



November 12, 2014

File No.: 78000-01

Ref No.: 1185

To: British Columbia Incorporated Life Insurers

Re: Adoption of Guideline: Minimum Continuing Capital and Surplus Requirements (MCCSR)

This is to inform British Columbia incorporated Life Insurers that the Financial Institutions Commission (FICOM) has adopted the 2015 Minimum Continuing Capital and Surplus Requirements (MCCSR) Guideline, issued in November 2014 by the federal Office of the Superintendent of Financial Institutions (OSFI). The Guideline will come into effect on January 1, 2015.

For reference, Section 8.1 of the Capital Requirements Regulation of the *Financial Institutions Act* of British Columbia states in part, that the minimum adequate capital base of a life insurance company is determined in accordance with the MCCSR Guideline as established and published, and amended from time to time by OSFI.

Apart from differences due to law and unless otherwise stated, FICOM will adopt future changes to the MCCSR Guideline as established, published, and amended by OSFI.

Link to websites:

OSFI's 2015 MCCSR Guideline:

<http://www.osfi-bsif.gc.ca/Eng/Docs/MCCSR2015.pdf>

OSFI's 2015 MCCSR's Accompanying Letter:

http://www.osfi-bsif.gc.ca/Eng/Docs/MCCSR2015_let.pdf

Financial Institutions Act Capital Requirements Regulation of British Columbia:

http://www.bclaws.ca/civix/document/id/complete/statreg/315_90

Should you have any questions, please contact Tiffany Mak, Senior Analyst, Information Management, at tiffany.mak@ficombc.ca.

Yours truly,

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TM/ac

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