Advisory

BCFSA to Review OSFI Guidelines

Date: December 17, 2024

Distribution: B.C. Incorporated Insurance Companies

Advisory Number: 24-040

PURPOSE

This Advisory is to notify B.C. incorporated insurance companies ("B.C. insurers") that BCFSA is assessing the merit of adopting three guidelines from OSFI for application to insurers in B.C.

BCFSA will be reviewing the Operational Risk Management and Resilience Guideline ("E-21") published in August 2024 by the Office of the Superintendent of Financial Institutions ("OSFI") to determine if it should be adopted for B.C. insurers. Until the review of E-21 is concluded, B.C. insurers are expected to continue following the previous version of E-21 released in 2016.

In 2025, BCFSA will also launch reviews of OSFI's Property and Casualty Large Insurance Exposures and Investment Concentration Guideline ("B-2") and Sound Reinsurance Practices and Procedures Guideline ("B-3") which come into effect January 1, 2025, to determine if these guidelines should be adopted for B.C. insurers. BCFSA expects B.C. insurers to continue using the previous versions of these guidelines until the review processes have concluded.

BCFSA's reviews of E-21, B-2 and B-3 will include consultation with B.C. insurers. Further information will be provided upon the launch of the consultation in early 2025.

BACKGROUND

BCFSA regularly reviews new or updated OSFI guidelines in order to determine whether to adopt them for B.C. insurers. As part of its commitment to engaging transparently with stakeholders and to facilitate awareness-building and an open exchange of perspectives, beginning in 2025 BCFSA's review process will include consultation on any significant changes with B.C. insurers.

BCFSA values the feedback it receives during consultations and will consider and apply input received to its guidance as appropriate.

ADDITIONAL INFORMATION

If you have any questions about this Advisory, or if you would like to receive the previous versions of E-21, B-2 and B-3, please contact insurance@bcfsa.ca.