

Guidance: Solvency or hypothetical wind-up liabilities based on actual life insurance company annuity quotation

Modification – June 14, 2019

Last Paragraph on page 1:

The date of quotation should coincide with the valuation date. If the quotation date is not the same as the valuation date, the quotation would be considered valid if the quotation date is within six (6) months ~~of~~ before or after the valuation date. If this is the case, the solvency or hypothetical wind-up liabilities should be adjusted using the methodology described under “Adjustment to quotation” at the end of this guidance note.

Notwithstanding the guidance provided herein, the use of an annuity quotation may not be acceptable if circumstances have changed significantly between the valuation date and the quotation date such that the quote is not representative of financial or market conditions existing at the valuation date.

Second bullet on page 4:

If the quotation date is ~~after but less than~~ within six (6) months ~~following~~ before or after the valuation date, a description of the calculation of the adjustment to the quotation to calculate solvency or hypothetical wind-up liabilities as described under “*Adjustment to quotation*” at the end of the guidance note. Notional solvency or hypothetical wind-up liabilities that would have resulted if the annuity purchase was based on CIA guidance with no adjustments to the mortality rates.