

NOTICE FROM THE *AUTORITÉ DES MARCHÉS FINANCIERS* RELATING TO BUSINESS ACTIVITIES IN QUÉBEC OF BRANCHES OF FOREIGN INSURERS IN CANADA

Référence : Non disponible

1. Scope

This Notice is intended for branches of foreign insurers licensed in Canada (the “Branches”) and pertains to the supervision of their business activities in Québec.

2. Introduction

The supervision provided by the *Autorité des marchés financiers* (the “AMF”) stems from the definition of “insurer” under section 1(a) of *An Act respecting insurance*, R.S.Q., c. A-32 (the “Insurance Act”), and is based on location of risks.

With regard to activities in Québec, the AMF reminds Branches that they must:

- file annual and interim returns (P&C-2 and LIFE-2) with the AMF. These returns take into account the particularities of the Québec regulatory framework based on the location of risks;
- be able to demonstrate to the AMF that they are maintaining adequate assets to guarantee the performance of their obligations in Québec;
- file an application with the AMF prior to any withdrawal of assets in Canada that guarantee the performance of their obligations in Québec.

3. Annual and interim returns

Further to the coming into force of the amendments to Part XIII of the *Insurance Companies Act*, S.C. 1991, c. 47, a foreign insurer may be subject to the Insurance Act in respect of its activities in Québec but not be subject to federal legislation for these same activities.

Therefore, Branches are required to complete the pages added by the AMF to the P&C-2 and LIFE-2 annual and interim returns with consideration given to the location of risk for all their business activities in Québec, including those related to risks located in Québec but not underwritten in Canada.¹

¹ Filing instructions for annual returns are available on the AMF website.

4. Maintaining assets

Pursuant to section 269 of the Insurance Act, the AMF expects Branches to be able to demonstrate that they are maintaining adequate assets to guarantee the performance of their obligations in Québec.

Therefore, the AMF may consider any vehicle which, based on its analysis, is used to guarantee the performance of the obligations of a Branch located in Québec. These include letters of credit and funds vested in trust in accordance with the sample trust agreement, which is available from the AMF.

5. Withdrawal of assets in Canada

To the extent that assets maintained by a Branch in Canada guarantee the performance of its obligations in Québec, any application for the release of assets filed with the Office of the Superintendent of Financial Institutions Canada must also be filed with the AMF.

Further information

Further information is available from:

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