

REGULATION RESPECTING APPLICATIONS FOR AUTHORIZATION AND LIABILITY INSURANCE COVERAGE FOR ADMINISTRATORS OF VOLUNTARY RETIREMENT SAVINGS PLANS

Voluntary Retirement Savings Plans Act

(2013, chapter 26, s. 114, par. (1), subpars. *b* to *d*, and par. (2))

DIVISION I

OTHER DOCUMENTS THAT MUST ACCOMPANY AN APPLICATION FOR AUTHORIZATION

1. An application for authorization to act as administrator must be accompanied, in addition to the documents referred to in the second paragraph of section 28 of the Voluntary Retirement Savings Plans Act (2013, chapter 26), by the following documents:

(1) a list of the officers in charge of the voluntary retirement savings plan, together with a description of their expertise in the area of financial and retirement products;

(2) a document specifying the licence and registration numbers for a pooled registered pension plan within the meaning of the Pooled Registered Pension Plans Act (S.C., 2012, c. 16), where applicable.

2. A legal person's excess amount of assets over liabilities which must be specified in the attestation referred to in subparagraph (2) of the second paragraph of section 28 of the Voluntary Retirement Savings Plans Act must be at least \$1,000,000.

If this amount is less than \$1,000,000, the amount of the irrevocable letter of credit or suretyship, or the sum of both, must be at least equal to the difference between the legal person's excess amount of assets over liabilities and \$1,000,000.

DIVISION II

LIABILITY INSURANCE

3. The liability insurance contract which must be held by a legal person who applies for authorization to act as administrator must satisfy the following requirements:

(1) contain the clauses referred to in Appendix A of this Regulation;

(2) in respect of each clause referred to in Appendix A of this Regulation, provide an indemnity in the highest of the following amounts:

(a) \$1,000,000;

(b) the amount determined by a resolution of the board of directors of the legal person based on a risk analysis of the voluntary retirement savings plan which such person plans to administer;

(3) contain clauses that provide as follows:

(a) the insurer must notify the Autorité des marchés financiers of its intention to not renew or to cancel the contract 30 days before the non-renewal or cancellation date;

(b) the insurer must notify the Autorité des marchés financiers upon receiving notice of non-renewal or cancellation of the insurance contract; and

(c) the insurer must notify the Autorité des marchés financiers of the receipt of any claim, regardless of whether or not the insurer decides to honour the claim.

4. For purposes of section 31 of the Voluntary Retirement Savings Plans Act, the liability insurance that the plan administrator is required to maintain at all times must satisfy the following requirements:

(1) contain the clauses referred to in paragraphs (1) and (3) of section 3;

(2) in respect of each clause referred to in Appendix A of this Regulation, provide an indemnity in the highest of the following amounts:

(a) \$1,000,000;

(b) 1% of the assets of the voluntary retirement savings plan administered by the administrator, calculated using the most recent audited financial statements for the activities of the plan;

(c) the amount determined by a resolution of the board of directors of the administrator based on a risk analysis of the voluntary retirement savings plan administered by it.

DIVISION III
FINAL PROVISION

5. This Regulation comes into force on 16 April 2014.

APPENDIX A

INSURANCE CLAUSES

(section 3)

Clause	Name of Clause	Coverage
A	Fidelity	This clause insures against any loss through dishonest or fraudulent act of employees.
B	On Premises	This clause insures against any loss of money, securities or other property through theft, burglary or other fraudulent means, mysterious disappearance, damage or destruction while within any of the insured's offices, the offices of any banking institution or clearing house or within any recognized place of safe-deposit.
C	In Transit	This clause insures against any loss of money, securities or other property through theft, burglary, misplacement, mysterious disappearance, damage or destruction, while in transit in the custody of any employee or any person acting as messenger, except while in the mail or with a carrier for hire other than an armoured motor vehicle company.
D	Forgery or Alterations	This clause insures against any loss through forgery or alteration of any cheques, drafts, promissory notes or other written orders or directions to pay sums in money, excluding securities.
E	Securities	This clause insures against any loss through having purchased or acquired, sold or delivered, or extended any credit or acted upon securities or other written instruments which prove to have been forged, counterfeited, raised or altered, or lost or stolen, or through having guaranteed in writing or witnessed any signatures upon any transfers, assignments or other documents or written instruments.