
BULLETIN NUMBER: INS-06-004

TITLE: APPROVAL OF AUDITOR AND ACTUARY -
CAPTIVE INSURANCE COMPANY

LEGISLATION: *THE INSURANCE (CAPTIVE COMPANY) ACT
AND INSURANCE (CAPTIVE COMPANY) ACT
REGULATION*

DATE: JANUARY 2006

PURPOSE

The purpose of this bulletin is to advise captive insurance companies of the Superintendent's requirements for the appointment of an auditor or actuary for a captive insurance company under the *Insurance (Captive Company) Act* ("ICCA").

AUDITOR

Under Section 9(1) of the ICCA, the Superintendent must approve the auditor:

"9 (1) Each year a captive insurance company must file with the superintendent, in the form required by the superintendent

(a) a financial statement audited by an auditor approved by the superintendent ..."

For the purposes of Section 9(1)(a) of the ICCA, the Superintendent considers a person who is a member, or a partnership whose partners are members, in good standing of:

- (a) The Canadian Institute of Chartered Accountants, or
- (b) The Certified General Accountants Association of British Columbia,

as approved to provide audit services to a captive insurance company.

A captive insurance company is required to notify the Superintendent in writing of the appointment of a new auditor and provide evidence that the auditor meets the above-mentioned requirements, within 30 days after the appointment.

.../2

The Superintendent may consider a person who does not meet the above-mentioned requirements, if the person is qualified to be an auditor due to the person's training, experience and education. However, the captive insurance company must obtain the Superintendent's approval before appointing such a person as its auditor.

ACTUARY

Under Section 9(1)(b) of the ICCA Superintendent must approve the actuary:

“9 (1)Each year a captive insurance company must file with the superintendent, in the form required by the superintendent ...

(b) an actuarial statement prepared by an actuary or other person or class of person approved by the superintendent.”

For the purposes of Section 9(1)(b) of the ICCA, the Superintendent considers a person who is a Fellow of the Canadian Institute of Actuaries as approved to provide actuarial services to a captive insurance company.

A captive insurance company is required to notify the Superintendent in writing of the appointment of a new actuary and provide evidence that the actuary meets the above-mentioned requirements, within 30 days after the appointment.

The Superintendent may consider a person who does not meet the above-mentioned requirements, if the person is qualified to be an actuary due to the person's training, experience and education. However, the captive insurance company must obtain the Superintendent's approval before appointing such a person as its actuary.

Contacts

For more information, please contact:

Deputy Superintendent, Insurance And Pensions Financial Institutions Commission 1200 – 13450 102 nd Avenue Surrey, British Columbia V3T 5X3	Telephone: (604) 953-5300 Fax: (604) 953-5301 Web site: www.fic.gov.bc.ca E-mail: ficom@ficombc.ca
---	--

Staff of the Financial Institutions Commission periodically issue interpretation bulletins to provide technical interpretations and positions regarding certain provisions contained in the *Financial Institutions Act* and Regulations. While the comments in a particular part of an interpretation bulletin may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, an interpretation or position contained in an interpretation bulletin generally applies as of the date on which it was published, unless otherwise specified.