

## OSFI finalizes capital requirement guideline

CANADA'S federal regulator has released the final version of its new guideline on capital requirements for insurers and banks.

The Office of the Superintendent of Financial Institutions guideline, 'Assurance on Capital, Leverage and Liquidity Returns,' focuses on aligning assurance expectations across all federally regulated financial institutions.

The guideline is designed to provide principles-based and risk-based guidance to external auditors and institutions on assurance over regulatory returns.

It was created in response to the increasing complexity arising from an evolving regulatory reporting framework for feder-

ally regulated financial institutions, particularly changes resulting from the new international accounting standard IFRS-17 and the Basel III reforms.

OSFI said the guidance lays out a three-step approach to enhancing assurance expectations over capital, leverage and liquidity returns, including an external audit opinion on the numerator and denominator of key regulatory ratios, senior management declaration on regulatory returns and an internal audit opinion on the processes and controls followed in preparing the returns.

The regulator published a discussion paper in April 2021 about the guidance, which was

followed by a draft guideline for consultation in March.

Stakeholders including federally regulated financial institutions, audit firms, industry and professional associations provided feedback. OSFI said adjustments were made to the draft guidelines based on the responses.

"The senior management at federally regulated financial institutions, their internal and external auditors and other stakeholders now have a blueprint to follow when assuring these important regulatory returns have been prepared properly and predictably," said Tolga Yalkin, OSFI's assistant superintendent, policy innovation and stakeholder affairs.

## Soucy, Jardine recognized by CIP Society

THE INSURANCE Institute of Canada's CIP Society has recognized Renée-Léa Soucy in the emerging leader category of its National Leadership Awards.

Ms. Soucy is directrice principale, assurance des entreprises at Co-operators in Laval, Que. She has been with the insurer for almost 14 years in several increasingly senior positions.

In the established leader category, the award was presented to Carol Jardine, executive VP and president of Canadian p&c operations at Wawanesa Mutual Insurance Co.

She currently serves as the chair of the board of the Institute for Catastrophic Loss Reduction, is a member of the board of directors of the Insurance Bureau of Canada and is also a founding board member of Équité, which works with insurers to investigate fraud.

The National Leadership Awards were created in 2008 to provide an opportunity to celebrate the outstanding achievements of CIP Society members.

The awards are designed to shine a light on industry professionals who lead by example and motivate and inspire the people around them.

"These members have demonstrated an enduring commitment to their workplaces, the insurance profession and their local communities," said Rosalind Staples-Simpson, chair of the CIP Society National Council.

"We are honoured to have them as part of our membership, and will look forward to the opportunity to celebrate their successes with the industry."

The honourees will be presented with a one-of-a-kind sculpture and inducted into the CIP Society Leadership Circle at convocation ceremonies in the coming months.

The CIP Society is the graduate division of the Insurance Institute. It has a mandate to impart knowledge, instill professionalism and create leaders within the industry.

## RIBO working to strengthen MGA oversight

MANAGING general agents have increasingly become a major focus for Ontario's broker regulator over the past year, its president said last week.

Hugh Fardy said during the Registered Insurance Brokers of Ontario's annual general meeting in Toronto that MGAs are playing an increasingly important role in the business lives of Ontario brokers and their clients.

"RIBO continues to seek ways of improving the oversight efforts that so many MGAs have voluntarily given to us in the past year," said Mr. Fardy, senior VP at

Arthur J. Gallagher Canada in Markham, Ont.

"We have clarified certain licensing requirements for those MGAs and those that chose to license through us."

He noted that RIBO also conducted a survey of its MGA members in order to better understand the sector and the services it provides.

That data will help RIBO strengthen its efforts in overseeing the sector, he said.

The organization also focused on the fair treatment of customers in the past year, issuing require-

ments for licensees to share with their customers information about professional behaviour and conduct expectations for brokers.

Brokers are now required to share a broker fact sheet with customers that explains the broker's roles and responsibilities with the sale of insurance in Ontario.

RIBO was established in 1981 as the self-regulatory body for brokers.

It regulates the licensing, professional competence, ethical conduct and insurance-related financial obligations of general insurance brokers in Ontario.

## GFIA urges leaders to step up adaptation efforts

THE GLOBAL Federation of Insurance Associations has called on global leaders at the COP27 environment summit to step up adaptation and resilience efforts to protect against climate change.

GFIA represents insurers and reinsurers from 67 countries, ranging from small local players to internationally active groups.

Insurance and reinsurance play a critical role in accepting the transfer of some of the risks these events present, but the gap between insurance cover and

wider economic loss is significant in many parts of the world, the association said.

Closing this protection gap requires a reduction in losses by investing in adaptation measures that mitigate risk. Without this, the gap will widen and so will the trauma for millions of people.

To help society adapt to climate change, GFIA promotes the following key principles for more resilient and sustainable construction:

- Build in a more resilient way by

designing buildings to withstand the expected forces of nature over the planned lifespan of the structure;

- Do not build in high-risk areas, and
- Where appropriate, build with green materials and circularity.

The federation said stakeholders should join with insurers in their jurisdictions and globally to confront not only climate change but also preventable loss of life and economic damage, the association said.