



August 7, 2019
File No.: 78000-01
Ref. No.: 1137

To: All British Columbia (BC) Authorized Non-Federally Regulated Life Insurance Companies

Re: Adoption of the Life Insurance Capital Adequacy Test Public Disclosure Requirements Guideline

This is to inform BC authorized non-federally regulated life insurance companies that the Financial Institutions Commission has adopted the Life Insurance Capital Adequacy Test Public Disclosure Requirements Guideline (the Guideline), issued in March 2018 by the federal Office of the Superintendent of Financial Institutions (OSFI). The guideline is effective for the period ending December 31, 2018.

The Guideline is meant to complement the Life Insurance Capital Adequacy Test (LICAT) guideline, which replaced the Minimum Continuing Capital and Surplus Requirements (MCCSR) guideline effective January 1, 2018. The LICAT guideline establishes the standards used by OSFI to assess whether a life insurer maintains adequate capital or an adequate margin to support risks specific to the life insurance business. The LICAT guideline does not address public solvency risk disclosures by life insurers.

Life insurers are expected to provide LICAT public disclosures at least annually and should be aligned with the publication of the life insurer's annual report.

For the first LICAT public disclosure reporting period (i.e., December 31, 2018), life insurers should apply the guidance prospectively. Comparative period disclosures should be provided in subsequent reporting periods.

A link to the Guideline can be found [here](#).

Should you have any questions, please contact FICOM's Policy department via email at feedback@ficombc.ca.

Yours truly,

Rob O'Brien
Managing Director, Policy

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- Superintendent of Financial Institutions
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