on risks, and define the capital or margin that is available to meet the minimum standard.

OSFI is not expected to publish an updated version of the MCT guideline for 2020. Therefore, OSFI's 2019 MCT guideline, effective January 1, 2019 remains valid for 2020. A notable change in OSFI's 2019 MCT guideline comes into effect in 2020:

- Section 4.3.3.3 *Margin required* – Introduced a transition period for the increase in the margin required for reinsurance ceded to unregistered reinsurers from 15% to 20%.

After the Insurers Act came into effect in June 2019, the AMF published two new MCT guidelines regarding the solvency requirements for self-regulatory organizations and reciprocal unions that are authorized to carry on insurer activities. These new guidelines were, for the most part, very similar to the 2019 MCT guideline for traditional insurers, but with necessary adaptations. The AMF published updated 2020 MCT guidelines for Property and Casualty Insurance, Self-Regulated Organizations and Reciprocal Unions, all effective January 1, 2020. Notable changes in the AMF's 2020 MCT guidelines compared to AMF's 2019 MCT guidelines were as follows:

- Section 2.4 *Interests in and loans to subsidiaries, associates and joint ventures* – Specified what a non-qualifying subsidiary is for the purpose of using equity method of accounting for all interests in non-qualifying subsidiaries.

- Section 3.4.2.2 *Margin required* – According with the transition introduced in 2019, replaced the 15% margin required for reinsurance ceded to unregistered reinsurers with the 20% margin for ceded policy liabilities on business from direct policies, or assumed business with underlying direct policies, with an effective date of January 1, 2020 or later.
- Section 3.6 *Earthquake risk exposure* – Replace “Catastrophes” with “Earthquake risk exposure”.

To address issues stemming from COVID-19, OSFI and the AMF announced the following action with respect to MCT in their respective news release ([OSFI](#), [AMF](#)) of April 9, 2020 :

- Approved premium payment deferrals will not increase capital requirements on outstanding premiums related to those deferrals.

3. Mortgage insurance regulatory capital requirements for 2020 (new)

OSFI introduced a new regulatory capital framework for Mortgage Insurers, called [Mortgage Insurer Capital Adequacy Test](#) (MICAT), effective January 1, 2019. The guideline combines the January 1, 2017 advisory *Capital Requirements for Federally Regulated Mortgage Insurers* (Advisory) and the relevant portions of the guideline *Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies* (MCT Guideline) into a single document.

The guideline provides the framework within which OSFI assesses whether a mortgage insurance company maintains adequate capital. The guideline describes the capital required using measures based on risks and defines the capital that is available to meet the minimum standard.

Property and casualty insurance companies that are not mortgage insurers will continue to determine their regulatory capital requirements using the MCT guidelines.

Given that the MICAT mainly consolidated existing guidance, it was not expected to have material impact on the regulatory capital for mortgage insurers and therefore, OSFI issued the MICAT in final form. There was no change to OSFI's MICAT guideline in 2020.

To address issues stemming from COVID-19, OSFI announced the following action with respect to MICAT:

- Payment deferrals will not cause insured mortgages to be treated as delinquent or in arrears ([news release](#) of March 27, 2020).
- Approved premium payment deferrals will not increase capital requirements on outstanding premiums related to those deferrals ([news release](#) of April 9, 2020).

4. Considerations for the 2020 Own Risk and Solvency Assessment (ORSA) (unchanged)

As per Subsection 2430 of the *Standards of Practice*, the ORSA report is part of the information needed to provide an understanding of the insurer's operations, its obligations, and the resources available to meet those obligations.

On September 10, 2019, the Actuarial Standards Board (ASB) approved the revised [Standard of Practice](#) (SOP) to incorporate changes to Section 2500 Dynamic Capital Adequacy Testing. One

of the objectives of the proposed revisions is to allow for a better alignment with ORSA regulatory requirements as they relate to work needed to report on the expected future financial condition of an insurance entity. Further information on the revised SOP can be found in the next section.

The following guidelines have been published by Canadian insurance regulators with regard to ORSA:

- OSFI, *Guideline E-19: [Own Risk and Solvency Assessment](#)*, effective January 1, 2018.
- AMF, *[Capital Management Guideline](#)*, Section 5, Own Risk and Solvency Assessment, effective May 2015.

In addition, here are other actuarial publications on ORSA:

- [Report on the CIA ORSA Survey conducted in April 2015](#).
- [IAA Risk Book](#), Chapter 10—Own Risk and Solvency Assessment (ORSA), March 8, 2016.

5. Considerations for the 2020 Financial Condition Testing (FCT) (modified)

Revised Standard of Practice: Section 2500 (modified)

On September 10, 2019, the ASB approved the revised [Standard of Practice](#) (SOP), with an effective date of January 1, 2020.

The objectives of the revisions to Section 2500 were to:

- provide a more robust approach to satisfy the federal and provincial Insurance Acts' requirement to report on the expected future financial condition of an insurance entity; and
- allow for a better alignment with own risk and solvency assessment (ORSA) regulatory requirements as they relate to work needed to report on the expected future financial condition of an insurance entity.

The key changes in the standard are summarized below:

- Name of the standard: Dynamic Capital Adequacy Testing (DCAT) is renamed as Financial Condition Testing (FCT).
- Definition of “satisfactory financial condition”: The threshold for the base scenario is changed to the internal target ratio(s) as determined by ORSA, rather than the regulatory supervisory level. It also tests two other thresholds: a) going concern, and b) solvency.
 - The threshold for “going concern” scenarios is the minimum regulatory target.
 - The threshold for “solvency” scenarios is that the statement value of assets is sufficient to cover the statement value of the liabilities.
- Opinion of the actuary is modified to link to ORSA internal target(s) and explicitly allow for an opinion of “satisfactory subject to” certain conditions. It also removes wording about reporting requirements related to scenarios tested and their description,

significant assumptions description, and the identification of key risk exposures.

- Recent financial position and forecast period: The most appropriate number of years is left for the actuary to decide, based on the facts and circumstances of the insurer and the analysis.
- Risk categories: The detailed listings of risk categories are removed.
- Distinction has been made between ripple effects (which may include management's routine actions) and corrective management actions.
- General harmonization with ORSA, including a single report: Throughout Section 2500, wording is added to refer to ORSA or other processes where coordination could be beneficial.

The CRMCR drafted a revised educational note to provide additional guidance to the actuary on the above topics in the revised SOP. The draft educational note was exposed to the membership until February 28, 2020. The final version of the educational note, [Financial Condition Testing](#), was approved by the Actuarial Guidance Council on April 14, 2020.

Transition from DCAT to FCT in 2020 (*unchanged from educational note supplement*)

The revised SOP, effective on January 1, 2020, applies to all FCT reports that are submitted to the regulator(s) on or after January 1, 2020. It is recognized that for the first year of the implementation of the SOP, methodologies, systems and processes may not be fully developed to perform the FCT as robustly as expected for future years. The Appointed Actuary may make reasonable simplifying assumptions and approximations to address these limitations if any. The simplifying assumptions and approximations would be described in the FCT report. If appropriate, the opinion of the Appointed Actuary may also reflect that the financial condition of the insurer is satisfactory subject to the simplifying assumptions and approximations.

The Appointed Actuary would assess compliance of the base scenario with current internal targets, and/or known or reasonable estimates of future changes in internal targets. It should be noted that per OSFI guideline E-19, "The assessment of adequacy of capital should also consider the capital needed to support an insurer's longer term business strategies and, in particular, new business and planned growth. Considering this, an insurer should determine an appropriate level or range of capitalization at which it operates, set above its Internal Targets. In determining an operating level, an insurer should consider the impact of future planned, foreseen and likely potential changes to its risk profile due to changes in its operations, its business strategy or its operating environment. For example, it should consider a series of varying adverse scenarios and, at a certain operating level, assess the insurer's ability to continue operating and not fall below its Internal Targets. It should also evaluate whether long-run Internal Targets are consistent with short-run goals, and adjust its operating levels as appropriate; recognizing that accommodating additional capital needs or additional risk mitigants can require significant lead time." Similar expectations regarding the consistent assessment of internal targets with the insurer's strategic and business plan are found in AMF's Capital Management Guideline.

Transition to IFRS 17 (modified)

In May 2017, the International Accounting Standards Board (the Board) issued *IFRS 17 Insurance Contracts*, replacing *IFRS 4 Insurance Contracts*. The implementation date is expected to be the fiscal year beginning on or after January 1, 2023, with comparative financials produced for the immediately prior fiscal year. Insurers are proceeding with their implementation plans but some may not yet be able to reliably estimate financial statements based on the new standard.

The regulatory capital guidelines will be adapted to reflect changes related to IFRS 17. As part of a directed confidential consultation, OSFI and the AMF have issued draft regulatory capital requirement guidelines and conducted initial quantitative impact studies (QIS) for Life and P&C insurers, which were due on October 31, 2019. Given COVID-19 and until further notice, OSFI and the AMF have put on hold the directed consultation on the updated draft capital guidelines as well as the QIS that was planned for June 2020, as per their respective news releases ([OSFI](#), [AMF](#)). The ability of insurers to estimate required and available capital will be impacted by their ability to estimate IFRS 17 financial statements.

In principle, FCT forecasts beyond January 1, 2023 should be produced under IFRS 17 and the updated regulatory capital requirements guidelines. However, neither the regulatory capital requirement guidelines nor IFRS 17 are final (the IASB issued a revised exposure draft on June 26, 2019 and plan to publish the final version in the second quarter of 2020), and therefore insurers may not yet be able to produce reliable financial projections under IFRS 17. In these circumstances, an appropriate practice would be to continue to perform FCT in 2020 using the current accounting standards, actuarial standards, and current regulatory capital guidelines, with additional qualitative analysis on IFRS 17. Quantitative analysis could also be added if available. If quantitative impact studies reveal potential issues based on the new draft guideline in between filings of the FCT report, it would also be appropriate for the Appointed Actuary to describe these potential issues to the board or chief agent along with any potential mitigating actions, either in the FCT report or presentation, or through regular IFRS 17 updates.

Special Considerations due to COVID-19 (new)

In light of recent developments due to COVID-19, insurers may experience unforeseen financial results due to market conditions and/or additional claim activity. The following excerpts from the revised section 2500 of the SOP may be relevant in this situation:

- .03 The appointed actuary should ensure that the investigation is current. The investigation should take into consideration recent events and recent financial operating results of the insurer.*
- .13 The actuary would consider recent events and recent operating results of the insurer up to the date of the report.*
- .14 If an adverse event occurs between the date of the report and the date of its presentation to the insurer's board of directors (or its chief agent for Canada), then the actuary would, at a minimum in the presentation to the insurer's board of directors (or its chief agent for Canada), address the event and its potential implications on the results of the investigation. If appropriate, the actuary would redo the investigation.*

Any adjustments made to the base scenario due to COVID-19 would typically also affect the adverse scenarios.

The research paper, [Considerations for the Development of a Pandemic Scenario](#), may also be useful for the development of the base and/or adverse scenarios.

6. Draft Guideline B-3: Sound Reinsurance Practices and Procedures (modified)

On June 8, 2018, OSFI issued a [Discussion Paper on OSFI's Reinsurance Framework](#) that included proposals to enhance and clarify OSFI's expectations for prudent reinsurance practices.

On June 12, 2019, OSFI issued proposed revisions to *Guideline B-3: [Sound Reinsurance Practices and Procedures](#)*. The revisions to the guideline reflect some of the proposals in the discussion paper, as well as comments received in response to the discussion paper.

More comments were collected regarding those revisions and were being assessed by OSFI in order to finalize the Guideline B-3 by the end of 2020. Given COVID-19 work related to this guideline is currently on hold.

Key changes to the draft guideline encourage insurers to better identify and manage risks arising from the use of reinsurance, particularly counterparty risk. Revisions to the guideline include that reinsurance payments flow directly to a cedant insurer in Canada, and reaffirm OSFI's principles-based expectation that an insurer not cede substantially all of its risks. A federally regulated insurer's (FRI's) ceding limits should be set to its overall book of business, and may also be established by line of business, as appropriate. The draft guideline also includes a statement that OSFI will generally not recognize or grant credit for a foreign FRI's reinsurance arrangement(s) when risks insured in Canada are ceded back to the foreign FRI's home office through affiliated reinsurers.

Based on the draft guideline, some insurers may need to adjust aspects of their reinsurance programs. OSFI intends to offer information sessions when it releases the final guideline.

7. OSFI Draft Guideline E-25: Internal Model Oversight Framework, for P&C insurers (modified)

On June 21, 2019, OSFI issued for comment *Draft Guideline E-25: [Internal Model Oversight Framework](#)* for federally regulated property and casualty insurance companies (P&C insurers).

This guideline applies to insurers that have received approval to use an internal model to calculate MCT regulatory capital requirements for insurance risk. The guideline establishes OSFI's expectations for insurers when they establish and maintain an oversight framework for the internal models.

The key elements of the draft guideline include:

- establishing a model oversight framework;
- periodic assessment of the framework via an internal model risk control (IMRC) process;
- documentation of the framework and IMRC process; and
- periodic review and assessment of the framework and the IMRC process by internal audit.

Given the COVID-19 situation, work related to this guideline is currently on hold.

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Appendix A: OSFI documentation**Guidelines**

Filename	Title	Effective Date
Draft LICAT20	<u>Draft 2020 LICAT Guideline</u>	TBD
LICAT19	<u>Life Insurance Capital Adequacy Test</u>	01/01/2019
MCT2019	<u>Minimum Capital Test For Federally Regulated Property and Casualty Insurance Companies</u>	01/01/2019
MICAT	<u>Mortgage Insurer Capital Adequacy Test</u>	01/01/2019
A4	<u>Regulatory Capital and Internal Capital Targets</u>	01/01/2018
E19	<u>Own Risk and Solvency Assessment</u>	01/01/2018
B5-19	<u>Asset Securitization</u>	01/01/2019
B21	<u>Residential Mortgage Insurance Underwriting Practices and Procedures</u>	03/01/2019
Draft B3	<u>Sound Reinsurance Practices and Procedures</u>	TBD
Draft E25	<u>Internal Model Oversight Framework</u>	TBD

Filing instructions and reporting requirements

Filename	Title	Effective Date
life-rr	<u>Reporting Requirements for Life Insurance Companies and Fraternal Benefit Societies</u>	01/01/2020
pc-rr	<u>Reporting Requirement for Property and Casualty Insurance Companies</u>	01/01/2020
LICAT_inst	<u>LICAT Filing Instructions</u>	12/01/2019
LICAT_dscreq	<u>Life Insurance Capital Adequacy Test Public Disclosure Requirements</u>	12/31/2018

Appendix B: AMF documentation**Guidelines**

Filename	Title	Effective Date
Id_escap_01-2020_pf.pdf	<u>Capital Adequacy Requirements Guideline – Insurance of persons (CARLI)</u> (English version available soon)	01/01/2020
Id_tcm_01_2020_pf_an.pdf	<u>Guideline on Capital Adequacy Requirements – Property and Casualty Insurance (MCT)</u>	01/01/2020
Id_tcm_oar_01_2020_pf_an.pdf	<u>Guideline on Capital Adequacy Requirements – Self-Regulatory Organizations (MCT)</u>	01/01/2020
Id_tcm_ur_01_2020_pf_an.pdf	<u>Guideline on Capital Adequacy Requirements – Reciprocal Unions (MCT)</u>	01/01/2020
G_capital_management_final.pdf	<u>Capital Management Guideline</u>	05/01/2015

Filing instructions and reporting requirements

Filename	Title	Effective Date
guide_actuaire_esf_vie_anglais_.pdf	<u>Guide for the Financial Condition Testing Report – Insurance of persons</u>	01/01/2020
actuary_guide_pc_fct.pdf	<u>Guide for the Financial Condition Testing Report – Property and Casualty Insurance</u>	01/01/2020
guide-depot-relevés-trimestriels-suppléments-annuels_fr.pdf	<u>Instructions for Quarterly and Annual Statements (CARLI)</u> (Available in French only)	01/01/2019

Appendix C: CIA guidance

Accession Number	Title	Publication Date
220057	Educational Note: Financial Condition Testing	27/04/2020
219113	Revised Standard of Practice: Section 2500 Financial Condition Testing	10/15/2019
218097	Revised Educational Note: Regulatory Capital Filing Certification for Life Insurers	12/07/2018
218033	Educational Note: Life Insurance Capital Adequacy Test (LICAT) and Capital Adequacy Requirements for Life and Health Insurance (CARLI)	08/03/2018
217121	Second Revision of Educational Note: Dynamic Capital Adequacy Testing	24/11/2017
217018	Educational Note: Performance of DCA in 2017 for Life and Health Insurers	09/02/2017
209095	Research Paper: Considerations for the Development of a Pandemic Scenario	October 15, 2009

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