

Draft Regulation

Insurers Act

(chapter A-32.1, ss. 485 par. 1, and 496)

Regulation respecting information to be provided to holders of individual variable insurance contracts relating to segregated funds

Notice is hereby given by the Autorité des marchés financiers (the “AMF” or the “Authority”) that, in accordance with section 486 of the *Insurers Act*, CQLR, c. A-32.1, the following regulation (the “Draft Regulation”), the text of which is published hereunder, may be made by the Authority and subsequently submitted to the Québec Minister of Finance for approval, with or without amendment, after 30 days have elapsed since its publication in the Bulletin of the Authority:

- *Regulation respecting information to be provided to holders of individual variable insurance contracts relating to segregated funds*

The Draft Regulation is also available under “Public consultations” on the AMF’s website at www.lautorite.qc.ca.

Background

On November 2, 2023, the Authority published for comment in the Bulletin¹ the Draft Regulation to implement in Québec the expectations in the *Individual Variable Insurance Contract Ongoing Disclosure Guidance* of the Canadian Council of Insurance Regulators (the “CCIR”).

In summary, under the Draft Regulation, insurers authorized under the *Insurers Act* would be required to provide individual variable insurance contract (“IVIC”) holders with an annual statement that includes, at a minimum, the information listed in Schedule 1 of the Draft Regulation.

After analyzing the comments from the first consultation, the AMF is publishing for a second consultation a Draft Regulation that has been amended to provide certain exceptions to the information that must be provided in the annual statement, thereby addressing certain application issues.

The amendments do not affect the objective of the Draft Regulation, namely for insurers to provide IVIC holders with an annual statement that presents all the information necessary to provide a better understanding of the product, help them get the most out of their discussions with their representatives, and allow them to make better-informed decisions.

Summary of proposed amendments to the Draft Regulation

The AMF proposes to add some exceptions with respect to the transaction history information required under the “Performance information” section of the Draft Regulation in the following specific situations.

- **It is difficult or impossible for an insurer to use the holder data necessary to determine the information**
(see section 4 of the Draft Regulation)

The information in question is the information required from the issue date of the contract until the statement date, that is, the total amounts invested and withdrawn by the contract holder, the change in

¹ [Bulletin of the Authority](#), section 5.2.1

value of investments, and the personal rate of return. The information also includes the personal rate of return for the 10 years, 5 years or 3 years ending on the statement date.

An insurer may qualify for the exception relating to this information if, before the date of coming into force of the regulation, the insurer optimized the information infrastructure or system in which the IVICs were administered or acquired IVICs, in whole or in part, from another insurer following a merger or an acquisition of assets and, in both cases, the IVIC data was transferred from one system to another only in part or on the basis of a net amount.

If after the coming into force of the regulation an insurer acquires contracts, in whole or in part, from another insurer following a merger or an acquisition of assets and the IVIC data from the other insurer can be transferred only in part or on the basis of a net amount because, before the coming into force of the regulation, the other insurer was in any of the situations mentioned above, then the insurer that acquires the IVICs would qualify for the same exception.

An insurer in any of these situations would not be completely exempt from providing the information: depending on the information requested, the insurer would have to present such information from the data transfer date or, if any, for 3 years, 5 years or 10 years after that date.

An insurer benefitting from such an exception would be required to include in the annual statement any of the notifications set out in the Draft Regulation.

- **The IVIC has been registered in a new tax vehicle**
(see second paragraph of the “Performance information” section in Schedule 1 of the Draft Regulation)

Where the IVIC is registered in a new tax vehicle, the AMF proposes that the insurer be able to consider the date on which the contract was registered in the new tax vehicle as the issue date of the contract (refer to the Draft Regulation for four cases in which registration of an IVIC may change).

For example, if the insurer chooses this option, in the case of an IVIC registered in an RRSP, the contract holder would receive, as at December 31 of the year the holder turns 71, a final statement covering the accumulation period. Thereafter, the holder would receive the information required in the Draft Regulation for the duration of the RRIFF withdrawal period but only from the date on which the IVIC was registered in the new tax vehicle (as if the insurer and the holder had entered into a new contract).

Under the Draft Regulation, the AMF may impose monetary administrative penalties on authorized insurers that do not comply with the regulatory provisions.

Subject to ministerial approval, the Draft Regulation is expected to come into force on January 1, 2026.

Comments

Comments regarding this Draft Regulation may be made in writing before **August 12, 2024** to:

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Unless otherwise noted, comments will be posted on the AMF's website at www.lautorite.qc.ca. Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the comments.

Further information

Further information is available from:

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