

SECTION I

All property and casualty (P&C) insurance companies are required to complete a uniform Quarterly and Annual Supplement P&C return, although jurisdictions may apply certain conditions to meet their own particular requirements.

The P&C returns are designed to enable regulators to monitor the financial condition and operating results of insurers, as well as certain compliance requirements.

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

Canadian insurance companies may be registered federally under the *Insurance Companies Act (ICA)*, or incorporated under the incorporation statutes of a province or territory and, in some cases, under private bill. Foreign P&C insurance companies must be registered federally under the ICA to insure in Canada a risk. Regardless of the jurisdiction of incorporation, all insurers must first obtain a licence in a province or territory before operations can commence. Completion of some schedules in the P&C return depends on the insurer's jurisdiction of incorporation and/or provincial licensing. Please refer to the "Table of Contents" of the P&C return and [Section VI](#) for detailed instructions.

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

Foreign P&C Insurance Companies

The P&C 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 of 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 indicia 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 indicia 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. Therefore, pages 85.40, 85.45 and 85.60 must be completed based on location of risk and must include risks located in Canada that have been insured in Canada and/or abroad. Conversely, risks outside Canada but insured in Canada (e.g. by Home Office) would not be included.

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). As P&C insurers have fiduciary responsibilities, 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 *CPA Canada Handbook*.

Consolidated Financial Statements (Canadian P&C Insurance Companies)

With the implementation of IFRS, consolidated reporting within the P&C return is required, except for life company subsidiaries, which are expected to be reported using the equity method.

All regulatory return core financial statements, notes, supporting schedules and exhibits are to be completed on a consolidated basis in accordance with IFRS, with the exception of non-consolidated items as noted on the schedule and life company subsidiaries as noted above.

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 the particular insurer. Certain jurisdictions will allow an insurer licensed in their jurisdiction but domiciled in another to follow the reporting requirements of the home jurisdiction. Insurers are advised to be aware of 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 P&C returns 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:

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Regulatory Information Division
255 Albert Street, 12th floor
Ottawa, ON K1A 0H2

Attention: Chairperson
CCIR Forms Committee

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