

Memorandum

To: All Ontario Incorporated Fraternal Benefit Societies and Life Insurance Companies

From: Dennis Chan, Chief Actuary (Insurance)
Actuarial Services

Date: December 24, 2015

RE: **2015 Life Memorandum to the Appointed Actuary**

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 [OSFI's Life Memorandum to the Appointed Actuary 2015](#). 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 2015 OSFI instructions replace the previous instructions. We outline the following key changes in OSFI's 2015 Memorandum:

1. Section B.4.14 "2014 Revisions to CSOP" is removed. Table 4.14b is moved to section B.3.2.6 Economic Assumptions and renamed as Table 3.2.6b.
2. Table 2.3a and table 3.2.X are modified to include additional provisions for adverse deviations resulting from the revision of the Actuarial Standards.
3. Additional disclosure requirements are added to section B.3.2.6 "Economic Assumptions".
 - a. Various changes have been made to clarify OSFI's expectations;
 - b. If a company uses a stochastic model for valuation, a list of disclosures is required; and
 - c. "Section B.3.2.15 Interest Rate Guarantees" is added.
4. Additional details with respect to the results of external reviews are required.

Please send the electronic filing of the Report of the Actuary with your annual filing return to FSCO per instructions 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, 2016.

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.

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