

OSFI TO RESUME POLICY DEVELOPMENT WORK IN THE FALL OF 2020

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Pursuant to the July 13, 2020 [statement](#) from the Office of the Superintendent of Financial Institutions (OSFI), OSFI's policy development work will gradually resume in the fall of this year. Additional details regarding the timelines and effected projects will be provided throughout the summer and fall.

As a response to the COVID-19 pandemic, OSFI implemented several response measures, including extending deadlines and suspending consultations and policy development work in order to reduce operational stress and ensure institutions had the capacity to focus on most effectively responding to the pandemic and the resulting uncertain market conditions. On March 27, 2020, OSFI published details for federally regulated [insurers](#), [deposit-taking institutions](#) and [private pension plans](#) regarding the policy development projects put on hold at that time.

With conditions stabilizing across many parts of the country and economic recovery beginning, it is an appropriate time to resume policy work. OSFI's policy development will be adapted to reflect the uncertain economic landscape; ensuring depositors, policyholders, and private pension plan beneficiaries have the appropriate guidance and safeguards moving forward. This will involve adjusting the content and pace of policy work to best respond to the needs of the institutions that OSFI serves. OSFI will seek input from such institutions to ensure that OSFI's policy work will reflect the new operational environment.

As policy work begins, it is likely that projects in progress before the suspension will eventually resume. For example, policy initiatives on hold affecting insurers include:

- public consultations with respect to draft revisions to Guideline B-2: *Investment Concentration Limit for Property and Casualty Insurance Companies* and Guideline E4A: *Role of the Chief Agent and Record Keeping Requirements* (draft revisions not yet published), Guideline B-3: *Sound Reinsurance Practices and Procedures* (draft revisions published in June, 2019) and Guideline A: *Life Insurance Capital Adequacy Test* (draft revisions published in February, 2020);
- publication of the final version of new Guideline E-25: *Internal Model Oversight Framework* (the draft version of which was published in June, 2019);

- updating insurance capital frameworks for the International Financial Reporting Standard 17 (IFRS 17) and the launch of an accompanying Quantitative Impact Study (QIS);
- a QIS for developing a standard approach to determining capital requirements for Segregated Fund Guarantee (SFG) risk; and
- the public consultation with respect to draft IFRS 17 insurance returns.

There are also policy initiatives currently on hold affecting federally regulated deposit-taking institutions and private pension plans.

It will be interesting to see which of these projects and new policy development initiatives will be resumed first, which may serve as an indication of what OSFI perceives to be most important in the current economic climate. In any event, the resumption of the public consultations is a welcome announcement to many industry stakeholders who are keen to provide their input.

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A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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