



May 8, 2019

**Re: Guidance on solvency liabilities based on actual insurer annuity quotation**

On behalf of the Canadian Association of Pension Supervisory Authorities (CAPSA), we are pleased to release CAPSA's *Guidance on Solvency liabilities based on actual insurer annuity quotation* (Guidance).

CAPSA established the Actuarial Standards Committee to consider the implications of materials issued by the Canadian Institute of Actuaries, Actuarial Standards Board and Actuarial Standards Oversight Council as well as other actuarial developments that could potentially affect pension stakeholders. The Committee works on developing consensus on actuarial issues, to make recommendations where needed and to issue guidance on best practices.

CAPSA developed this Guidance to outline expectations with respect to situations where an actuary wants to use an insurance company quotation to determine the solvency liabilities of the portion of the pension plan that is assumed to be settled by purchase of annuities.

While this document does not reflect the official position of any provincial or federal government or agency, it is in keeping with CAPSA's mandate to develop practical solutions to further the coordination and harmonization of pension regulatory principles across Canada.

Sincerely,

Leah Fichter  
Chair, CAPSA  
Deputy Superintendent of Pensions  
Saskatchewan

Lester J. Wong  
Chair, CAPSA Actuarial Standards Committee  
Deputy Superintendent, Pension Division  
Financial Services Commission of Ontario