

Advisory

BCFSA Adopts Guideline E-21 'Operational Risk Management and Resilience'

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PURPOSE

Following a public consultation, BCFSA is now adopting Guideline E-21 'Operational Risk Management and Resilience' (E-21) originally published by the Office of the Superintendent of Financial Institutions (OSFI).

As part of this adoption, BCFSA is publishing a B.C. version of E-21, hereafter referred to as the Guideline, for B.C. incorporated insurance companies (insurers) to follow.

Implementation will be in a phased approach, as follows:

1. **January 1, 2026** – adherence to operational risk management expectations in Sections 1 and 2 of the Guideline.
2. **January 1, 2029** – adherence to Section 4 of the Guideline. Although the expectations in this section are new, they cover risk categories already addressed by the 2016 guideline on Operational Risk Management. Therefore, insurers should have remediated any gaps by this date.
3. **January 1, 2030** – adherence to the entire Guideline. While BCFSA recognizes that operational resilience programs will mature over time, insurers should have completed identification, mapping, and setting tolerances for disruption of their critical operations. Furthermore, insurers should also have developed their scenario-testing methodology and begun the testing process so that by January 1, 2030, testing has been completed for all critical operations.

BACKGROUND

BCFSA undertook a 90-day consultation from April 8 to July 8, 2025, seeking feedback from insurers on four OSFI guidelines, including E-21, for adoption by BCFSA. Upon request, BCFSA extended the deadline for consultation to August 8. The consultation included an invitation for written feedback as well as opportunities for insurers to provide feedback in one-on-one discussions with BCFSA.

Written and verbal feedback related to E-21 focused on implementation and requested that BCFSA provide a longer timeframe than typical for a guideline. BCFSA took this feedback into consideration when determining the implementation timeline communicated above.

BCFSA values the feedback it receives during consultations and thanks everyone that took the time to participate in the consultation.

If you have questions regarding the Guideline, please contact us at policy@bcfsa.ca.

ADDITIONAL INFORMATION

- [Operational Risk and Resilience Guideline](#)