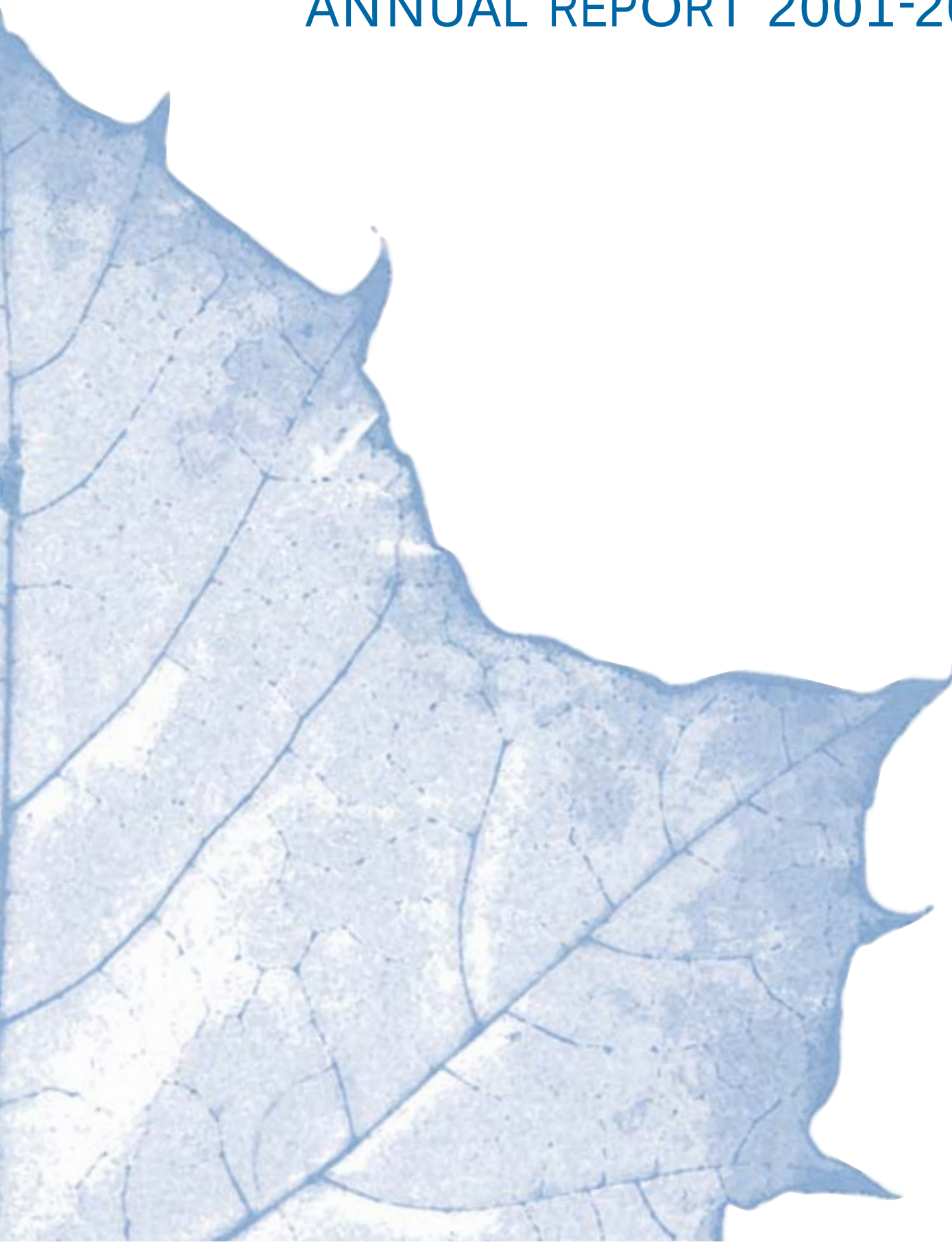


THE FINANCIAL SERVICES COMMISSION OF ONTARIO

# ANNUAL REPORT 2001-2002





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ANNUAL REPORT 2001-2002

SUPERINTENDENT'S REPORT ON INSURANCE 2001

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# Message from the Chair and the Chief Executive Officer

This is the fourth annual report of the Financial Services Commission of Ontario (FSCO). By legislation, FSCO was given a mandate to provide regulatory services that protect consumers and pension plan beneficiaries and that support a healthy and competitive financial services industry. While this mandate is as relevant today as ever, the strategies for achieving it have been refined given the changes transforming the financial services marketplace.

## FOUR KEY CHALLENGES

This annual report outlines FSCO's initiatives in the year ending March 31, 2002, to maintain a constructive and responsive presence in Ontario's financial services marketplace by aligning the regulatory system with evolving market forces. During the year, FSCO addressed four key challenges.

### A Converging Industry

As financial services sectors converge, many financial institutions are developing products and services that cross traditional sectoral boundaries and are virtually indistinguishable. Reflecting this trend, about 70 per cent of life insurance agents are also registered to sell mutual funds. However, since the regulatory framework is still largely based on the traditional "four pillars" – banks, trust companies, insurers and securities firms – similar products and services may receive different regulatory treatment.

The challenge is to harmonize regulation, both across sectors and across jurisdictions. Harmonization will help co-ordinate the efforts of regulators and

eliminate both gaps and overlaps in the regulation of financial products, thereby protecting consumers more effectively and creating a level playing field for the industry.

### The Changing Consumer

Consumer expectations and needs are changing. Today's consumer has access to resources and information that, until recently, were limited to financial services professionals. With the aging of the baby boom generation, demand is growing for wealth management services, in addition to traditional financial products. In this climate, consumers seek assurance that the people they turn to for increasingly complex financial advice are competent and knowledgeable. The challenge for regulators is to meet expectations for strong consumer protection, while sustaining a healthy market environment.

### A Balanced Approach

A critical objective for FSCO is to sustain public confidence in the regulated sectors. This sense of trust rests on FSCO's ability to enforce minimum standards and maintain high standards of consumer protection in a dynamic and competitive marketplace, while also taking into account the interests of the regulated industry. The challenge is to provide a fair and balanced regulatory approach – one that strengthens protection for consumers and pension plan beneficiaries, while being flexible enough to foster competition and innovation in the regulated sectors.

## New Electronic Channels

Today, consumers purchase financial products not only in person but also over the Internet, through direct mail and on the telephone. Financial services providers are marketing products such as insurance and mortgages on-line and dealing with their suppliers and partners electronically. In the age of e-business, both consumers and the industry expect electronic links with regulators. The challenge is to offer financial services providers and consumers increased opportunity to interact with FSCO electronically.

## A YEAR OF SOLID PROGRESS

FSCO worked with consumer groups, the financial services industry, other regulators and other stakeholders to address these challenges in 2001-2002. Considerable progress was made.

An outstanding illustration of improved electronic service is FSCO's web-based life insurance agent licensing system – Canada's first – launched in May 2001. The Internet Application System enables life agents to renew Level II licences and move from Level I to Level II over the Internet, conveniently and securely.

To promote compliance with regulatory requirements in the pensions sector, FSCO has developed a risk-based approach designed to give early warning of potential problems. A computerized system introduced by FSCO supports the risk-based supervision of the funding of defined benefit pension plans. This new process led to the recovery of \$22 million in unpaid contributions for deposit to pension funds.

On the national scene, FSCO is an active participant in the Joint Forum of Financial Market Regulators,

which brings together securities, pension and insurance regulators from across the country. One notable accomplishment of the Joint Forum during the year was active involvement with the financial services industry to create a Financial Services OmbudsNetwork (FSON). The industry announced the FSON in late 2001. This innovative initiative will provide more than 95 per cent of Canada's financial services consumers with single-window access to recourse if they have concerns or complaints. Once the system is fully operational, Canadian consumers will enjoy the same high level of service in resolving disputes, regardless of where they live, the type of financial product purchased, the organization that sold it, or the distribution channel used. In a converging marketplace, this makes a great deal of sense.

The May 2000 Ontario Budget announced the government's proposal to merge FSCO and the Ontario Securities Commission as the next stage in the integration of financial services regulation in Ontario. The goal is to provide consistent consumer and investor protection across all financial sectors in the face of converging financial services markets. The government has completed two rounds of consultation on the proposal – one focused on a discussion paper in Fall 2000 and a second on draft legislation in Spring 2001. Pending any such merger, FSCO will continue to adopt efficiency improvements within its own operations, while preserving uninterrupted service to stakeholders.

This was a year of transition for FSCO's senior leadership. FSCO's first Superintendent of Financial Services and Chief Executive Officer, Dina Palozzi, left the public service in July 2001. She was succeeded on an acting basis by Philip Howell, Assistant Deputy Minister and Chief Economist in the Office of Economic Policy at the Ministry of Finance.

## CHANGING WITH THE TIMES

The convergence of financial services sectors, the shifts in consumer expectations, the importance of a balanced approach and the advance of electronic communications are driving change in the regulatory environment. In the year ahead, FSCO will continue to improve the efficiency and effectiveness of the regulatory framework and promote a co-ordinated national approach to regulatory issues. Further priorities will include an ongoing emphasis on promoting and vigorously enforcing compliance and enhanced e-communication to support a high standard of customer service. FSCO's initiatives will continue to benefit from consultation and co-operation with a diverse array of stakeholders.

The scale and pace of change in the financial services industry requires all participants to adapt. In meeting this challenge, FSCO remains committed to fostering a fair, efficient and effective financial services sector where consumers and pension plan beneficiaries are protected and the marketplace flourishes.



Martha Milczynski  
Chair  
Financial Services Commission of Ontario  
Chair  
Financial Services Tribunal



Philip Howell  
Chief Executive Officer  
Financial Services Commission of Ontario (Acting)  
Superintendent of Financial Services (Acting)

## FSCO's Mandate, Structure and Resources

The Financial Services Commission of Ontario (FSCO) is a regulatory and adjudicative agency of the Ministry of Finance. FSCO regulates insurance, pension plans, loan and trust companies, credit unions, caisses populaires, mortgage brokers and co-operative corporations in Ontario.

Established by the *Financial Services Commission of Ontario Act, 1997* (the *FSCO Act*), the agency has a mandate to protect the public interest and enhance public confidence in the regulated sectors. FSCO does this by providing regulatory services that protect consumers and pension plan beneficiaries and support a healthy and competitive financial services industry.

FSCO is comprised of three key parts: the Commission or Board; the Superintendent of Financial Services and staff; and the Financial Services Tribunal (FST).

- The five-member Board has specific duties under the *FSCO Act*, such as making recommendations to the Minister of Finance on matters affecting the regulated sectors. The Board includes the Chair and two Vice-Chairs appointed by the Lieutenant Governor in Council; the Superintendent of Financial Services, who is also FSCO's Chief Executive Officer (CEO); and the Director of Arbitrations, who oversees the automobile insurance dispute resolution system.
- The Superintendent of Financial Services is responsible for the general supervision of the regulated sectors and the administration and enforcement of the *FSCO Act* and other statutes covering the regulated sectors. As CEO, the Superintendent is also responsible for FSCO's financial and administrative affairs. FSCO staff support the Superintendent in carrying out these roles.

- The FST is an adjudicative body that conducts hearings arising from regulatory and proposed regulatory decisions of the Superintendent of Financial Services.

Located in North Toronto, FSCO had 429 full-time employees and a budget of \$38.6 million in the 2001-2002 fiscal year, ending March 31, 2002.

FSCO's costs are recovered from the regulated sectors. FSCO collects fees from pension plans, insurers, mortgage brokers, credit unions, caisses populaires, loan and trust companies and other regulated entities and levies assessments with respect to the insurance, credit unions and caisses populaires, and loan and trust sectors.

## The Regulated Sectors

The sectors regulated by FSCO together comprise a healthy and dynamic industry that underpins the economy and supports the financial security of individuals and families.

### Pension Plans

Registered pension plans overseen by FSCO represent an essential part of Ontario's retirement savings structure. Twenty-eight of the top 100 pension funds in Canada are registered in the province, with assets of approximately \$191 billion. The top five funds in Ontario by asset size constitute \$139 billion of that total.

Most pension plan members belong to one of three types of plans:

- defined benefit plans, providing a predetermined benefit level during retirement;
- defined contribution plans, with contribution amounts specified and benefit payments based on accumulated contributions plus investment yield; and
- multi-employer plans – either defined benefit or defined contribution – established primarily in industries or trades where workers tend to change employers frequently.

In 2001-2002, the total number of pension plans decreased one per cent to 6,239 while total plan membership increased six per cent to 1.96 million members. The increase in plan membership was due partly to the transfer of a major pension plan to Ontario from another jurisdiction.

The distribution of plan membership between the different plan types remained consistent with last year. While multi-employer plans represented only two per cent of the total number of registered plans, they accounted for 36 per cent of total plan membership.

## Ontario Registered Pension Plans and Membership

| Type                                      | As of March 31, 2002 |            | As of March 31, 2001 |            |
|-------------------------------------------|----------------------|------------|----------------------|------------|
|                                           | #                    | % of Total | #                    | % of Total |
| - Defined Benefit                         | 2,735                | 44%        | 2,742                | 43%        |
| - Members                                 | 1,019,990            | 52%        | 902,995              | 49%        |
| - Defined Contribution                    | 3,383                | 54%        | 3,447                | 55%        |
| - Members                                 | 246,586              | 13%        | 255,597              | 14%        |
| - Multi-Employer<br>Defined Benefit Plans | 86                   | 1%         | 87                   | 1%         |
| - Members                                 | 680,695              | 35%        | 666,935              | 36%        |
| - Multi-Employer<br>Defined Contribution  | 35                   | 1%         | 36                   | 1%         |
| - Members                                 | 16,545               | 1%         | 13,039               | 1%         |
| - Total Plans                             | 6,239                | 100%       | 6,312                | 100%       |
| - Total Members                           | 1,963,816            | 100%       | 1,838,566            | 100%       |

## Insurance

Insurance is a \$24 billion industry in Ontario, with premium volumes increasing more than 14 per cent in 2001. The value of premiums remains evenly split between life insurance companies and property & casualty (including automobile) insurers. This breakdown indicates a mature market with strong competition and a diversity of product lines. In all, 408 insurance companies are licensed to do business in the province.

### *Insurance Companies Licensed in Ontario*

| <i>Business Type</i> | <i>As of March 31, 2002</i> | <i>As of March 31, 2001</i> |
|----------------------|-----------------------------|-----------------------------|
| Life                 | 104                         | 109                         |
| Property & casualty  | 221                         | 227                         |
| Other                | 83                          | 84                          |
| Total                | 408                         | 420                         |

### *Direct Insurance Premium Volume in Ontario*

| <i>Business Type</i> | <i>2001<br/>\$ Billion</i> | <i>2000<br/>\$ Billion</i> |
|----------------------|----------------------------|----------------------------|
| Life                 | 12.3                       | 11.2                       |
| Property & casualty  | 11.8                       | 10.6                       |
| Other                | .2                         | .2                         |
| Total                | 24.3                       | 22.0                       |

## Deposit Institutions

Ontario's 283 credit unions and caisses populaires held total assets of \$17.3 billion as of March 31, 2002. The trend toward amalgamation continued, with credit unions and caisses populaires increasing their total assets during 2001-2002, despite a decrease in their number. Regulatory capital<sup>1</sup> in support of deposits represented 6.78 per cent of system assets in 2002, up from 6.70 per cent in 2001 and 6.65 per cent in 2000, reflecting a sound industry. Membership in credit unions and caisses populaires remained steady at about 1.6 million.

As of the end of the fiscal year, the three Ontario-incorporated loan and trust companies had assets totaling \$1.04 billion.<sup>2</sup> Of this amount, 60 per cent was in mortgage loans and 21 per cent in other loans and investments.

Thirteen new co-operatives were incorporated during 2001-2002 – one in housing, two in farming, two

in services, one consumer, one extra-provincial, one daycare and five worker co-operatives. In all, there were 1,726 co-operatives in Ontario as of March 31, 2002 – of which 1,377 were active.

At fiscal year end, 414 mortgage brokers were registered in the province, up from 390 the year before. The total value of mortgages administered rose to \$18 billion, from \$17 billion a year earlier.

<sup>1</sup> Under Ontario Regulation 76/95 to the *Credit Unions and Caisses Populaires Act, 1994*, credit unions and caisses populaires are required to maintain adequate regulatory capital, that is, capital equal to at least five per cent of total assets. Under FSCO policy, this is determined using a set of rules based upon standards developed by the Bank for International Settlements (BIS).

<sup>2</sup> The 2001 Ontario Budget announced the government's intention to bring forward legislation for Ontario to exit from regulation of the loan and trust industry. After a period to be determined, only federally incorporated companies would be permitted to operate in Ontario.

### *Ontario Credit Unions and Caisses Populaires*

| <i>Measure</i>                             | <i>As of March 31, 2002</i> | <i>As of December 31, 2001</i> |
|--------------------------------------------|-----------------------------|--------------------------------|
| All institutions                           |                             |                                |
| Total number                               | 283                         | 318                            |
| Total assets                               | \$17.3 billion              | \$15.7 billion                 |
| Institutions with assets over \$10 million |                             |                                |
| Number                                     | 177                         | 179                            |
| Assets                                     | \$17 billion                | \$15.3 billion                 |

## FSCO at Work

### Organization Realigned to Reflect Market Imperatives

In July 2001, FSCO implemented organizational changes to create efficiencies and better match operations with the needs of the marketplace. The reorganization established more clear-cut regulatory accountability for pension plans, increased the focus on access to consumer remedies, strongly aligned policy development with service delivery and reinforced FSCO's compliance and enforcement presence.

The changes created a new Pension Division headed by a Deputy Superintendent who exercises the pension authority delegated by the Superintendent of Financial Services. Consolidating FSCO's pension expertise, the new division includes the Pension Plans Branch, the Pension Policy Unit and the Actuarial Consulting Unit.

Complaint and dispute-handling were integrated into a new division that brings together the Office of the Insurance Ombudsman and the Dispute Resolution Group serving the automobile insurance sector. The Ombudsman/Dispute Resolution Division is headed by a new position of Ombudsman/Executive Director that incorporates the legislative title and duties of the Insurance Ombudsman. Within this division, the Arbitration Services Branch and the Mediation Services Branch are combined into a single Dispute Resolution Services Branch.

The Licensing and Enforcement Division was renamed the Licensing and Compliance Division and, within the division, the Examinations Branch was renamed the Compliance Branch. Policy responsibilities for mortgage brokers, credit unions, co-operatives, non-automobile insurance and deposit institutions were transferred to this division.

FSCO strengthened its enforcement presence by shifting the Investigations Unit from its specific program area. The Unit now reports to the Director of the Legal Services Branch.

The Automobile Insurance Policy Unit became part of the new Automobile Insurance Division – formerly the Automobile Insurance Analysis Division – bringing policy development and service delivery functions into closer alignment.

A new Corporate Policy & Public Affairs Branch consolidates corporate policy functions – including FSCO's participation in national regulatory co-ordinating bodies – together with public affairs and an expanded responsibility for stakeholder relations and special projects.

These organizational changes are designed to enable FSCO to be efficient and effective in delivering regulatory services.

### Eight Areas of Activity

FSCO's day-to-day activities fall into eight areas:

1. licensing and monitoring;
2. enforcement;
3. overseeing pension plans;
4. support for the automobile insurance system;
5. dispute resolution and complaint services;
6. policy development;
7. consumer protection through education; and
8. maximizing the effectiveness of organizational resources.

The following is a brief description of FSCO's ongoing activities in these areas during 2001-2002.

## 1. Licensing and Monitoring

To protect the public, FSCO licenses and registers people and enterprises offering financial services. FSCO conducts field examinations of insurance companies, pension plans, mortgage brokers, credit unions and caisses populaires to monitor compliance with legislation and regulations.

In 2001-2002, FSCO received more than 17,000 licensing, registration and other applications. Applicants must meet licensing requirements under the relevant statutes, which may include a qualifying examination and continuing education.

In May 2001, FSCO introduced the Internet Application System. By year end, approximately 35 per cent of all life insurance agent licence renewals – including agents moving from Level I to Level II – were being processed over the Internet.

### *FSCO: Licensing and Registration*

| Activity                                | 2001-2002 | 2000-2001 |
|-----------------------------------------|-----------|-----------|
| <b>Individuals</b>                      |           |           |
| <i>New Licences Issued</i>              |           |           |
| Life agents                             | 4,748     | 3,404     |
| General agents                          | 771       | 696       |
| Accident and sickness agents            | 290       | 270       |
| Adjusters                               | 207       | 162       |
| <i>Licences Renewed</i>                 |           |           |
| Life agents*                            | 4,914     | 15,968    |
| General agents*                         | 1,761     | 1,735     |
| Accident and sickness agents            | 170       | 136       |
| Adjusters                               | 958       | 912       |
| <i>Moves from Life Agent</i>            |           |           |
| Level I to Level II                     | 2,160     | 2,303     |
| <b>Corporations</b>                     |           |           |
| <i>New Licences Issued</i>              |           |           |
| Life and general agencies               | 266       | 413       |
| Corporate adjusters                     | 4         | 10        |
| Mortgage brokers                        | 56        | 55        |
| Loan and trust companies                | 6         | 4         |
| New insurance companies                 | 7         | 10        |
| <i>Licences Renewed</i>                 |           |           |
| Life and general agencies*              | 707       | 1,822     |
| Corporate adjusters                     | 126       | 138       |
| Mortgage brokers                        | 446       | 390       |
| <b>Co-operatives</b>                    |           |           |
| Offering statements                     | 16        | 19        |
| New incorporations                      | 13        | 20        |
| Dissolutions/cancellations              | 109       | 4         |
| <b>Credit unions/caisses populaires</b> |           |           |
| New incorporations                      | 0         | 0         |
| Applications to change line of business | 135       | 168       |
| Mergers                                 | 21        | 18        |

\* Licences are issued for a two-year term. As a result of changes implemented in 1995, there are high-year and low-year cycles. 2001-2002 was a low year.

## *FSCO: Monitoring Activities*

| Type                        | 2001-2002 | 2000-2001 |
|-----------------------------|-----------|-----------|
| Examinations conducted      |           |           |
| Insurance companies         |           |           |
| – solvency                  | 36        | 36        |
| Statutory accident benefits |           |           |
| claims practices            | 11        | 7         |
| Group auto insurers         | 0         | 24        |
| Life insurer market conduct | 0         | 38        |
| Mortgage brokers            | 37        | 35        |
| Credit unions/caisses       |           |           |
| populaires                  | 15        | 15        |
| Loan and trust companies    | 3         | 3         |
| Police checks of agent      |           |           |
| licence applicants          | 8,275     | 4,940     |
| Audits re life agent        |           |           |
| continuing education*       | 692       | 1,105     |
| Agent conduct reviews**     | 156       | 163       |

\* Audits are done on renewal licences, which have a two-year term. There are high-year and low-year renewal cycles. 2001-2002 was a low year.

\*\* Represents complaints about agent conduct reviewed by the Ombudsman's Office.

## 2. Enforcement

FSCO investigates and takes enforcement action where there is non-compliance with the legislation.

Due to the success of FSCO's efforts to ensure compliance, the total number of formal enforcement actions in 2001-2002 decreased from the previous year. In particular, vigorous audits have increased compliance with continuing education requirements for life agents and with errors and omissions requirements for all agents, reducing the need for enforcement action in these areas. This improvement has allowed FSCO to focus its resources on emerging complex cases, such as misrepresentation.

During the year, FSCO secured a total of 32 convictions or guilty pleas for offences ranging from acting as a mortgage broker while unregistered, furnishing false information on a licence application, and failing to file.

Advisory Boards – made up of a representative of insurance agents, a representative of insurers and a representative of the Superintendent – hold hearings on the conduct and licensing of insurance agents and adjusters, and make recommendations to the Superintendent of Financial Services. The majority of cases are resolved by minutes of settlement, without the need for a formal hearing. During the year, the Superintendent issued four licensing decisions following hearings before an Advisory Board.

### *FSCO: Enforcement Actions*

| Type                                         | 2001-2002 | 2000-2001 |
|----------------------------------------------|-----------|-----------|
| Licences revoked                             | 21        | 33        |
| Licences suspended                           | 25        | 16        |
| Licences surrendered                         | 2         | 6         |
| Prosecutions completed                       | 32        | 32        |
| Cease and desist orders                      | 0         | 4         |
| Licence conditions via minutes of settlement | 6         | 11        |
| Letters of censure                           | 40        | 73        |
| Revocation of agent sponsorship              | 8         | 13        |
| TOTAL                                        | 134*      | 188       |

\* Decrease in enforcement actions reflects effectiveness of FSCO's compliance efforts. See text above.

### 3. Overseeing Pension Plans

FSCO monitors and enforces compliance with the *Pension Benefits Act* (the *Act*), which sets minimum standards for the administration and funding of private pension plans. Under the *Act*, the Superintendent of Financial Services makes regulatory decisions on various plan transactions. The Superintendent may delegate some of this authority to staff. In addition, FSCO processes routine pension plan filings, which totalled 16,117 in 2001-2002. When companies become insolvent, the Superintendent normally appoints a third-party

administrator to ensure that the plans are properly wound up. As of March 31, 2002, FSCO was co-ordinating the administration of 182 pension plans for insolvent companies.

The Pension Benefits Guarantee Fund (PBGF) is an insurance fund established by the *Pension Benefits Act* and operated by FSCO. It provides a minimum level of protection to members of defined benefit plans where an employer becomes insolvent and the pension fund does not have sufficient assets to pay the promised pension. Financial statements for the PBGF may be found on pages 63-66 of this annual report.

### *FSCO: Pension Plan Transactions Processed*

| <i>Type</i>                                           | <i>2001-2002</i> | <i>2000-2001</i> |
|-------------------------------------------------------|------------------|------------------|
| New plans registered                                  |                  |                  |
| Defined benefit                                       | 181              | 107              |
| Defined contribution                                  | 143              | 175              |
| Total                                                 | 324              | 282              |
| Plan amendments registered                            | 3,153            | 2,926            |
| Full wind ups processed                               |                  |                  |
| Defined benefit                                       | 97               | 144              |
| Defined contribution                                  | 180              | 162              |
| Total                                                 | 277              | 306              |
| Partial wind ups processed                            |                  |                  |
| Defined benefit                                       | 59               | 66               |
| Defined contribution                                  | 52               | 39               |
| Other                                                 | 0                | 1                |
| Total                                                 | 111              | 106              |
| Plan mergers/asset transfers approved                 |                  |                  |
| Defined benefit                                       | 128              | 127              |
| Defined contribution                                  | 62               | 44               |
| Multi-employer                                        | 0                | 3                |
| Total                                                 | 190              | 174              |
| Surplus refunds to employers on full wind up approved |                  |                  |
| Defined benefit                                       | 16               | 26               |
| Defined contribution                                  | 2                | 4                |
| Total                                                 | 18               | 30               |

### *Pension Benefits Guarantee Fund*

| <i>Claims Paid</i> | <i>2001-2002</i> | <i>2000-2001</i> |
|--------------------|------------------|------------------|
| Number             | 10               | 7                |
| Total value        | \$4,172,699      | \$1,134,180      |

## 4. Support for the Automobile Insurance System

Since automobile insurance is compulsory for Ontario drivers, FSCO's mandate includes significant responsibilities in this segment of the insurance industry.

### Reviewing Auto Insurance Rates

To protect consumers, automobile insurers are required to obtain FSCO's approval for changes in their rates or systems for classifying risks. In 2001-2002, the rate review process saved consumers an estimated \$31.7 million, based on the difference between rates as originally submitted and finally approved.

As of March 31, 2002, the average cost of automobile insurance in Ontario was 8.93 per cent higher than a year earlier. This level represents a 0.78 per cent increase since the implementation of the *Automobile Insurance Rate Stability Act* in late 1996, which led to major changes in the auto insurance product.

This was the first year for FSCO's Respond to Market (R2M) process for filing private passenger rate changes, available to insurers meeting certain criteria. R2M enables companies to respond more rapidly to market trends, as less detailed filing information is required and the FSCO review process is quicker. In December 2001, FSCO released updated R2M criteria for rate filings with renewal effective dates after January 1, 2002.

### FSCO: Automobile Insurance Rate Filings Processed

| Measure                                                                         | 2001-2002 |                         |       | 2000-2001 |
|---------------------------------------------------------------------------------|-----------|-------------------------|-------|-----------|
|                                                                                 | Major     | Respond to Market (R2M) | Total |           |
| Private passenger automobile                                                    |           |                         |       |           |
| Rate filings received                                                           | 83        | 35                      | 118   | 115       |
| Average number of days between receipt of filing and filing considered complete | 6         | 7                       | 6     | 8         |
| Average number of days to review and approve filings                            | 45        | 12                      | 36    | 37        |
| Filings with rate increases                                                     | 72        | 31                      | 103   | 82        |
| Filings with rate decreases                                                     | 3         | 0                       | 3     | 14        |
| Filings with no change to rate levels                                           | 8         | 4                       | 12    | 19        |

| Measure                                                                         | 2001-2002 | 2000-2001 |
|---------------------------------------------------------------------------------|-----------|-----------|
| Non-private-passenger automobile                                                |           |           |
| Rate filings received                                                           | 262       | 218       |
| Average number of days between receipt of filing and filing considered complete | 6         | 12        |
| Average number of days to review and authorize filings                          | 25        | 13        |
| Filings with rate increases                                                     | 185       | 136       |
| Filings with rate decreases                                                     | 24        | 36        |
| Filings with no change to rate levels                                           | 53        | 46        |

## Monitoring Designated Assessment Centres

Designated Assessment Centres (DACs) provide impartial assessments of automobile accident injuries to help claimants and insurers avoid disputes about statutory accident benefits. FSCO oversees and monitors DACs and reviews complaints about their activities. FSCO also provides support for the Minister's Committee on the DAC System, created by the Minister of Finance. The Committee appoints DACs to the roster, specifies the types of assessment each can conduct and develops assessment guidelines.

During the year, FSCO and the Committee began to develop a self-audit process as the cornerstone for the DAC quality assurance program. To be used in conjunction with the DAC electronic reporting system, the self-audit will assist DACs in measuring compliance with the Statutory Accident Benefits Schedule and the DAC assessment guidelines, while providing feedback on the quality of their assessments and final reports. To improve the cost-effectiveness of the DAC system, FSCO and the Committee also started to identify cost-saving opportunities within DAC assessment processes.

### *Designated Assessment Centres\**

| <i>Measure</i>                        | <i>2001</i> | <i>2000</i> |
|---------------------------------------|-------------|-------------|
| Total number of DACs                  | 108         | 119         |
| Referrals to DACs                     | 13,357      | 11,394      |
| Assessments completed                 | 9,750       | 8,480       |
| Number of complaints reviewed by FSCO | 142         | 87          |

\*Activity recorded on a calendar year basis.

## Protection in Accidents Involving Uninsured Motorists

The Motor Vehicle Accident Claims Fund (MVACF) administered by FSCO provides compensation to persons injured in automobile accidents involving uninsured or unidentified vehicles, where the person has no access to insurance coverage.

MVACF is financed primarily by a one-dollar levy on each Ontario driver's licence issued or renewed annually. It also recovers third-party liability

payments from uninsured motorists responsible for accidents, and arranges for the suspension of the driver's licences of motorists in default.

MVACF's financial statements appear on pages 67-72 of this annual report.

### *Motor Vehicle Accident Claims Fund Activities*

| <i>Measure</i>                                                             | <i>2001-2002</i> | <i>2000-2001</i> |
|----------------------------------------------------------------------------|------------------|------------------|
| Number of claims                                                           | 390              | 522              |
| Total cash payouts                                                         | \$9.5 million    | \$7.7 million    |
| Total statutory accident benefits claims                                   | 289              | 277              |
| Total statutory accident benefits payments                                 | \$6.2 million    | \$3.5 million    |
| Total third-party liability payments for bodily injury and property damage | \$3.3 million    | \$4.2 million    |
| Collection of repayments                                                   | \$2.1 million    | \$2.4 million    |
| Suspended driver's licences                                                | 589              | 751              |
| Reinstated driver's licences                                               | 399              | 517              |
| Repayments processed                                                       | 12,578           | 12,855           |
| Debtors making payments                                                    | 1,516            | 1,669            |
| Active accounts receivable                                                 | 2,021            | 2,395            |

## 5. Dispute Resolution and Complaint Services

Today's consumers expect ready access to effective options for addressing complaints and resolving disputes. FSCO's highly regarded Dispute Resolution Services respond to this need regarding automobile accident benefits. As well, the Office of the Insurance Ombudsman investigates unresolved complaints about insurance matters and serves as a single window for complaints to FSCO involving the regulated sectors. (See the Report of the Office of the Insurance Ombudsman on pages 29-34 of this annual report.)

### Resolving Accident Benefits Disputes

FSCO's Dispute Resolution Services were established in 1990 as an integral part of the no-fault automobile insurance system. A full range of options for resolving disputes about statutory accident benefits is provided – including mediation, arbitration, neutral evaluation, appeal and variation/revocation.

The first step in the process is mediation, which is mandatory. No one can take a dispute to arbitration or to court without first participating in mediation at FSCO.

Disputes that are not resolved at mediation can go to court, private arbitration or arbitration at FSCO. Only the insured person can choose FSCO arbitration.

Decisions of FSCO arbitrators can be appealed by either party to the Director of Arbitrations on a question of law. There is no further appeal from a decision of the Director or his/her delegate, although judicial review may be available. As well, a variation/revocation process is in place to deal with situations where the insured person's condition has changed significantly since the original decision, new evidence has become available, or there is an error in the order.

### Applications Up

Activity in both mediation and arbitration increased in 2001-2002. Mediation applications rose about 12 per cent over the previous year, but mediators' file-handling time and settlement rates were stable. Arbitration applications increased by 11 per cent, but cases settled during the arbitration stage – particularly up to the pre-hearing – also rose significantly. The median time to issue an arbitration decision with reasons declined to 49 calendar days. The appeals office received 51 appeals and closed 49 files during the year.

The Dispute Resolution Practice Code is designed to guide parties through the dispute resolution process by explaining what is required at each stage. The fourth edition was introduced in May 2001 and is posted on the FSCO website. The web version includes printable forms. The Practice Code may also be purchased through Publications Ontario.

FSCO continues to receive valuable feedback on the Dispute Resolution (DR) system through the Counsel Forum, which brings together lawyers handling DR cases, and the Companies Forum, which includes insurance company claims specialists.

### Court Cases

Over the past decade, Dispute Resolution Services have produced a respected body of arbitration and appeal decisions. In several rulings, Justices of the Superior Court of Justice and the Court of Appeal for Ontario have referred favourably to the reasoning in these cases.

In 2001-2002, the Divisional Court heard a judicial review application from a mediator's decision that, due to the conduct of the insured person and her representative, no mediation had taken place. The Court upheld the principle stated in the Practice

Code that all parties must participate in mediation in good faith.

in reviewing the factual findings of the arbitrator. As a result, the arbitration decision was restored.

In the only other judicial review heard and determined during the year, the Court considered the scope of appeals from arbitration decisions. It held that the appeal adjudicator had gone too far

### *FSCO: Dispute Resolution Services Activities*

| <i>Measure</i>            | <i>2001-2002</i> | <i>2000-2001</i> |
|---------------------------|------------------|------------------|
| Mediation                 |                  |                  |
| New applications received | 12,897           | 11,325           |
| Cases closed              | 12,534           | 11,267           |
| Settlement rate – full    | 50%              | 51%              |
| Settlement rate – partial | 17%              | 20%              |
| Arbitration               |                  |                  |
| New applications received | 1,637            | 1,474            |
| Cases closed              | 1,440            | 1,307            |
| Settled                   | 1,223            | 1,088            |
| Decisions issued*         | 138              | 133              |
| Appeals                   |                  |                  |
| New applications received | 51               | 60               |
| Cases closed              | 49               | 65               |
| Settled                   | 6                | 12               |
| Decisions issued          | 29               | 34               |

\* The method for counting arbitration decisions issued has changed from previous Annual Reports, in order to provide more complete performance information. In the past, only decisions that closed files were recorded. This year, decisions issued as a result of preliminary issue hearings, motion hearings or expense hearings are also included. Arbitration decisions shown as 91 in the 2000-01 annual report were restated to reflect the new methodology.

## 6. Policy Development

FSCO plays a dual policy development role. First, FSCO makes recommendations to the Minister of Finance for changes to the legislation FSCO administers. Second, FSCO develops regulatory policy to guide the ongoing administration of the legislation in its mandate. Moreover, FSCO not only develops policy concerning Ontario's financial services sectors, but also works with other regulators to harmonize policy across other sectors and jurisdictions.

These policy functions require FSCO to continually assess marketplace trends as well as its own responses. Consultation with FSCO's stakeholders – ranging from financial services providers and consumers, to pension plan administrators, beneficiaries, advisors and consultants, to lawyers and health care professionals – is invaluable. Stakeholder feedback assists FSCO to identify and respond effectively to emerging issues, and to recommend appropriate policy solutions.

## 7. Consumer Protection through Education

In today's financial services marketplace, consumer education is an important aspect of consumer protection. Informed consumers are better able to evaluate a range of products and choose those that best fit their needs. As part of fulfilling its consumer protection mandate, FSCO deploys a range of communications tools to educate consumers to make informed choices.

Many consumers now access consumer information through FSCO's website at: [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca). The site includes online consumer brochures, bulletins, listings of licensed financial services practitioners, reports on enforcement actions and the Dispute Resolution Practice Code.

FSCO's produces several consumer publications, including: FSCO- Somewhere to Turn, Your Pension Rights, Shopping for Car Insurance, Shopping for Travel Health Insurance, Dispute Resolution- A Real Alternative, and The Insurance Ombudsman- Working for You. These brochures are available both electronically and in print. In order to facilitate consumer awareness, distribution of FSCO publications was broadened during 2001-2002 to include driver licensing offices, LCBO stores, driving schools and libraries.

FSCO also arranges for consumer articles to be distributed to Ontario community newspapers and local radio and television stations. In addition to providing helpful information to consumers, this coverage also generates direct requests for FSCO's brochures. As well, FSCO issues frequent news releases and consumer alerts to keep the public informed. For example, during 2001-2002, consumer alerts were issued about the risks of pension unlocking scams.

## 8. Maximizing Effectiveness of FSCO's Resources

FSCO is accountable to its stakeholders for the efficiency and quality of the services it delivers. To provide value for the dollars it has been allocated, FSCO endeavors to make the most of its human, financial and technological resources.

### Preparing Future Leaders

FSCO's staff development program, FSCO FUTURES, completed its third year of nurturing tomorrow's leaders. Twenty-eight employees participated in one of four teams to gain leadership experience through corporate projects. One team developed recommendations for implementing an informal staff recognition program at FSCO. A second team proposed a framework to realize FSCO's values. A

third team developed ideas for establishing a FSCO knowledge bank to help staff share work-related skills and knowledge. And a fourth team continued the “Lunch and Learn Program” and also organized the training program for the FUTURES teams.

### Business Process Reviews

Through business process reviews, FSCO improves operations by analyzing and modifying service delivery processes. Reviews are conducted by a specialized Business Process Review Branch, working with business areas.

A key example in 2001-2002 was the development of Project Reporting Online, a database that tracks and links all FSCO policy and program projects. Other business process review projects during the year were the Internet licensing system for insurance agents and the Pension Plan Facility information system that supports FSCO’s pension activities.

### A Commitment to Quality Service

FSCO is committed to providing quality service in performing its regulatory activities and has established a Quality Service (QS) program, in line with a government-wide initiative to make the Ontario Public Service a more customer-focused organization. FSCO participates in the Ministry of Finance Quality Service Council and has an internal Quality Service Committee that brings together representatives from each branch to champion quality service initiatives. For example, through staff education, the QS program promotes adherence to the Ministry’s common standards for telephone service and correspondence.

FSCO has issued a statement outlining quality service commitments for the conduct of the examination function. FSCO has pledged to deliver impartial, objective, efficient and effective services through examiners demonstrating honesty and integrity, knowledge and good judgement and other professional values.

## Meeting FSCO's Strategic Objectives

Legislation dictates that FSCO create an annual statement setting out its proposed priorities. This statement must be delivered to the Minister of Finance and published by June 30. In June of 2001, FSCO released its fourth Statement of Priorities, outlining four strategic priorities for the year ahead:

- **provide a fair and balanced regulatory approach;**
- **be a leader in financial services regulation in Canada;**
- **promote and vigorously enforce compliance; and**
- **deliver a high standard of customer service.**

The following section reports on FSCO's progress in reaching these goals in 2001-2002.

### A Fair and Balanced Regulatory Approach

To sustain public confidence in the regulated sectors, FSCO pursues a fair and balanced regulatory approach – one that strengthens consumer protection while supporting a healthy, competitive industry.

#### Enhancing the Regulatory Framework

A balanced approach underlies FSCO's recommendations to the government for legislative and policy changes to enhance the regulatory framework.

With the help of the Mortgage Broker Advisory Committee, FSCO conducted a review of the *Mortgage Brokers Act* to improve the Act's effectiveness and administration. The Superintendent of Financial Services submitted recommendations for changes to the Minister of Finance in September 2001, as required by the *Red Tape Reduction Act, 1999*.

The Ministry of Finance is reviewing automobile insurance legislation and regulations. FSCO assisted the Ministry to develop a consultation paper released in September 2001, and then helped analyze submissions and met with stakeholders. The government has indicated its intention to introduce reforms to improve the automobile insurance system for consumers and other participants.

In Summer 2001, FSCO proposed a regulatory system for viatical settlement business in Ontario. Typically, viatical settlements allow a life insurance policyholder facing shortened life expectancy to sell the policy to a third party at a rate discounted from its face value. In Fall 2001, FSCO conducted consultations with stakeholders and received valuable feedback as part of the ongoing consultation process. The regulatory regime will be implemented when the government proclaims legislative amendments and approves regulations.

In December 2001, amendments were made to Ontario Regulation 132/97 under the *Insurance Act* to reflect changes to the Canadian Life and Health Insurance Association's Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds and to impose a number of requirements based on those guidelines, effective January 2002. Other insurance regulators across Canada also adopted the new guidelines, which focus on promoting consistency with mutual fund products.

In July 2001, the Ministry of Finance released a consultation paper on Surplus Distribution from Defined Benefit Plans. FSCO provided advice as the Ministry developed the paper. The government extended the existing Surplus Regulation under the *Pension Benefits Act* to December 31, 2002, to allow time to review submissions and develop reforms. FSCO will work with the Ministry on any legislative and regulatory changes required.

Amendments proposed by FSCO to permit flexible pension plans were included in the draft FSCO-OSC merger legislation. Flexible pension plans allow members to purchase ancillary benefits through optional tax-deductible contributions. FSCO also began work on regulatory amendments that would be required if the legislation is enacted.

FSCO gathered suggestions for changes to the financial information reporting requirements for pension plans from the Pension Accounting and Assurance Advisory Committee and other sources. Further consultation will be undertaken as FSCO develops recommendations.

### Making Processes More Efficient and Effective

A balanced approach also underpins FSCO's commitment to improve the efficiency and effectiveness of regulatory processes.

During the year, FSCO continued to work with the federal Office of the Superintendent of Financial Institutions (OSFI) to reduce duplication of regulatory effort. OSFI and FSCO reached an agreement to alternate examinations of Credit Union Central of Ontario, and rely on each other's work in alternate years.

FSCO released a new standardized wind up report for defined contribution pension plans, developed in conjunction with the Canadian Life and Health Insurance Association. FSCO also established criteria for an expedited process to review the wind ups of defined contribution plans. The aim is to speed the release of member entitlements on plan wind up.

### Fair Assessments and Fees

FSCO remains committed to achieving full cost recovery and to apportioning its costs fairly among

the regulated sectors while reflecting a user-pay principle. In 2001-2002, FSCO refined its cost recovery program for the credit unions/caisses populaires sector to distribute the total sector assessment more equitably among the affected institutions. This was done in response to feedback from stakeholders in the sector.

### Sustaining a Stable Auto Insurance System

During the year, FSCO continued to work with automobile insurance stakeholders to maintain a fair and stable system through such steps as:

- **meeting with insurers to discuss ways to reduce fraud in the accident benefit system and, based on this input, developing proposals for improved fraud control measures;**
- **authorizing the use of a standardized paper billing form for health care providers to invoice automobile insurers directly for medical and rehabilitation services; and**
- **conducting an evaluation of medical and rehabilitation DACs that pointed to the need for a stronger focus on quality issues and cost-effectiveness.**

The CLEAR (Canadian Loss Experience Automobile Rating) system is a cornerstone of the industry's vehicle rating process. CLEAR groups cars by their actual claims experience so rates can be accurately aligned with risks. FSCO reviewed and approved proposals to update the CLEAR methodology. FSCO also added conditions in the rate filing process to ensure that rates and risk classifications continued to satisfy requirements under the *Insurance Act*.

The auto insurance statistical plans support fair rates and classification systems. FSCO intends to work with stakeholders to bring about changes to the

plans. One objective is to capture more detailed data by territory to assist in determining rates by territory. Another aim is to capture more relevant data on medical, rehabilitation and other accident benefits costs. FSCO staff prepared discussion papers on these subjects for consultation with the industry in 2002-2003.

After receiving updated valuations of MVACF's liabilities, FSCO developed options for ensuring stable long-term funding for MVACF. The aim is to see that the fund continues to meet its consumer protection mandate.

## Leadership in Financial Services Regulation in Canada

FSCO continues to work with other Canadian regulators in co-ordinating regulation of the financial services industry at the national level. FSCO provides leadership and support for the development of harmonized regulatory solutions through participation in the Joint Forum of Financial Market Regulators, the Canadian Association of Pension Supervisory Authorities (CAPSA) and the Canadian Council of Insurance Regulators (CCIR).

### Joint Forum Initiatives

CAPSA, CCIR and the Canadian Securities Administrators (CSA) established the Joint Forum in 1999. The Canadian Insurance Services Regulatory Organizations (CISRO) and the Bureau des services financiers (BSF) also participate in meetings and projects. Through the Joint Forum, all of these organizations work together toward the vision, as set out in the Joint Forum's first strategic plan – for the period 2002-2005 – of a co-ordinated, harmonized and simplified financial services regulatory system in Canada.

Early in 2001, the Joint Forum established the Joint Forum Task Force on Consumer Dispute Resolution. With participation from the private and public sectors, including the federal government, the Task Force had a mandate to design an integrated, one-stop mechanism that would make available to all financial services consumers in Canada the same high level of service in resolving disputes with financial services providers. As a result of the Task Force initiative, a group of industry associations (the Canadian Bankers Association, the Canadian Life and Health Insurance Association, the Investment Dealers Association of Canada, the Insurance Bureau of Canada and the Investment Funds Institute of Canada) announced their agreement to create the Financial Services OmbudsNetwork (FSON) in December 2001. This service will provide more than 95 per cent of Canada's financial services consumers with single-window access to recourse if they have concerns or complaints. The FSON will be launched by the end of 2002.

The Joint Forum has also engaged in a multi-year project to ensure that the respective regimes of regulation for segregated funds and mutual funds are harmonized to the extent possible, and give similar protection to investors in these different yet functionally similar products. In 2001-2002, efforts focused on the development of a new approach to point-of-sale disclosure requirements for segregated funds and mutual funds.

On another front, the Joint Forum has been examining the adequacy of the investment disclosure provided to members of capital accumulation plans (for example, defined contribution pension plans, group registered retirement savings plans, deferred profit-sharing plans and employee profit-sharing plans). Such plans are typically offered by employers to employees for the primary purpose of accumulating retirement savings and require employees to make investment choices. As a result of

this examination, the Joint Forum released a discussion paper on Proposed Regulatory Principles for Capital Accumulation Plans in April 2001.

A further area of importance to the Joint Forum is the harmonization of intermediary proficiency and licensing requirements. The first major project in this area has involved the development of draft Principles and Practices for the Sale of Products and Services in the Financial Sector.

### CAPSA Initiatives

In an effort to find lasting solutions regarding the regulation of multi-jurisdictional pension plans, CAPSA has developed proposed principles for a model pension law and plans to hold wide-ranging consultations in the coming year. Once drafted, the model law would serve as a model for federal and provincial governments to consider when they are making amendments to their pension legislation. As a short-term response to the issue of multi-jurisdictional plans, CAPSA has established a committee to develop an updated reciprocal agreement for consideration by the appropriate authorities across Canada.

A draft CAPSA Pension Plan Governance Guideline and Implementation was released for consultation in May 2001. Based on the comments received in response to the consultation paper, the guidelines have been revised and will be presented to CAPSA for approval, together with a proposal to establish an industry task force to assist in the development of a revised implementation tool.

CAPSA established an Investment Policy Committee as a standing committee to develop a co-ordinated approach to investment policy issues for those jurisdictions that have adopted the federal investment rules. As Ontario has adopted the federal rules, FSCO is playing an active role in the

Committee. An Investment Advisory Group has also been established to provide confidential advice and recommendations on proposed changes to the federal investment rules and associated policies and guidelines, as they are developed by the Committee.

In February 2002, CAPSA released guidelines for electronic communication in the pension industry. The guidelines were finalized based on comments received in a public consultation that began in May 2001. The guidelines are intended to help pension plan administrators and plan members apply the provisions of electronic commerce legislation to communications required under the *Pension Benefits Act*.

### CCIR Initiatives

In September 2001, CCIR and the Canadian Insurance Services Regulatory Organizations approved a new national, harmonized model for life agent licence qualification. FSCO, the Alberta Insurance Council and the Insurance Council of British Columbia played major roles in developing the new program, which will standardize educational requirements for new agents in all provinces except Quebec. The new model includes a new curriculum and a new examination, and moves from the existing multi-step licensing process in most jurisdictions to a one-step licence. Optional equivalency was implemented in June 2002. During this stage, entrants to the life industry have the option of applying either for a licence under the new system or under the existing system. Provinces are moving towards mandatory implementation in 2003.

In March 2002, FSCO supported implementation of nationally accepted, flexible and fewer classes of insurance, as well as a streamlined approval process for adding new products. CCIR worked with the industry to harmonize the classes of insurance, which originally numbered over 50 and through this

effort were reduced to 16 in most jurisdictions. Implementation by regulators, including FSCO, will take place over the next three years.

As well, FSCO continued to take part in a CCIR project to develop a revised set of minimum capital test (MCT) requirements for property and casualty insurers. CCIR endorsed the MCT proposal. Government approval is required for implementation in Ontario.

FSCO also participated in the ongoing CCIR E-Commerce Committee to improve consumer protection when purchasing insurance in an electronic environment. The Committee distributed a survey to Canadian insurers to assess the current and future use of electronic commerce. The results will direct the future work of the Committee.

## Promoting and Vigorously Enforcing Compliance

FSCO is committed to ensuring that the regulated sectors conduct business in accordance with legislation. A high rate of compliance protects consumers and pension plan beneficiaries, preserves a level playing field across the industry and reduces the need for regulatory intervention.

### Risk-Based Pension Supervision

In the pension sector, FSCO is shifting toward a risk-based approach that concentrates resources on pension plans requiring closer supervision. A database and risk selection system for monitoring the funding of defined benefit pension plans – the Actuarial Information Summary (AIS) system – has been developed and implemented. This computerized system enhances FSCO's capabilities in regulating pension plans by giving early warning of possible problems, further protecting the interests of plan beneficiaries.

Highlights of risk-based monitoring from July 1, 2000, when filing of the AIS became mandatory, to March 31, 2002 are the following:

- approximately 93 per cent of actuarial reports received were entered and screened through the system;
- FSCO took regulatory action on approximately 220 plans where material compliance concerns were revealed; and
- FSCO uncovered a total of \$22 million in unpaid contributions in respect of 41 plans, which has since been remitted by the plan sponsors to the plans.

Building on the success of the risk-based supervision of pension plan funding, FSCO intends to expand the risk-based approach to other areas of pension supervision. The overall objective is to make the regulatory process more efficient and effective, thereby reinforcing the protection of pension plan beneficiaries.

### Advancing Pension Plan Compliance

Up-to-date pension policies promote compliance by assisting the industry to understand its obligations. All but eight of the 342 policies FSCO inherited from the former Pension Commission of Ontario have now been fully updated. Work on three of the remaining policies has been deferred pending legislative and other developments. Some of the revised policies are being updated again to reflect more recent changes, and new policies are being developed to address current needs.

FSCO continued to take aggressive enforcement action in the pension area, leading to several successful prosecutions for non-compliance with filing requirements. As well, the first examinations were conducted under a pilot examination project for pension plans. FSCO is reviewing the pilot project and is considering examining a selection of plans each year as an ongoing aspect of pension regulation.

## Focus on Insurer Market Conduct

FSCO completed the 2001 Market Conduct Audit for life and health insurers, developed in close collaboration with the industry and endorsed by CCIR. The review process has two steps: completion of a self-assessment questionnaire by insurers, followed by on-site audits by the regulator. The process measures compliance with regulatory requirements and industry guidelines in such areas as complaints-handling, claims-handling and agent screening, monitoring and reporting.

## Delivering a High Standard of Customer Service

FSCO strives to deliver a high standard of customer service to consumers, businesses and other stakeholders. Like the Ontario Government as a whole, FSCO is determined to provide customer-centred, quality service.

### Pension Stakeholder Service Improved

The migration of two pension computer systems to a single platform – the Pension Plans Facility (PPF) – was completed in 2001-2002. The PPF provides a stable platform for the central plans database and the workflow tracking system, supporting better reporting and more efficient processing. The integrated system enables pension officers to determine priorities and manage workloads accordingly, and gives them the tools to respond to inquiries from plan members or administrators more quickly.

## Moving to E-Business

FSCO is accelerating the move to e-business and electronic service delivery to facilitate information exchange, expedite transactions and reduce paperwork.

FSCO is the first insurance regulator in Canada to offer on-line licence renewal. Introduced in May 2001, FSCO's Internet Application System enabled Ontario's 26,000 life insurance agents to renew their Level II agent licences, or upgrade from a Level I to a Level II licence, over the Internet 24 hours a day, seven days a week, in just minutes.

During 2001-2002, FSCO worked with a stakeholder committee to design and build the second phase of the Internet Application System, for launch in July 2002. The goal is to allow new life, general and accident and sickness agents to apply for their first licence online, and also to enable companies to sponsor, transfer or terminate agents through the Internet.

In the auto insurance area, an Internet-based electronic filing system for rate applications, underwriting rules, rate manuals and forms was under development in 2001-2002. Ten participating individuals representing 20 companies assisted FSCO by submitting "test" filings electronically. The plan is to launch the Automated Rates and Classifications Technical Information Communication System (ARCTICS) in 2002-2003, following a further pilot with the stakeholder group using actual filings.

A web-based Dispute Resolution Case Directory helps insurers keep track of their active cases in FSCO's dispute resolution system. During the year, a significant number of companies used this password-protected tool, which provides them with up-to-date information on the status of their active mediation, arbitration and appeal files.

# Report of the Office of the Insurance Ombudsman

The Office of the Insurance Ombudsman (OIO) was established by legislation in November 1996 to improve consumer protection and increase public confidence in the insurance industry. The Office oversees the market conduct of insurance companies and provides complaint services for FSCO's regulated sectors.

## Complaint Services

The OIO is the last step in Ontario's Industry-First Response System for the informal review of consumer complaints about insurance company products or business practices. Before calling on the services of the OIO, consumers must first attempt to resolve their complaints directly with their companies. In addition to handling complaints involving insurers,

the Office reviews and responds to reports of misconduct by insurance agents and adjusters.

To improve access to consumer remedies, the OIO also acts as the single-window entry point for all complaints about the other sectors FSCO regulates – including credit unions and caisses populaires, loan and trust companies, co-operatives, mortgage brokers and pension plans.

## Insurance Complaint Activity

In 2001-2002, the OIO received 7,571 telephone inquiries and 906 written complaints about insurers' products or business practices. Continuing the trend from the previous year, inquiries increased while complaints remained stable.

### *Office of the Insurance Ombudsman: Inquiries, Complaints and Reviews Involving Insurance Companies*

| Type       | 2001-2002 | 2000-2001 |
|------------|-----------|-----------|
| Inquiries  | 7,571     | 5,683     |
| Complaints | 906       | 1,087     |
| Total      | 8,477     | 6,770     |
| Reviews    |           |           |
| Started    | 274       | 275       |
| Closed     | 264       | 294       |

### *Office of the Insurance Ombudsman: Review Results 2001-2002*

| Disposition                                                          | Files   | Proportion |
|----------------------------------------------------------------------|---------|------------|
| Business Practices Acceptable                                        | 215     | 81%        |
| Office of Ombudsman Recommendations Made (Insurers Position Changed) | 44 (44) | 17%        |
| Complaint Withdrawn                                                  | 3       | 1%         |
| Issue in Litigation                                                  | 2       | 1%         |

If a review is undertaken, the OIO applies a variety of conflict resolution tools – such as fact-finding, analysis and negotiation. In 17 per cent of the 264 reviews closed in 2001-2002, the OIO identified concerns about a company's business practices and made recommendations for change. The companies accepted the recommendations and implemented them or decisions flowing from them. Here are some examples:

- A company denied a consumer's claim on the grounds of policy cancellation for non-payment. The review found that the insurer's computer system had been set up to suspend policies as of the premium due date rather than the end of the grace period, during which the policy is still in force. The company noted the system error and is having it corrected. The company reimbursed the consumer for the claims payable during the grace period, and offered apologies.
- In two cases, consumer complaints resulted from administrative errors in the handling of claims under group disability plans. In both

cases, the group policyholder was the plan administrator. The OIO determined that the insurance companies did not have sufficient procedures for communicating information and support to the administrators. The insurers accepted the OIO's recommendations to provide better direction, training and support to policyholder administrators.

In responding to complaints and reports of misconduct by insurance agents, the OIO found grounds to recommend regulatory action in 78, or half, of the 156 cases closed in 2001-2002. These figures were similar to the previous year's totals.

### Other Sector Complaint Activity

In addition to responding to insurance complaints, the OIO receives, co-ordinates and tracks complaints involving credit unions and caisses populaires, loan and trust companies, co-operatives, mortgage brokers and pension plans. A centralized approach provides easy access to FSCO's complaint services provided by the various branches and divisions.

### *Complaints Involving Non-Insurance Sectors 2001-2002*

| <i>Sector</i>    | <i>Complaints</i> | <i>Proportion</i> |
|------------------|-------------------|-------------------|
| Pension          | 39                | 69%               |
| Mortgage Brokers | 11                | 19%               |
| Credit Unions    | 3                 | 5%                |
| Loan & Trust     | 3                 | 5%                |
| Co-operatives    | 1                 | 2%                |
| Totals           | 57                | 100%              |

## Insurance Market Conduct Oversight

Under Ontario's Industry-First Response System, primary responsibility for complaint-handling rests with insurance companies. To make this system work, companies establish a protocol or internal procedures for handling consumer complaints, and appoint a company Ombudsman Liaison Officer (OLO) to oversee the protocol and liaise with the Ombudsman's Office. Complainants must be informed of the company's final position in writing, and told about the OIO if the matter is unresolved. The OIO monitors companies' compliance with obligations under the Industry-First Response System.

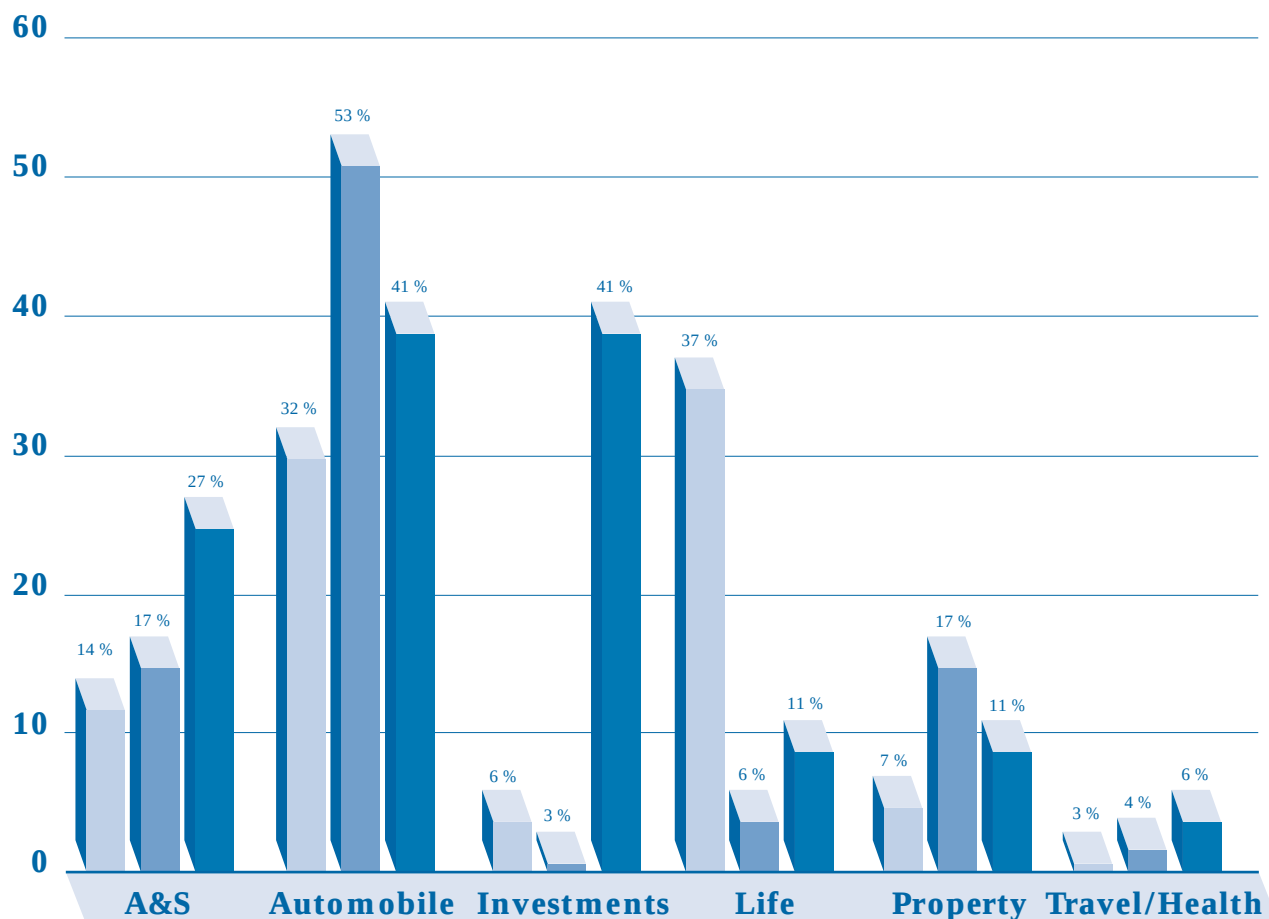
### Complaint Data System in Full Swing

In January 2001, companies began reporting quarterly data to the OIO on the number and nature of complaints they receive. In fiscal year 2001-2002, companies reported receiving 7,604 complaints.

Complaint trending is a recognized tool employed by financial services regulators worldwide to support consumer protection. Many insurance regulators, particularly in the United States, use the data to create monitoring programs that screen for existing or potential market conduct, compliance or solvency problems with individual companies or the industry as a whole. As with any data system, the reliability and integrity of the data is assured through the use and application of uniform codes including a common definition of what constitutes a complaint.

The profile of complaints received by Ontario insurance companies differs significantly from the profile of insurance complaints received by the Ombudsman's Office. Complaints about life insurance account for the highest proportion of company-received complaints at 37 per cent of the total, followed closely by automobile insurance at 32 per cent. By contrast, about half of complaints received by the Ombudsman's Office concern auto insurance, while life insurance complaints rank fourth by line of business at six per cent.

Complaints: Line of Business Comparison 2001-2002



- Co.: Complaints received by companies
- OIO-C: Complaints received by Office of Insurance Ombudsman with company protocol complete
- OIO-PI: Complaints received by Office of Insurance Ombudsman but company protocol incomplete

The Ombudsman's Office conducted an initial analysis of the complaint data and surveyed 104 companies based on the preliminary findings. The review focused on compliance with the data reporting requirement and the application of the complaint definitions and codes. An action plan was developed – including new reporting guidelines – to improve the data collection process.

### Company Complaint-Handling Standards

During the year, the Office worked with a group of company OLO representatives to draft industry-wide standards for company complaint handling processes. The aim is to increase the reliability and effectiveness of Ontario's Industry-First Response System. The standards reflect best practices and include guidelines for timeliness and fairness in complaint-handling. Implementation of the standards will be considered once the national Financial Services OmbudsNetwork announced in December 2001 is more fully developed.

### Systemic Reviews

In addition to responding to consumer complaints, the OIO also reviews wider business practices in the industry as part of its market conduct oversight function. Seven of these systemic reviews were completed in 2001-2002.

For example, a life insurance company's website contained inaccurate information about another insurer's product, as well as incomplete information on the qualifications for non-smoking rates. After reviewing the website, the OIO contacted the insurance company, which made appropriate changes.

The Office was also asked to review two proposed marketing programs to determine if they contravened the prohibition against offering something of extra value to induce a person to purchase insurance. No contraventions were found.

### Claimant Satisfaction Survey Broadened

Both consumers and the industry benefit from the annual Claims Satisfaction Survey of auto insurance claimants. The results give consumers information on the quality of claims service as a basis for comparison shopping, and provide companies with a benchmark for assessing their claims-handling activities. The survey findings are distributed with FSCO's Shopping for Car Insurance guide and are also available on the FSCO website.

Car insurance consumers in Ontario continue to enjoy a high level of satisfaction with the way their claims are handled by insurers. The results of the 2001 survey show that 85 per cent of Ontario consumers are either very satisfied or somewhat satisfied with the service offered by their insurance company.

During 2001-2002, the Ombudsman's Office assembled a working group with representatives from the industry and FSCO staff to develop additional questions for the 2002 survey. The new questions will evaluate the timelines for the claims-handling process, as well as the helpfulness, expertise and fairness of company representatives and their ability to keep the claimant informed. These additional questions are designed to provide consumers with more information in making purchasing decisions.

## Links with Consumers and Industry

In July 2001, FSCO announced the formation of a Consumer Advisory Committee to serve as its principal consultation vehicle with consumers. The Committee's mandate is to provide advice from the consumer's perspective on matters affecting the regulated sectors. Members include representatives of the Consumers Council of Canada, the Consumers' Association of Canada and Canada's Association for the Fifty-Plus – as well as a public representative from the Registered Insurance Brokers of Ontario and academics. The Insurance Ombudsman meets with the committee twice a year.

In 2001-2002, the Committee reviewed such initiatives as the proposed viatical settlement regulatory regime, company complaint-handling standards, the Claims Satisfaction Survey and FSCO's Statement of Priorities. The Committee highlighted the need to work on activities to improve financial literacy among consumers.

In June 2001, the Office of the Insurance Ombudsman held a series of meetings with company OLOs to provide updates on regulatory initiatives and marketplace issues. The sessions also gave the OLOs an opportunity to discuss common issues and challenges arising from their complaint oversight roles.

# Report of the Financial Services Tribunal

The Financial Services Tribunal (FST) is an independent adjudicative body that hears appeals or reviews of regulatory decisions or proposed decisions of the Superintendent of Financial Services. These proceedings are conducted at the request of affected parties.

The FST is comprised of the Chair and two Vice-Chairs (who are also the Chair and Vice-Chairs of FSCO) and up to 12 additional members, all appointed by the Lieutenant Governor in Council. Biographical sketches of current FST members may be found on FSCO's website at: [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca).

The Tribunal is committed to providing an expert, impartial hearing process that is accessible, prompt and fair. Its proceedings are guided by its own Rules of Practice and Procedure, Practice Directions and also by the *Statutory Powers Procedure Act*. The FST has exclusive jurisdiction to determine all questions of fact or law that arise in any proceeding before it.

A Legal Advisory Committee has been created to advise the FST on the adjudication process. With the Committee's help, the FST is conducting an ongoing review of its Rules of Practice and Procedure. The FST continues to develop and review performance standards and measures to improve quality and efficiency in the hearing and decision-making process. The FST's hearing schedule and decisions are posted online for the convenience of hearing participants.

The FST has streamlined procedures for responding to requests for hearings on decisions of the Superintendent regarding access to locked-in funds in cases of financial hardship. It is a priority to ensure that these requests for hearings are dealt with quickly and decisions issued promptly.

During the year, the FST undertook a review of its conflict of interest guidelines.

## Financial Services Tribunal Activities 2001-2002

| Activity                                                                                                                                           | <i>Pension Matters<br/>(Excluding<br/>Financial<br/>Hardship)</i> | <i>Pension Matters<br/>(Financial<br/>Hardship Only)</i> | <i>Mortgage<br/>Brokers<br/>Matters</i> | <i>Insurance<br/>Matters</i> | <i>Total</i> |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------|------------------------------|--------------|
| Number of new cases received                                                                                                                       | 19                                                                | 10                                                       | 1                                       | 1                            | 31           |
| Number of hearings days*                                                                                                                           | 15                                                                | **                                                       | 26                                      | 3                            | 44           |
| Number of Hearing Activities – includes: adjournments, pre-hearing conferences, telephone conferences, settlement conferences and motion hearings* | 49                                                                | 3                                                        | 1                                       | 4                            | 57           |
| <b>Total hearing – related days***</b>                                                                                                             | <b>64</b>                                                         | <b>3</b>                                                 | <b>27</b>                               | <b>7</b>                     | <b>101</b>   |
| Files closed*                                                                                                                                      | 5                                                                 | 10                                                       | 2                                       | 2                            | 19           |

\* Numbers may reflect files prior to 2001-2002 fiscal year.

\*\* Hearings for financial hardship cases are conducted through the exchange of written documents only, unless the applicant requests to have the hearing conducted in a different manner.

\*\*\* Table does not include FST quarterly meetings, days for deliberation or decision-writing.

## Summary of Financial Services Tribunal Hearings – April 1, 2001–March 31, 2002

| Hearing Name / Parties                                                                                                                                                                                                                                                                                                                | Nature of Hearing                                                                                                                                                                                                                                                                                             | Relevant Dates --<br>Date of Request for<br>Hearing / Pre-Hearing<br>Conference ("PHC") /<br>Hearing Dates                                                                                                                                            | Result                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p>FST File #P0013<br/>Pension Plan for Employees of<br/>Monsanto Canada Inc., Registration<br/>Number 341230</p> <p>Applicant: Monsanto Canada Inc.</p> <p>Respondent: Superintendent of Financial<br/>Services; The Association of Canadian Pension<br/>Management (ACPM); A Group of Certain<br/>Terminated Monsanto Employees</p> | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding<br/>Superintendent's Notice<br/>of Proposal to Refuse to<br/>Approve a Partial Wind<br/>Up Report dated<br/>November 30, 1998.</p>                                                                                                    | <p>Request for Hearing –<br/>December 31, 1998.</p> <p>PHC – April 7, 1999.</p> <p>Jurisdictional Hearing –<br/>June 2, 1999.</p> <p>PHC –<br/>September 23, 1999.</p> <p>Hearing on the Merits –<br/>January 10 – 12;<br/>February 7 – 11, 2000.</p> | <p>Reasons for Decision<br/>rendered April 14, 2000.</p> <p>Notice of Appeal filed by<br/>the Superintendent of<br/>Financial Services on<br/>May 12, 2000, in Ontario<br/>Divisional Court.<br/>Court date:<br/>November 21, 22, 23, 2000.</p> <p>Decision rendered<br/>March 19, 2001.</p> <p>Notice of Motion for Leave<br/>to Appeal filed by<br/>Monsanto National Trust<br/>Company and the ACPM<br/>on April 3, 2001.<br/>Leave to Appeal granted<br/>June 28, 2001.</p> |
| <p>FST File #P0060-1999<br/>Ontario Teachers' Pension Plan<br/>(Ms. Anne Stairs), Registration<br/>Number 345785</p> <p>Applicant: Ontario Teachers' Pension<br/>Plan Board</p> <p>Respondent: Superintendent of Financial<br/>Services; Ms. Anne Stairs</p>                                                                          | <p><i>Pension Benefits Act</i></p> <p>Request for hearing<br/>regarding<br/>Superintendent's Notice<br/>of Proposal dated<br/>May 6, 1999, to Order<br/>the Applicant to comply<br/>with section 51 and<br/>48 (13) and pay to Ms.<br/>Anne Stairs amounts or<br/>benefits under a<br/>domestic contract.</p> | <p>Request for Hearing –<br/>June 16, 1999.</p> <p>PHC –<br/>July 21, 1999;<br/>August 31, 1999.</p> <p>Hearing –<br/>March 27, 2000.</p>                                                                                                             | <p>Reasons for Decision dated<br/>May 31, 2000.</p> <p>Notice of Appeal dated<br/>June 30, 2000, filed with<br/>Divisional Court, Superior<br/>Court of Justice.</p>                                                                                                                                                                                                                                                                                                            |

| Hearing Name / Parties                                                                                                                                                                                                     | Nature of Hearing                                                                                                                                                                                             | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Result                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>FST File #M0073-1999<br/>Sussman Mortgage Funding Inc.</p> <p>Applicant: Sussman Mortgage Funding Inc.</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                  | <p><i>Mortgage Brokers Act</i></p> <p>Request for hearing<br/>regarding<br/>Superintendent's Notice<br/>of Proposal to Revoke<br/>Registration dated<br/>August 24, 1999.</p>                                 | <p>Request for Hearing –<br/>September 7, 1999.</p> <p>PHC – October 29, 1999;<br/>January 18, 2000;<br/>October 27, 2000.</p> <p>Settlement Conference<br/>– December 14, 1999.</p> <p>Motion on interim<br/>terms and conditions –<br/>November 11, 23 and<br/>29, 1999.</p> <p>Hearing on the Merits –<br/>2000<br/>February 8 – 9, 2000;<br/>May 9, 2000;<br/>June 6 – 7, 2000;<br/>November 29 – 30,<br/>2000; December 11,<br/>14, 15, 2000.<br/>2001<br/>January 17 – 18,<br/>23 – 24, 30- 31, 2001;<br/>February 13 – 14, 2001;<br/>March 27, 29, 30, 2001;<br/>April 10 – 12, 18 – 20,<br/>2001;<br/>July 24 – 27, 30 – 31,<br/>2001;<br/>August 1 – 3, 2001;<br/>December 10, 2001<br/>(applicant's final<br/>written submissions);<br/>December 17, 2001<br/>(respondent's final<br/>written submissions).</p> | <p>Reasons for Order dated<br/>November 30, 2000.</p> <p>Decision reserved.</p>                                                                                                                                                                                                                     |
| <p>FST File #P0092-1999<br/>The Employees Pension Plan of BICC<br/>Phillips Inc., Registration Number<br/>293761</p> <p>Applicant: BICC Cables Canada Inc.</p> <p>Respondent: Superintendent of<br/>Financial Services</p> | <p><i>Pension Benefits Act</i></p> <p>Request for hearing<br/>regarding<br/>Superintendent's Notice<br/>of Proposal dated<br/>November 10, 1999, to<br/>Refuse to Approve<br/>Partial Wind Up<br/>Report.</p> | <p>Request for Hearing –<br/>December 20, 1999.</p> <p>PHC – April 17, 2000;<br/>September 19, 2000<br/>(telephone conference);<br/>October 10, 2000<br/>(telephone conference).</p> <p>Hearing –<br/>October 12, 2000.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Reasons for Decision dated<br/>November 16, 2000.</p> <p>Notice of Appeal dated<br/>December 15, 2000, filed<br/>with Ontario Superior<br/>Court of Justice (Divisional<br/>Court). Appeal dismissed<br/>April 20, 2001. Divisional<br/>Court Reasons for Decision<br/>dated April 30, 2001.</p> |

| Hearing Name / Parties                                                                                                                                                                                                                                                              | Nature of Hearing                                                                                                                                                                        | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates                                                                                                                                                                                                       | Result                                                                                                                                                                                                                                                     |
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| <p>FST File #P0095-2000<br/>Retirement Plan of Dustbane Enterprises Limited, Registration Number 229419</p> <p>Applicant: Dustbane Enterprises Limited;<br/>F.J. Wadden &amp; Sons Limited;</p> <p>Respondent: Superintendent of Financial Services; Robinson Sanitation.</p>       | <p><i>Pension Benefits Act</i></p> <p>Request for hearing regarding Superintendent's Notice of Proposal dated December 21, 1999.</p>                                                     | <p>Request for Hearing – January 26, 2000 (Dustbane); February 9, 2000 (F.J. Wadden &amp; Sons Limited).</p> <p>PHC – April 14, 2000; June 2, 2000; June 21, 2000.</p> <p>Settlement Conference – July 10, 2000.</p> <p>Telephone Conference – July 13, 2000.</p> <p>Hearing – October 3, 4, 5, 16, 2000.</p> | <p>Request for Hearing by F. J. Wadden withdrawn on April 4, 2000.</p> <p>Order dated July 18, 2000.</p> <p>Reasons for Decision dated February 15, 2001.</p> <p>Notice of Appeal filed by the Applicant in Ontario Divisional Court on April 3, 2001.</p> |
| <p>FST File #P0099-2000<br/>Brewers Retail Pension Plan for Bargaining Unit Employees, Registration Number 336081</p> <p>Applicant: United Brewers Warehouse Workers</p> <p>Respondent: Superintendent of Financial Services; Brewers Retail Inc. (Employer); UBWW/UFCW (Union)</p> | <p><i>Pension Benefits Act</i></p> <p>Request for hearing regarding Superintendent's refusal to direct the Administrator to cease administering the Plan with an advisory committee.</p> | <p>Request for Hearing – February 25, 2000.</p> <p>PHC – May 17, 2000.</p> <p>Hearings – Notice Issue – November 16, 2000 (telephone conference).</p> <p>Notice Provision – March 7, 2001.</p> <p>Jurisdiction – September 28, 2001.</p>                                                                      | <p>Reasons For Decision re: Notice Provision dated April 10, 2001.</p> <p>Oral decision rendered, written decision pending.</p>                                                                                                                            |

| Hearing Name / Parties                                                                                                                                                                                                                                                                         | Nature of Hearing                                                                                                                                                                                                                                               | Relevant Dates --<br>Date of Request for<br>Hearing / Pre-Hearing<br>Conference ("PHC") /<br>Hearing Dates                                                                                                                                                                                     | Result                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p>FST File #P0100-2000<br/>London Life Insurance Company Staff Pension Plan, Registration Number 0343368</p> <p>Applicant: London Life Insurance Company</p> <p>Respondent: Superintendent of Financial Services; Mr. Alex Murphy and other members of the London Life Members' Committee</p> | <p><i>Pension Benefits Act</i></p> <p>Request for hearing regarding Superintendent's Notice of Proposal dated February 17, 2000, to Partially Wind Up the Plan.</p>                                                                                             | <p>Request for Hearing – March 6, 2000.</p> <p>PHC – April 28, 2000; July 11, 2000.</p> <p>Telephone Conference – July 19, 2000.</p> <p>Hearing on Motions – August 29, 2000.</p> <p>Hearing on Evidence – December 11 – 15, 2000.</p> <p>Hearing – Oral Argument: December 19 – 20, 2000.</p> | <p>Reasons for Order dated July 25, 2000.</p> <p>Reasons for Order dated September 18, 2000.</p> <p>Reasons for Decision dated February 7, 2001.</p> <p>Executive Members of the Members' Committee and Superintendent requested a review of Tribunal's decision.</p> <p>Disposition of Request for Review dated March 16, 2001 rendered.</p> <p>Revised Disposition of Request for Review dated April 18, 2001.</p> <p>Decision on Request for Costs dated June 6, 2001.</p> |
| <p>FST File #P0116-2000<br/>Ontario Public Service Pension Plan, Registration Number 208777 (Victor Burns)</p> <p>Applicant: Ontario Pension Board</p> <p>Respondent: Superintendent of Financial Services; Mr. Victor Burns</p>                                                               | <p><i>Pension Benefits Act</i></p> <p>Request for hearing regarding the Superintendent's Notice of Proposal dated July 12, 2000, respecting a request by Mr. Victor Burns.</p>                                                                                  | <p>Request for Hearing – August 1, 2000.</p> <p>PHC – November 23, 2000.</p> <p>Hearing – April 30, 2001 &amp; May 1, 2001.</p>                                                                                                                                                                | <p>Reasons For Decision dated February 28, 2002.</p>                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>FST File #P0120-2000<br/>David Horgan (Ontario Public Service Pension Plan), Registration Number 208777</p> <p>Applicant: Mr. David Horgan</p> <p>Respondent: Superintendent of Financial Services; The Ontario Pension Board</p>                                                           | <p><i>Pension Benefits Act</i></p> <p>Request for hearing regarding Superintendent's Notice of Proposal dated July 12, 2000 Refusing to Make an Order with respect to Mr. Horgan's claim relating to the Ontario Public Service Pension Plan, Reg. #208777.</p> | <p>Request for Hearing – August 14, 2000.</p> <p>PHC – November 23, 2000; February 13, 2001 (telephone conference); July 3, 2001 (telephone conference).</p> <p>Hearing – July 11, 2001.</p>                                                                                                   | <p>Reasons dated August 1, 2001.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Hearing Name / Parties                                                                                                                                                                                                                                                                                                        | Nature of Hearing                                                                                                                                                                          | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates                                                                                                                               | Result                                                                                      |
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| <p>FST File #P0130-2000<br/>Imperial Oil Limited Retirement Plan (1988), Registration Number 347054 and the Imperial Oil Limited Retirement Plan for Former Employees of McColl-Frontenac Inc., Registration Number 344002</p> <p>Applicant: Imperial Oil Limited</p> <p>Respondent: Superintendent of Financial Services</p> | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding the Superintendent's Notice of Proposal dated October 3, 2000 to Refuse to Approve Partial Wind Up Reports.</p>        | <p>Request for Hearing – October 31, 2000.</p> <p>PHC – June 19, 2001.</p> <p>Motion – July 25, 2001.</p> <p>PHC cont'd – December 20, 2001.</p>                                                                                      | <p>On-going.</p> <p>Reasons for Order (from July 2001 motion) dated September 10, 2001.</p> |
| <p>FST File #M0134-2000<br/>VR Mortgages (894182 Ontario Limited)</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                                                                                                 | <p><i>Mortgage Brokers Act</i></p> <p>Request for a hearing regarding Superintendent's Notice of Proposal dated November 27, 2000, to Refuse Registration.</p>                             | <p>Request for Hearing – December 11, 2000.</p> <p>PHC – February 13, 2001 (telephone conference).</p> <p>Hearing – March 7, 2001.</p>                                                                                                | <p>Reasons dated July 5, 2001.</p>                                                          |
| <p>FST File #I0138-2000<br/>Jatinder S. Suri</p> <p>Applicant: Jatinder S.Suri</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                                                                                    | <p><i>Insurance Act</i></p> <p>Notice of Appeal of Superintendent of Financial Services Revocation of Level II Life Insurance Agents Licence.</p>                                          | <p>Notice of Appeal – December 20, 2000.</p> <p>February 5, 2001 – (telephone conference); – Request that Tribunal stays Superintendent's Order.</p> <p>PHC – March 7, 2001 (telephone conference).</p> <p>Hearing – May 8, 2001.</p> | <p>Reasons dated May 28, 2001.</p> <p>Request for stay denied.</p>                          |
| <p>FST File #U0141-2001<br/>Financial Hardship</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                                                                                                                    | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding Application to the Superintendent of Financial Services for Consent to Withdraw Money based on Financial Hardship.</p> | <p>Request for Hearing – January 12, 2001.</p> <p>PHC – February 12, 2001 (telephone conference).</p>                                                                                                                                 | <p>Reasons dated August 24, 2001.</p>                                                       |

| Hearing Name / Parties                                                                                                                                                                                                                                                                             | Nature of Hearing                                                                                                                                                                                                     | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates                                                                             | Result                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| <p>FST File #P0147-2001<br/>Rupinder Anand (Ontario Public Service Pension Plan), Registration Number 1012046</p> <p>Applicant: Rupinder Anand</p> <p>Respondent: Superintendent of Financial Services; Ontario Public Service Employees' Union Pension Trust</p>                                  | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding Superintendent's Notice of Proposal dated January 4, 2001, to Refuse to Make an Order with respect to Mr. Anand.</p>                              | <p>Request for Hearing – February 6, 2001.</p> <p>PHC – February 13, 2000; February 26, 2001; July 3, 2001 (telephone conference).</p> <p>Hearing – July 11, 2001.</p>              | <p>Reasons dated August 1, 2001.</p>                |
| <p>FST File #U0148-2001<br/>Financial Hardship</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                                                                                         | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding Application to the Superintendent of Financial Services for Consent to Withdraw Money based on Financial Hardship.</p>                            | <p>Request for Hearing – February 8, 2001.</p> <p>PHC – March 6, 2001.</p>                                                                                                          | <p>Abandoned June 7, 2001.</p>                      |
| <p>FST File #P0150-2001<br/>Marshall-Barwick Inc., Retirement Plan for Salaried Employees of Marshall Steel Limited and Associated Companies, Registration Number 0968081</p> <p>Applicant: Marshall-Barwick Inc.</p> <p>Respondent: Superintendent of Financial Services; Jeffrey G. Marshall</p> | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding the Superintendent's NOP dated December 12, 2000, Refusing to Approve Partial Wind Up Report.</p>                                                 | <p>Request for Hearing – January 16, 2001.</p> <p>PHC – August 13, 2001.</p> <p>Hearing – November 29 – 30, 2001 (adjourned).</p>                                                   | <p>On-going.</p>                                    |
| <p>FST File #I0151-2001<br/>Universal Settlements International Inc.</p> <p>Applicant: Universal Settlements</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                           | <p><i>Insurance Act</i></p> <p>Request for Hearing regarding the Superintendent's Notice of Proposed Cease and Desist Order imposed upon Universal Settlements International Inc., Derek O'Brien and Tony Duscio.</p> | <p>Request for Hearing – March 12, 2001.</p> <p>PHC – June 20, 2001; August 2, 2001 (telephone conference).</p> <p>Hearing – October 29, 2001 (adjourned to); December 6, 2001.</p> | <p>Reasons for Decision dated January 14, 2002.</p> |
| <p>FST File #U0152-2001<br/>Financial Hardship</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                                                                                         | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding Application to the Superintendent of Financial Services for Consent to Withdraw Money based on Financial Hardship.</p>                            | <p>Request for Hearing – March 7, 2001.</p>                                                                                                                                         | <p>Reasons dated May 10, 2001.</p>                  |

| Hearing Name / Parties                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Nature of Hearing                                                                                                                                                                                                                                                                                                  | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates                                                                                                                                                 | Result                                                                                                                  |
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| FST File #U0153-2001<br>Financial Hardship<br><br>Respondent: Superintendent of<br>Financial Services                                                                                                                                                                                                                                                                                                                                                                  | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding Application<br>to the Superintendent<br>of Financial Services for<br>Consent to Withdraw<br>Money based on<br>Financial Hardship.                                                                                                              | Request for Hearing –<br>March 7, 2001.                                                                                                                                                                                                                 | Reasons dated May 10,<br>2001.                                                                                          |
| FST File #P0154-2001<br>Pension Plan for Employees of National<br>Steel Car Limited ("Salaried Plan") and<br>the Pension Plan for Hourly-Paid<br>Employees of National Steel Car Limited<br>(the "Hourly Plan"), Registration<br>Numbers 0215020 & 0215038<br><br>Applicant: Salaried Employees of National<br>Steel Car Limited<br><br>Respondent: Superintendent of Financial<br>Services; National Steel Car Limited; United<br>Steelworkers of America, Local 7135 | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding the<br>Superintendent's<br>consent to transfer all<br>of the assets of Pension<br>Plan for the Salaried<br>Employees of National<br>Steel Car Limited to the<br>Pension Plan for<br>Hourly-Paid Employees<br>of National Steel Car<br>Limited. | Request for Hearing –<br>March 14, 2001.<br><br>PHC – June 21, 2001.<br><br>Settlement Conference –<br>September 24, 2001.<br><br>Motion –<br>October 10, 2001<br>(adjourned).<br><br>Hearing –<br>January 15 – 17, 2002.                               | Decision reserved.                                                                                                      |
| FST File #P0155-2001<br>The Independent Order of Foresters<br>Fieldworkers' Pension Plan, Registration<br>Number 0354399<br><br>Applicant: The Independent Order of Foresters<br><br>Respondent: Superintendent of Financial<br>Services; Irvin Grainger                                                                                                                                                                                                               | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding the<br>Superintendent's Notice<br>of Proposal dated<br>March 19, 2001, to<br>Refuse to Consent to<br>Application and to<br>Refuse to Approve<br>Partial Wind Up Report.                                                                        | Request for Hearing –<br>April 12, 2001.<br><br>PHC – July 4, 2001;<br>July 27, 2001<br>(telephone conference).<br><br>Settlement Conference –<br>November 13, 2001.<br><br>Motion –<br>December 7, 2001.<br><br>PHC Resumption –<br>February 18, 2002. | On-going.<br><br>Decision on motion dated<br>December 7, 2001, followed<br>by written reasons dated<br>January 8, 2002. |
| FST File #P0156-2001<br>Cooper Industries (Canada) Inc.<br>Retirement Plan for Salaried Employees<br>of Cooper Canada-Plan A, Registration<br>Number 0240622<br><br>Applicant: Cooper Industries (Canada) Inc.<br><br>Respondent: Superintendent of Financial<br>Services; Ray Mills and Larry Battersby on behalf<br>of the Port Hope Plan Member                                                                                                                     | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding the<br>Superintendent's Notice<br>of Proposal dated<br>March 8, 2001, to<br>Refuse to Approve<br>Partial Wind Up Report<br>and to Make an Order<br>under section 87 of<br>the Act.                                                             | Request for Hearing –<br>April 17, 2001.<br><br>PHC –<br>September 5, 2001.                                                                                                                                                                             | On-going.                                                                                                               |

| Hearing Name / Parties                                                                                                                                                                                                                                          | Nature of Hearing                                                                                                                                                                                                                                                                                        | Relevant Dates --<br>Date of Request for<br>Hearing / Pre-Hearing<br>Conference ("PHC") /<br>Hearing Dates                                                                           | Result                                                                                                      |
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| <p>FST File #P0157-2001<br/>Dyment Limited Pension Plan for<br/>Employees of Dyment Limited, Plan<br/>Registration Number 0242735</p> <p>Applicant: Dyment Limited</p> <p>Respondent: Superintendent of Financial<br/>Services; Mobeen Khaji</p>                | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>March 19, 2001, to<br/>Refuse to Approve<br/>Partial Wind Up Report.</p>                                                                                               | <p>Request for Hearing –<br/>April 20, 2001.</p> <p>PHC – July 13, 2001.</p> <p>Hearing –<br/>January 24 – 25, 2002<br/>(adjourned).</p>                                             | On-going.                                                                                                   |
| <p>FST File #U0158-2001<br/>Financial Hardship</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                                                                                                                  | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding Application<br/>to the Superintendent<br/>of Financial Services for<br/>Consent to Withdraw<br/>Money based on<br/>Financial Hardship.</p>                                                                                       | <p>Request for Hearing –<br/>May 3, 2001.</p>                                                                                                                                        | Applicant deceased.                                                                                         |
| <p>FST File #P0160-2001<br/>Camco Inc. Pension Plan No. 4,<br/>Registration Number 0583302 and<br/>Pension Plan No. 7, Registration Number<br/>0583336</p> <p>Applicant: Camco Inc.</p> <p>Respondent: Superintendent of<br/>Financial Services</p>             | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>March 30, 2001, to<br/>Refuse to Consent to a<br/>Transfer of Assets from<br/>the Camco Inc. Pension<br/>Plan No. 4, to the<br/>Camco Inc. Pension<br/>Plan No. 7.</p> | <p>Request for Hearing –<br/>May 14, 2001.</p> <p>PHC –<br/>September 24, 2001.</p> <p>Settlement Conference –<br/>December 17, 2001<br/>(rescheduled to);<br/>February 7, 2002.</p> | Parties are continuing<br>settlement discussions and<br>will advise Tribunal if<br>negotiations break down. |
| <p>FST File #U0161-2001<br/>Financial Hardship</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                                                                                                                  | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding Application<br/>to the Superintendent<br/>of Financial Services for<br/>Consent to Withdraw<br/>Money based on<br/>Financial Hardship.</p>                                                                                       | <p>Request for Hearing –<br/>May 17, 2001.</p> <p>PHC – June 14, 2001<br/>(telephone conference).</p>                                                                                | Reasons dated June 18, 2001.                                                                                |
| <p>FST File #P0162-2001<br/>Consumers Packaging Inc. Pension Plan<br/>II, Registration Number 0998682</p> <p>Applicant: Consumers Packaging Inc.</p> <p>Respondent: Superintendent of Financial<br/>Services; United Steelworkers of America<br/>Local 203G</p> | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>April 20, 2001, to<br/>Refuse to Approve<br/>Partial Wind Up Report<br/>and to Refuse to<br/>Register an Amendment<br/>to the Plan.</p>                                | <p>Request for Hearing –<br/>May 17, 2001.</p> <p>PHC –<br/>February 19, 2002.</p>                                                                                                   | On-going.                                                                                                   |

| Hearing Name / Parties                                                                                                                                                                                                                                                                                                            | Nature of Hearing                                                                                                                                                                                                                                                                                                                                                | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates                                                                                                       | Result                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <p>FST File #P0163-2001<br/>Goodyear Canada Inc.<br/>Pension Plan, Registration Number<br/>0337766</p> <p>Applicant: Goodyear Canada Inc.</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                                                                                         | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>April 24, 2001, to Make<br/>an Order that the Plan<br/>be Wound Up in Part.</p>                                                                                                                                                | <p>Request for Hearing –<br/>May 22, 2001.</p>                                                                                                                                                                | <p>Withdrawn July 12, 2001.</p>                                                     |
| <p>FST File #P0164-2001<br/>CBS Canada Co.<br/>Westinghouse Canada Inc. Pension Plan,<br/>Registration Number 348409; and<br/>Westinghouse Canada Inc. Consolidated<br/>Pension Plan, Registration Number<br/>526632</p> <p>Applicant: CBS Canada Co.</p> <p>Respondent: Superintendent of Financial<br/>Services; CAW Canada</p> | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>May 9 and 15, 2001, to<br/>Refuse to Approve the<br/>Partial Wind Up<br/>Reports in respect of<br/>business carried on at<br/>several locations.</p>                                                                           | <p>Request for Hearing –<br/>June 8, 2001.</p> <p>PHC –<br/>November 5, 2001,<br/>continued on<br/>November 29, 2001,<br/>and on five subsequent<br/>occasions.</p> <p>Motion –<br/>February 4 – 5, 2002.</p> | <p>On-going.</p> <p>Reasons for Decision<br/>on motion dated<br/>March 4, 2002.</p> |
| <p>FST File #P0165-2001<br/>Crown Cork &amp; Seal Canada Inc.<br/>Pension Plan, Registration Numbers<br/>338491, 474205 &amp; 5595371</p> <p>Applicant: Crown Cork &amp; Seal Canada Inc.</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                                         | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>May 29, 2001, to Refuse<br/>to Consent to a Transfer<br/>of Assets from the<br/>Pension Plan for<br/>Salaried Employees and<br/>the Pension Plan for<br/>Clerical Employees to<br/>the Pension Plan for<br/>Employees.</p>     | <p>Request for Hearing –<br/>June 29, 2001.</p> <p>Settlement Conference –<br/>October 30, 2001.</p>                                                                                                          | <p>Adjourned <i>sine die</i> by<br/>all parties.</p>                                |
| <p>FST File #P0166-2001<br/>Samsonite Canada Inc. Samsonite<br/>Canadian Service Related Pension Plan,<br/>Registration Number 398578</p> <p>Applicant: Samsonite Canada Inc.</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                                                     | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>June 1, 2001, to Refuse<br/>to Consent to the<br/>Application of<br/>Samsonite Canada Inc.<br/>dated November 13,<br/>2000, for the payment<br/>of surplus to the<br/>Employer under<br/>subsection 78 (1) of<br/>the Act.</p> | <p>Request for Hearing –<br/>July 3, 2001.</p> <p>PHC –<br/>November 9, 2001;<br/>December 10, 2001<br/>(telephone conference).</p>                                                                           | <p>On-going.</p>                                                                    |

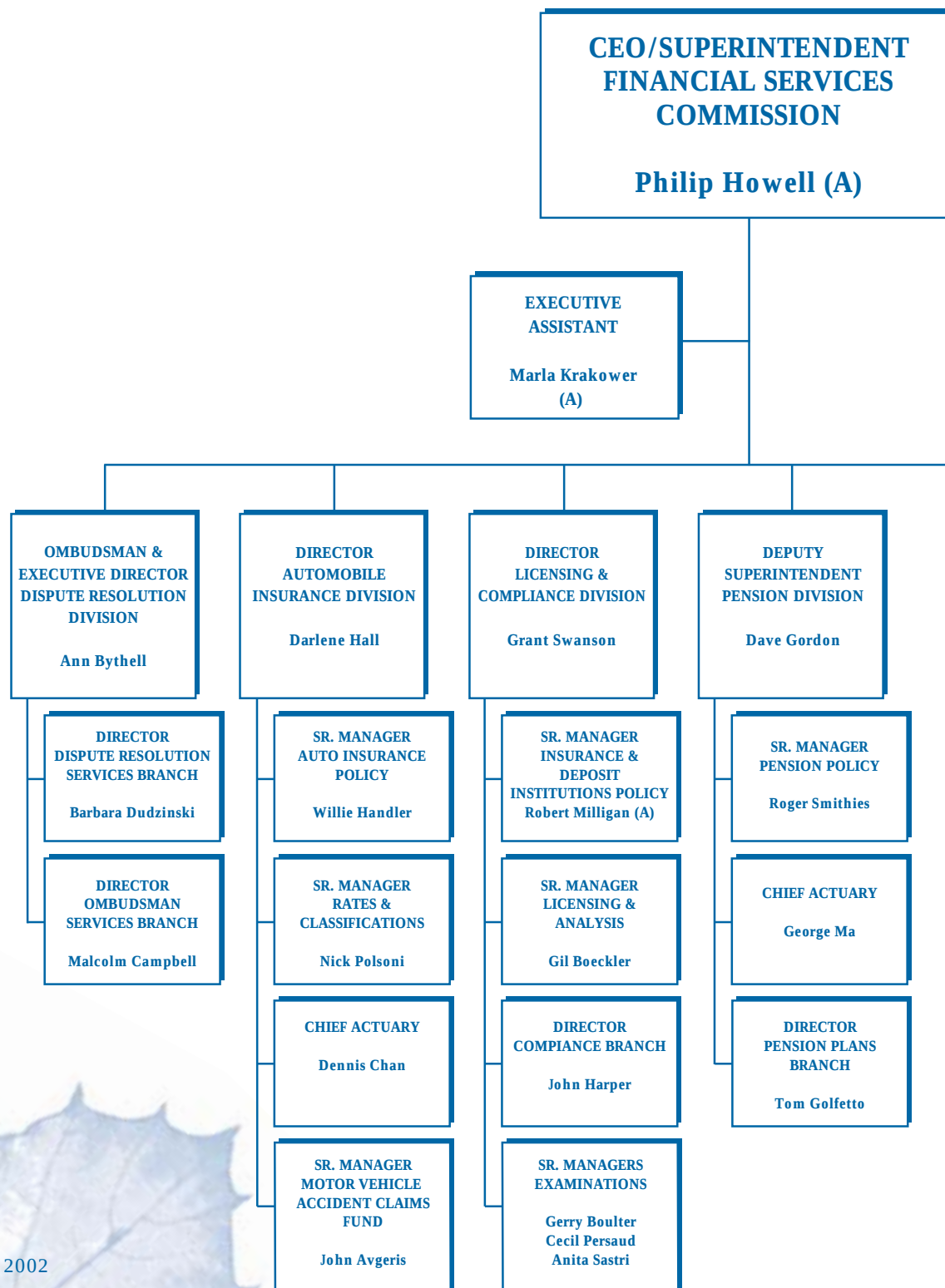
| Hearing Name / Parties                                                                                                                                                                                                                                                                     | Nature of Hearing                                                                                                                                                                                                                                                                                              | Relevant Dates --<br>Date of Request for<br>Hearing / Pre-Hearing<br>Conference ("PHC") /<br>Hearing Dates      | Result                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------|
| <p>FST File #P0167-2001<br/>Jim MacKinnon (Labourers' Pension Fund of Central and Eastern Canada),<br/>Registration Number 573188</p> <p>Applicant: Mr. James MacKinnon</p> <p>Respondent: Superintendent of Financial Services; Labourers' Pension Fund of Central and Eastern Canada</p> | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding the Superintendent's Notice of Proposal dated June 20, 2001, to Refuse to Make an Order with respect to Mr. MacKinnon's claim that he is entitled to receive a "Thirty and Out" pension benefit from the Plan.</p>                         | <p>Request for Hearing – July 6, 2001.</p> <p>PHC – November 22, 2001.</p>                                      | On-going.                   |
| <p>FST File #P0168-2001<br/>Doris Mair (Philip Services Inc. Pension Plan for Intermetco Senior Management Employees), Registration Number 0687608</p> <p>Applicant: Doris Mair</p> <p>Respondent: Superintendent of Financial Services</p>                                                | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding the Superintendent's Notice of Proposal dated July 26, 2001, to Make an Order that the Plan be Wound Up in Part.</p>                                                                                                                       | <p>Request for Hearing – August 17, 2001.</p>                                                                   | Withdrawn October 19, 2001. |
| <p>FST File #P0169-2001<br/>Imperial Oil Limited Retirement Plan,<br/>Registration Number 347054</p> <p>Applicant: Imperial Oil Limited</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                        | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding the Superintendent's Notices of Proposal dated August 3, 2001, to Make an Order with respect to the calculation of pension benefits pursuant to section 87 of the Act, and to Make an Order Requiring the Wind Up in Part of the Plan.</p> | <p>Request for Hearing – August 24, 2001.</p> <p>PHC – January 9, 2002;<br/>March 1, 2002.</p>                  | On-going.                   |
| <p>FST File #P0170-2001<br/>Stanley Canada Inc. The Pension Plan for Designated Employees, Registration Number 456897</p> <p>Applicant: Stanley Canada Inc.</p> <p>Respondent: Superintendent of Financial Services; Edward Holba, Blaine Mitton</p>                                       | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding the Superintendent's Notice of Proposal dated July 26, 2001, to Refuse to Consent to the Application for Consent to a distribution of surplus in the Plan.</p>                                                                             | <p>Request for Hearing – August 27, 2001.</p> <p>PHC – November 28, 2001 (adjourned);<br/>January 10, 2002.</p> | On-going.                   |

| Hearing Name / Parties                                                                                                                                                                                                                                                                                                      | Nature of Hearing                                                                                                                                                                                                                                                                                                                                                                                | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates | Result                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------|
| <p>FST File #P0171-2001<br/>Canadian Tack &amp; Nail Ltd. The Pension<br/>Plan for Salaried Employees, Registration<br/>Number 0581306</p> <p>Applicant: Canadian Tack &amp; Nail Ltd.</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                                      | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>August 14, 2001, to<br/>Make an Order<br/>requiring the Employer<br/>or Administrator of the<br/>Plan to remit<br/>outstanding<br/>contributions of<br/>\$67,933 as of<br/>December 31, 1999,<br/>owed to the Pension<br/>Fund together<br/>with interest.</p> | <p>Request for Hearing –<br/>September 10, 2001.</p> <p>PHC –<br/>February 7, 2002.</p>                 | On-going.                            |
| <p>FST File #P0172-2001<br/>The Corporation of the City of Kitchener<br/>Pension Plan for Fire Department<br/>Employees, Registration Number 239475</p> <p>Applicant: City of Kitchener</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                                     | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>August 23, 2001, to<br/>Refuse to Consent to<br/>the Application for<br/>Payment of Surplus to<br/>the Employer dated<br/>July 17, 2000,<br/>submitted by the City<br/>of Kitchener in respect<br/>of the Plan.</p>                                            | Request for Hearing –<br>September 20, 2001.                                                            | On-going.                            |
| <p>FST File #P0173-2001<br/>Pension Plan for Employees of Proctor &amp;<br/>Redfern Limited, Registration Number<br/>0289579</p> <p>Applicant: Hawkins, Martyniuk, Shemluck,<br/>Easton (Certain Former Members)</p> <p>Respondent: Superintendent of Financial<br/>Services; Earth Tech (Canada) Inc.;<br/>Guy Boudaud</p> | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding the<br/>Superintendent's Notice<br/>of Proposal dated<br/>October 3, 2001, to<br/>Refuse to Make an<br/>Order under sections<br/>69 and 87 of the Act<br/>relating to the Plan.</p>                                                                                                                                      | Request for Hearing –<br>November 5, 2001.                                                              | On-going.                            |
| <p>FST File #U0174-2001<br/>Financial Hardship</p> <p>Respondent: Superintendent of<br/>Financial Services</p>                                                                                                                                                                                                              | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing<br/>regarding Application<br/>to the Superintendent<br/>of Financial Services for<br/>Consent to Withdraw<br/>Money based on<br/>Financial Hardship.</p>                                                                                                                                                                               | Request for Hearing –<br>October 25, 2001.                                                              | Decision dated<br>December 20, 2001. |

| Hearing Name / Parties                                                                                                                                                                                                                                                                                         | Nature of Hearing                                                                                                                                                                                                                                                                                                 | Relevant Dates --<br>Date of Request for<br>Hearing / Pre-Hearing<br>Conference ("PHC") /<br>Hearing Dates    | Result                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------|
| <p>FST File #P0175-2001<br/>Samsonite Canadian Retirement Income Plan, Registration Number 373225</p> <p>Applicant: Samsonite Canada Inc.</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                          | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding the Superintendent's Notice of Proposal dated October 11, 2001, to Refuse to Consent to the Application of Samsonite Canada Inc., dated November 13, 2000, for the payment of surplus to the Employer under subsection 78 (1) of the Act.</p> | <p>Request for Hearing – November 2, 2001.</p> <p>PHC – November 9, 2001; December 10, 2001 (resumption).</p> | On-going.                 |
| <p>FST File #M0176-2001<br/>Affinity Mortgages Inc.</p> <p>Applicant: Lorne Post</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                                                                   | <p><i>Mortgage Brokers Act</i></p> <p>Request for Hearing regarding the Superintendent's Notice of Proposal dated September 14, 2001, to Refuse to Grant Registration to Affinity Mortgages Inc.</p>                                                                                                              | <p>Request for Hearing – September 21, 2001.</p>                                                              | Abandoned.                |
| <p>FST File #U0177-2002<br/>Financial Hardship</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                                                                                                     | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding Application to the Superintendent of Financial Services for Consent to Withdraw Money based on Financial Hardship.</p>                                                                                                                        | <p>Request for Hearing – December 19, 2001.</p> <p>PHC – January 29, 2002 (telephone conference).</p>         | Withdrawn March 19, 2002. |
| <p>FST File #P0178-2002<br/>Retirement Pension Plan for Employees of Twin Oak Credit Union Ltd.,<br/>Registration Number 284257</p> <p>Applicant: Twin Oak Credit Union Ltd.</p> <p>Respondent: Superintendent of Financial Services; Carol Lynne Joseph, Mary Lynn Feenan, Sharon Wiese, Donna Fredericks</p> | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding the Superintendent's Notice of Proposal dated December 13, 2001, to Make and Order under section 87 of the Act.</p>                                                                                                                           | <p>Request for Hearing – January 11, 2002.</p>                                                                | On-going.                 |
| <p>FST File #U0179-2002<br/>Financial Hardship</p> <p>Respondent: Superintendent of Financial Services</p>                                                                                                                                                                                                     | <p><i>Pension Benefits Act</i></p> <p>Request for Hearing regarding Application to the Superintendent of Financial Services for Consent to Withdraw Money based on Financial Hardship.</p>                                                                                                                        | <p>Request for Hearing – January 2, 2002.</p>                                                                 | On-going.                 |

| Hearing Name / Parties                                                                                                                                                                                                 | Nature of Hearing                                                                                                                                                                                             | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates | Result    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------|
| FST File #U0180-2002<br>Financial Hardship<br><br>Respondent: Superintendent of<br>Financial Services                                                                                                                  | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding Application<br>to the Superintendent<br>of Financial Services for<br>Consent to Withdraw<br>Money based on<br>Financial Hardship.         | Request for Hearing –<br>January 31, 2002.<br><br>PHC – March 18, 2002<br>(telephone conference).       | On-going. |
| FST File #U0181-2002<br>Financial Hardship<br><br>Respondent: Superintendent of<br>Financial Services                                                                                                                  | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding Application<br>to the Superintendent<br>of Financial Services for<br>Consent to Withdraw<br>Money based on<br>Financial Hardship.         | Request for Hearing –<br>February 1, 2002.                                                              | On-going. |
| FST File #I0182-2002<br>Patrick Lee<br><br>Applicant: Patrick Lee<br><br>Respondent: Superintendent of<br>Financial Services                                                                                           | <i>Insurance Act</i><br><br>Notice of Appeal of<br>Superintendent of<br>Financial Services'<br>Revocation of Level II<br>Life Insurance Agent<br>Licence.                                                     | Request for Hearing –<br>February 6, 2002.<br><br>PHC – March 8, 2002<br>(telephone conference).        | On-going. |
| FST File #P0183-2002<br>Marcel Brousseau (Electrical Industry of<br>Ottawa Pension Plan), Registration<br>Number 0586396<br><br>Applicant: Marcel Brousseau<br><br>Respondent: Superintendent of<br>Financial Services | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding the<br>Superintendent's Notice<br>of Proposal dated<br>January 22, 2002, to<br>Refuse to Make an<br>Order under section 87<br>of the Act. | Request for Hearing –<br>February 7, 2002.                                                              | On-going. |
| FST File #U0184-2002<br>Financial Hardship<br><br>Respondent: Superintendent of<br>Financial Services                                                                                                                  | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding Application<br>to the Superintendent<br>of Financial Services for<br>Consent to Withdraw<br>Money based on<br>Financial Hardship.         | Request for Hearing –<br>February 14, 2002.                                                             | On-going. |

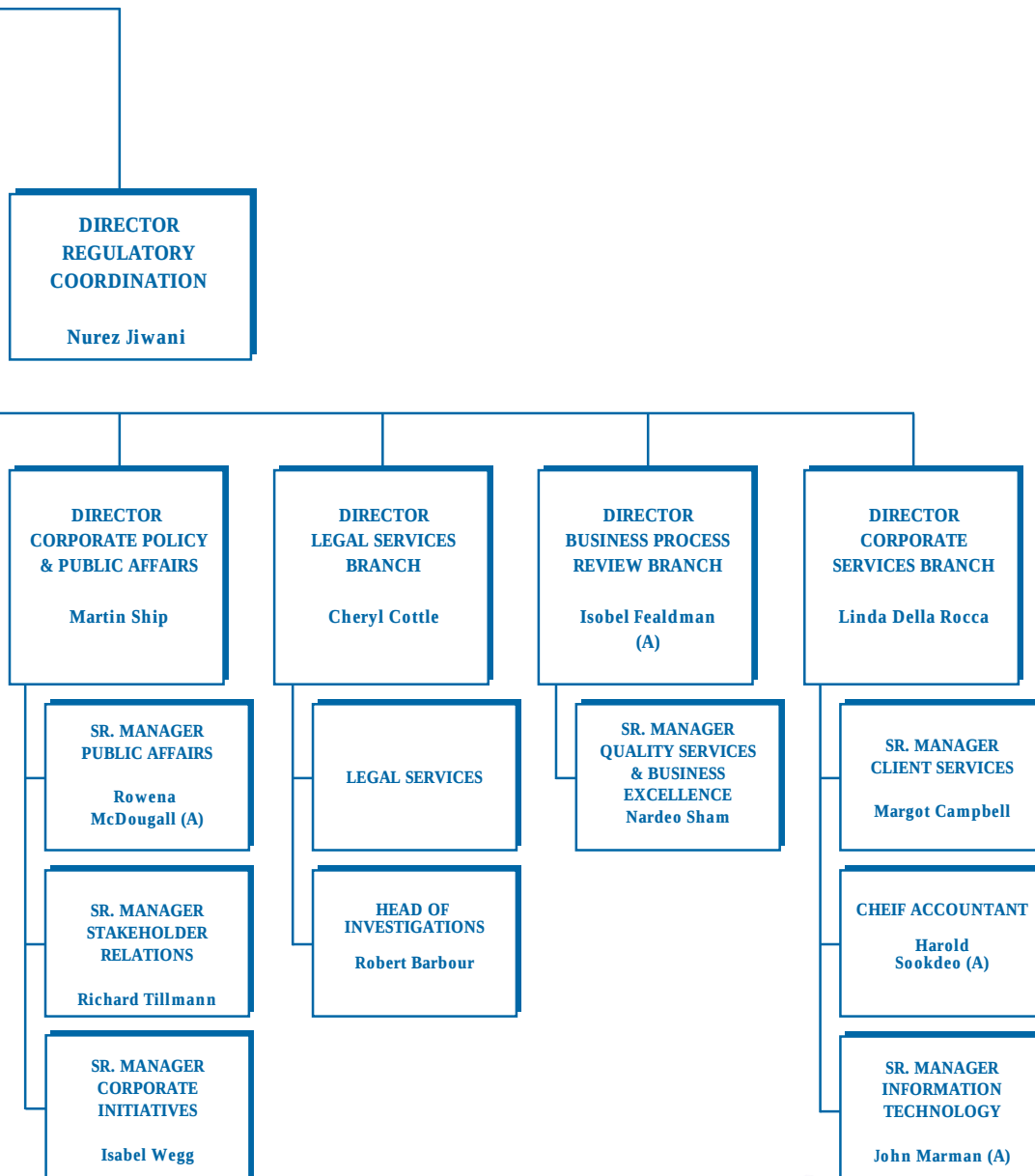
| Hearing Name / Parties                                                                                                                                                                                                                                                                                                                                                                                   | Nature of Hearing                                                                                                                                                                                                       | Relevant Dates --<br>Date of Request for<br>Hearing/Pre-Hearing<br>Conference ("PHC")/<br>Hearing Dates | Result    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------|
| FST File #U0185-2002<br>Financial Hardship<br><br>Respondent: Superintendent of<br>Financial Services                                                                                                                                                                                                                                                                                                    | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding Application<br>to the Superintendent<br>of Financial Services for<br>Consent to Withdraw<br>Money based on<br>Financial Hardship.                   | Request for Hearing –<br>February 8, 2002.                                                              | On-going. |
| FST File #U0186-2002<br>Financial Hardship<br><br>Respondent: Superintendent of<br>Financial Services                                                                                                                                                                                                                                                                                                    | <i>Pension Benefits Act</i><br><br>Request for Hearing<br>regarding Application<br>to the Superintendent<br>of Financial Services for<br>Consent to Withdraw<br>Money based on<br>Financial Hardship.                   | Request for Hearing –<br>March 11, 2002.                                                                | On-going. |
| FST File #P0187-2002<br>Molson Canada Pension Plan for<br>Operating Engineers, Registration<br>Number 0390666;<br><br>Molson Canada Pension Plan for Hourly<br>Employees in Ontario, Registration<br>Number 0334094;<br><br>Molson Canada Pension Plan for Salaried<br>Employees, Registration Number 0334086<br><br>Applicant: Molson Canada<br><br>Respondent: Superintendent of<br>Financial Services | <i>Pension Benefits Act</i><br><br>5 Requests for Hearing<br>regarding the<br>Superintendent's<br>Notices of Proposal<br>each dated May 13,<br>2002, to Make an Order<br>that the Pension Plans<br>be Wound Up in Part. | Request for Hearing –<br>March 12, 2002.                                                                | On-going. |



As of March 31, 2002

# Financial Services Commission of Ontario

## Organization Chart





# **FINANCIAL SERVICES COMMISSION OF ONTARIO**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2002**



**Office of the Provincial Auditor of Ontario**

Office of the  
Provincial Auditor  
of Ontario



Bureau du  
vérificateur provincial  
de l'Ontario

Box 105, 15th Floor, 20 Dundas Street West, Toronto, Ontario M5G 2C2  
B.P. 105, 15<sup>e</sup> étage, 20, rue Dundas ouest, Toronto (Ontario) M5G 2C2  
(416) 327-2381 Fax: (416) 327-9862

#### *Auditor's Report*

To the Financial Services Commission of Ontario  
and to the Minister of Finance

I have audited the balance sheet of the Financial Services Commission of Ontario as at March 31, 2002 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements presents fairly, in all material respects, the financial position of the Commission as at March 31, 2002 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting policies.

Toronto, Ontario  
December 6, 2002



J.R. McCarter, CA  
Assistant Provincial Auditor

## FINANCIAL SERVICES COMMISSION OF ONTARIO

### BALANCE SHEET

as at March 31, 2002

|                                          | 2002<br>(\$000s) | 2001<br>(\$000s)<br>(Restated Note 9) |
|------------------------------------------|------------------|---------------------------------------|
| <b>Assets</b>                            |                  |                                       |
| <b>Current</b>                           |                  |                                       |
| Cash                                     | 6                | 6                                     |
| Accounts receivable                      | 25,980           | 10,194                                |
| Prepaid expenses                         | 84               | 167                                   |
|                                          | <u>26,070</u>    | <u>10,367</u>                         |
| <br>Capital assets, net (Note 5)         | <br><u>2,745</u> | <br><u>4,068</u>                      |
|                                          | <u>28,815</u>    | <u>14,435</u>                         |
| <br><b>Liabilities and Net Assets</b>    |                  |                                       |
| <b>Current</b>                           |                  |                                       |
| Accounts payable and accrued liabilities | <u>2,157</u>     | <u>1,380</u>                          |
| <br>Deferred revenue (Note 7)            | <br><u>3,009</u> | <br><u>3,744</u>                      |
| <br><b>Net Assets</b>                    |                  |                                       |
| Invested in capital assets               | 2,745            | 4,068                                 |
| Investment by the Province               | 20,904           | 5,243                                 |
|                                          | <u>23,649</u>    | <u>9,311</u>                          |
|                                          | <u>28,815</u>    | <u>14,435</u>                         |

Commitment and Contingencies (Note 6)

See accompanying notes to the financial statement.

Approved by:



CEO and Superintendent  
Financial Services Commission of Ontario

# FINANCIAL SERVICES COMMISSION OF ONTARIO

## STATEMENT OF OPERATIONS For the Year Ended March 31, 2002

|                                  | 2002<br>(\$000s) | 2001<br>(\$000s)<br>(Restated Note 9) |
|----------------------------------|------------------|---------------------------------------|
| Revenue (Note 3)                 |                  |                                       |
| Assessments                      | 20,284           | 22,503                                |
| Annual fees for pension plans    | 7,900            | 7,898                                 |
| Fees and licences                | 4,731            | 3,395                                 |
| Registrations                    | 642              | 561                                   |
| Other                            | 94               | 121                                   |
|                                  | <u>33,651</u>    | <u>34,478</u>                         |
| Expenses                         |                  |                                       |
| Salaries and wages               | 20,788           | 19,407                                |
| Employee benefits                | 3,658            | 3,344                                 |
| Services                         | 12,261           | 11,473                                |
| Amortization                     | 2,204            | 1,687                                 |
| Transportation and communication | 690              | 758                                   |
| Supplies and equipment           | 534              | 553                                   |
| Bad debt expense                 | 58               | —                                     |
| Transfer payment                 | 20               | 40                                    |
|                                  | <u>40,213</u>    | <u>37,262</u>                         |
| Less: Recoveries                 | <u>1,594</u>     | <u>1,288</u>                          |
|                                  | <u>38,619</u>    | <u>35,974</u>                         |
| Excess of expenses over revenue  | <u>4,968</u>     | <u>1,496</u>                          |

See accompanying notes to the financial statement.

## FINANCIAL SERVICES COMMISSION OF ONTARIO

### STATEMENT OF CHANGES IN NET ASSETS For the Year Ended March 31, 2002

|                                         | 2002<br>(\$000s)                 |                                  |               | 2001<br>(\$000s)<br>(Restated<br>Note 9) |
|-----------------------------------------|----------------------------------|----------------------------------|---------------|------------------------------------------|
|                                         | Invested<br>in Capital<br>Assets | Investment<br>by the<br>Province | Total<br>2002 | Total<br>2001                            |
| Balance, beginning of year              | 4,068                            | 5,243                            | 9,311         | 10,114                                   |
| Acquisition of capital assets           | 881                              | (881)                            | —             | —                                        |
| Excess of expenses over revenue         | (2,204)                          | (2,764)                          | (4,968)       | (1,496)                                  |
| Contribution from the Province (Note 8) | —                                | 19,306                           | 19,306        | 693                                      |
| Balance, end of year                    | <u>2,745</u>                     | <u>20,904</u>                    | <u>23,649</u> | <u>9,311</u>                             |

See accompanying notes to the financial statement.

# FINANCIAL SERVICES COMMISSION OF ONTARIO

## STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2002

|                                                                  | 2002<br>(\$000s) | 2001<br>(\$000s)<br>(Restated Note 9) |
|------------------------------------------------------------------|------------------|---------------------------------------|
| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES |                  |                                       |
| Cash flows from operating activities                             |                  |                                       |
| Excess of expenses over revenue                                  | (4,968)          | (1,496)                               |
| Amortization                                                     | 2,204            | 1,687                                 |
|                                                                  | <u>(2,764)</u>   | <u>191</u>                            |
| Changes in non-cash working capital                              |                  |                                       |
| Accounts receivable                                              | (15,786)         | (2,394)                               |
| Prepaid expenses                                                 | 83               | (167)                                 |
| Accounts payable                                                 | 777              | 1,380                                 |
| Deferred revenue                                                 | (735)            | 1,700                                 |
|                                                                  | <u>(15,661)</u>  | <u>519</u>                            |
| Cash flows from financing activity                               |                  |                                       |
| Contribution from the Province                                   | <u>19,306</u>    | <u>693</u>                            |
| Cash flows from investing activity                               |                  |                                       |
| Purchase of capital assets                                       | <u>(881)</u>     | <u>(1,403)</u>                        |
| Net change in cash position                                      | —                | —                                     |
| Cash position, beginning of year                                 | <u>6</u>         | <u>6</u>                              |
| Cash position, end of year                                       | <u><u>6</u></u>  | <u><u>6</u></u>                       |

See accompanying notes to the financial statement.

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# FINANCIAL SERVICES COMMISSION OF ONTARIO

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2002

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### 1. OPERATIONS OF THE COMMISSION

The Financial Services Commission of Ontario (Commission) was established under the *Financial Services Commission of Ontario Act, 1997*. The Commission's mandate is to enhance consumer confidence and public trust in Ontario's regulatory activities governing insurance, pensions, credit unions, trust companies, caisses populaires, co-operatives and mortgage brokers, and also to make recommendations to the Minister of Finance on matters affecting the regulated sectors. The Commission administers the following legislation: *Insurance Act, Pension Benefits Act, Credit Unions and Caisses Populaires Act, Loan and Trust Corporations Act, Mortgage Brokers Act and Co-operative Corporations Act*.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The significant accounting policies used to prepare these statements are summarized below.

#### (a) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful life of the asset, beginning in the year following acquisition, as follows:

|                                        |                        |
|----------------------------------------|------------------------|
| Office furniture and equipment         | 5 years                |
| Computer hardware and related software | 2 years                |
| Leasehold improvements                 | over term of the lease |

#### (b) Revenue Recognition

Assessment revenues from insurance, credit unions, caisses populaires and the loan and trust sectors are recognized when the recoverable costs to administer the various Acts governing these sectors are incurred. The amounts are based on estimated recoverable costs because the actual recoverable costs from the various sectors cannot be determined until the following year.

The Commission recognizes the annual assessment fee due from each pension plan registered in the province based on an estimate because the actual fee cannot be determined until the pension plan files its annual information return six to nine months after the plan's fiscal year end.

Adjustments to revenue, if any, between the amounts recognized based on estimates and actual revenues, are charged to income in the year when the actual amounts are determined.

# FINANCIAL SERVICES COMMISSION OF ONTARIO

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002

### (c) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures for the period. Actual amounts could differ from these estimates.

### 3. REVENUE

For the fiscal year, revenue from the following Acts and regulations made under the Acts administered by the Commission are:

|                                                             | 2002<br>(\$000s) | 2001<br>(\$000s) |
|-------------------------------------------------------------|------------------|------------------|
| <i>Insurance Act</i>                                        |                  |                  |
| Insurer assessment                                          | 19,386           | 19,758           |
| Fees, licences and other                                    | 3,816            | 2,858            |
| <i>Pension Benefits Act</i>                                 |                  |                  |
| Annual information return filing fees and registration fees | 7,971            | 8,319            |
| Pension unlocking fees and other                            | 704              | 16               |
| <i>Credit Unions and Caisses Populaires Act</i>             |                  |                  |
| Credit Union assessment                                     | 656              | 2,210            |
| Fees and other                                              | 302              | 240              |
| <i>Loan and Trust Corporations Act</i>                      |                  |                  |
| Loan and Trust assessment                                   | 241              | 535              |
| Fees, licences and registrations                            | 49               | 77               |
| <i>Mortgage Brokers Act</i>                                 |                  |                  |
| Registrations                                               | 515              | 437              |
| <i>Co-operative Corporations Act</i>                        |                  |                  |
| Fees and other                                              | 11               | 28               |
|                                                             | <u>33,651</u>    | <u>34,478</u>    |

## FINANCIAL SERVICES COMMISSION OF ONTARIO

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2002

#### 4. EMPLOYEE BENEFITS

##### (a) Pension Benefits

The Commission provides pension benefits for all its permanent employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are multi-employer defined benefit pension plans established by the Province of Ontario. These plans are accounted for as defined contribution plans as the Commission has insufficient information to apply defined benefit plan accounting to these pension plans. The Commission's contributions related to the PSPF and OPSEU Pension Fund for the year were \$940,416 (2001 – \$964,632) and are included in employee benefits.

##### (b) Non-pension Benefits

Cost of post-retirement non-pension employee benefits are paid by the Management Board Secretariat and are not included in the statement of operations. Legislative severance benefits are accrued upon termination of employment of eligible employees.

#### 5. CAPITAL ASSETS

|                                        | 2002<br>(\$000s) |                             |                   | 2001<br>(\$000s)  |
|----------------------------------------|------------------|-----------------------------|-------------------|-------------------|
|                                        | Cost             | Accumulated<br>Amortization | Net Book<br>Value | Net Book<br>Value |
| Computer hardware                      | 2,039            | 1,528                       | 511               | 1,390             |
| Computer software                      | 403              | 323                         | 80                | 261               |
| Office furniture and equipment         | 75               | 19                          | 56                | 70                |
| Leasehold improvements                 | 3,129            | 2,073                       | 1,056             | 2,113             |
| Computer software under<br>development | 1,042            | –                           | 1,042             | 234               |
|                                        | <u>6,688</u>     | <u>3,943</u>                | <u>2,745</u>      | <u>4,068</u>      |

# FINANCIAL SERVICES COMMISSION OF ONTARIO

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2002

### 6. COMMITMENT AND CONTINGENCIES

- (a) The Commission is committed to minimum lease payments for office space over the next two years as follows:

|         | (\$000s)     |
|---------|--------------|
| 2002/03 | 3,757        |
| 2003/04 | 1,897        |
|         | <u>5,654</u> |

- (b) The Commission is involved in various legal actions arising out of the ordinary course of business. Settlements, if any, will be accounted for in the period in which the settlement occurs. The outcome and ultimate disposition of these actions are not determinable at this time.

### 7. DEFERRED REVENUE RELATED TO LICENCES AND REGISTRATION

Deferred revenue represents payments received for fees, licences and registrations that cover more than the current fiscal year. The deferred portion is recognized as revenue when the applicable future licence year occurs. The change in deferred revenue balances are as follows:

|                  | Balance,<br>beginning<br>of year | Received<br>during<br>year | Recognized<br>during<br>year | Balance,<br>end of year |
|------------------|----------------------------------|----------------------------|------------------------------|-------------------------|
|                  | (\$000s)                         | (\$000s)                   | (\$000s)                     | (\$000s)                |
| Insurance agents | 2,749                            | 1,991                      | 2,544                        | 2,196                   |
| Adjusters        | 23                               | 94                         | 94                           | 23                      |
| Mortgage brokers | 220                              | 560                        | 515                          | 265                     |
| Corporations     | 752                              | 441                        | 668                          | 525                     |
|                  | <u>3,744</u>                     | <u>3,086</u>               | <u>3,821</u>                 | <u>3,009</u>            |

# FINANCIAL SERVICES COMMISSION OF ONTARIO

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2002

### 8. TRANSACTIONS WITH THE PROVINCE

Revenue is deposited into the Consolidated Revenue Fund (CRF) of the Province of Ontario on cash basis. Expenses are paid out of monies appropriated therefor by the Legislature of the Province of Ontario on cash basis. The excess of the cash drawn from the Commission's appropriation to pay expenses and the cash from revenue deposited into the CRF is recorded as Contribution from the Province in the Statement of Changes in Net Assets. The Ministry of Finance and Management Board of Cabinet also absorb the costs of certain administrative expenses.

### 9. CHANGE IN BASIS OF ACCOUNTING

Effective April 1, 2001, the Commission adopted Canadian generally accepted accounting principles to prepare its financial statements. This requires accounting for revenues and expenses on the accrual basis and the capitalization of assets when acquired and which are amortized to income over their estimated useful lives. Previously, the modified cash basis was used, whereby revenues and expenditures were accounted for on the cash basis which was modified to allow for an additional 30 days to pay for goods and services received during the fiscal year just ended, and capital assets were expensed in the year of acquisition. This change in the basis of accounting has been adopted on a retroactive basis resulting in the following changes to the March 31, 2001 financial statements.

|                                 | 2001<br>(\$000s)           |          |                |
|---------------------------------|----------------------------|----------|----------------|
|                                 | As<br>Previously<br>Stated | Increase | As<br>Restated |
| Current assets                  | –                          | 10,367   | 10,367         |
| Capital assets, net             | –                          | 4,068    | 4,068          |
| Current liabilities             | –                          | 1,380    | 1,380          |
| Deferred revenue                | –                          | 3,744    | 3,744          |
| Net assets                      | –                          | 9,311    | 9,311          |
| Excess of expenses over revenue | 1,498                      | (2)      | 1,496          |

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# FINANCIAL SERVICES COMMISSION OF ONTARIO

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2002

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### 10. SECURITIES ON DEPOSIT

The Insurance Act authorizes the Commission to require insurance companies to deposit securities in any amount it considers necessary and on such conditions as it considers proper. As at March 31, 2002, the face value of the securities held by the Commission under the Insurance Act was \$11.475 million. Income earned on the securities is paid directly to the insurance companies depositing the securities. These securities and the related income are not recorded in the financial statements.

### 11. ESTABLISHING A SINGLE FINANCIAL SERVICE REGULATOR

In the May 2, 2000 Budget, the Minister of Finance announced that the Financial Services Commission of Ontario and the Ontario Securities Commission would be merged into a single agency that would provide regulation of the capital markets and financial services sectors. Legislation is required in order to create the proposed new organization and specify its regulatory responsibilities and powers. Draft legislation supporting this initiative was released for comment by the Ministry of Finance in April 2001.

## **FINANCIAL SERVICES COMMISSION OF ONTARIO**

STATEMENT OF THE PENSION  
BENEFITS GUARANTEE FUND

**FOR THE YEAR ENDED MARCH 31, 2002**



Office of the Provincial Auditor of Ontario

Office of the  
Provincial Auditor  
of Ontario



Bureau du  
vérificateur provincial  
de l'Ontario

Box 105, 15th Floor, 20 Dundas Street West, Toronto, Ontario M5G 2C2  
B.P. 105, 15<sup>e</sup> étage, 20, rue Dundas ouest, Toronto (Ontario) M5G 2C2  
(416) 327-2381 Fax: (416) 327-9862

#### *Auditor's Report*

To the Financial Services Commission of Ontario  
and to the Minister of Finance

I have audited the statement of the Pension Benefits Guarantee Fund of the Financial Services Commission of Ontario for the year ended March 31, 2002. This statement is the responsibility of the Commission's management. My responsibility is to express an opinion on this statement based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, this statement presents fairly, in all material respects, the Commission's guarantee fund revenue, expenditure and fund balance for the year ended March 31, 2002 in accordance with accounting policies described in note 2 to the financial statement.

Toronto, Ontario  
September 18, 2002



J.R. McCarter, CA  
Assistant Provincial Auditor

## FINANCIAL SERVICES COMMISSION OF ONTARIO

### STATEMENT OF THE PENSION BENEFITS GUARANTEE FUND as at March 31, 2002

|                                                                                | 2002<br>(\$000s) | 2001<br>(\$000s) |
|--------------------------------------------------------------------------------|------------------|------------------|
| <b>Revenue</b>                                                                 |                  |                  |
| Premium revenue                                                                | 20,636           | 27,404           |
| Investment income (Note 3)                                                     | 11,608           | 11,540           |
| Recoveries                                                                     | 2,363            | 108              |
|                                                                                | <u>34,607</u>    | <u>39,052</u>    |
| <b>Expenditure</b>                                                             |                  |                  |
| Claims                                                                         | 4,173            | 1,134            |
| Pension management fees (Note 5)                                               | 1,538            | —                |
| Investment management fees                                                     | 261              | 247              |
| Administration fee (Note 4)                                                    | 237              | 202              |
|                                                                                | <u>6,209</u>     | <u>1,583</u>     |
| Excess of revenue over expenditure                                             | 28,398           | 37,469           |
| Unrealized changes in market value of investments                              | (942)            | 2,525            |
|                                                                                | <u>27,456</u>    | <u>39,994</u>    |
| Balance in Fund, beginning of year                                             | 228,988          | 188,994          |
| Balance in Fund, end of year                                                   | <u>256,444</u>   | <u>228,988</u>   |
| Consisting of:                                                                 |                  |                  |
| Cash and short term deposits                                                   | 176,055          | 132,395          |
| Government and corporate bonds at market<br>(Cost – \$77,625: 2001 – \$91,846) | 78,202           | 93,365           |
| Accrued interest                                                               | 2,187            | 3,228            |
|                                                                                | <u>256,444</u>   | <u>228,988</u>   |

Contingencies (Note 5)

See accompanying notes to the financial statement.

Approved by:



CEO and Superintendent  
Financial Services Commission of Ontario

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## FINANCIAL SERVICES COMMISSION OF ONTARIO

### PENSION BENEFITS GUARANTEE FUND – NOTES TO FINANCIAL STATEMENT – MARCH 31, 2002

---

#### 1. PURPOSE OF FUND

The purpose of the Pension Benefits Guarantee Fund (the Fund) is to guarantee payment of pension benefits of certain defined benefit pension plans that are wound up under conditions specified in the *Pension Benefits Act*, and regulations thereto. The regulations also prescribe the amount of the premiums required to be paid into the Fund by plan sponsors. The Superintendent of the Financial Services Commission of Ontario pursuant to the *Financial Services Commission of Ontario Act, 1997* is responsible for the administration of the Fund.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statement has been prepared by management. The significant accounting policies used to prepare this statement are summarized below.

(a) *Basis of Accounting*

This financial statement has been prepared using the cash basis of accounting except investment income and unrealized changes in the market value of investments which are recorded on an accrual basis.

(b) *Investments*

Short-term deposits have a market value that approximates carrying value.

Investments in Government and corporate bonds are stated at their quoted market value. Unrealized changes in market value reflect the change in unrealized gains or losses that have occurred by holding investments over the year.

#### 3. INVESTMENTS

The Financial Services Commission of Ontario has adopted a statement of Investment Policies and Guidelines. This statement outlines the purpose of the Fund and provides guidelines for the management of the Fund.

The Fund invests in short term deposits and in fixed income securities issued or guaranteed by the federal and provincial governments and Canadian corporations. Short-term deposits have an average yield of 2.21% (2001 – 5.22%) and will mature within a year. Investments in government and corporate bonds will mature within seven years and have an average yield of 4.82% (2001 – 5.93%).

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## FINANCIAL SERVICES COMMISSION OF ONTARIO

### PENSION BENEFITS GUARANTEE FUND – NOTES TO FINANCIAL STATEMENT – MARCH 31, 2002

---

Investment income is comprised of interest from interest bearing securities combined with realized gains/losses from the sale of securities. The realized net gain/loss on the sale of securities amounted to \$662,064 gain (2001 – \$703,340 loss). Unrealized changes in the market value of investments is reflected as a separate line item on the statement.

#### 4. ADMINISTRATION FEE

The *Pension Benefits Act* allows the Financial Services Commission of Ontario to charge the Fund for expenses it incurs in administering the Fund. During fiscal 2002, administration fees of \$237,131 (2001 – \$202,000) were paid to the Financial Services Commission of Ontario.

Administrative services related to the processing of premium revenue are provided by the Ministry of Finance without charge.

#### 5. CONTINGENCIES

As at March 31, 2002, there are 30 potential claims relating to the closure of 22 companies and the wind up of their pension plans. The liability of the Fund relating to these claims is estimated at approximately \$24.6 million. Settlement of these claims will be accounted for in the period in which the settlement occurs.

In addition, there is a further possible significant claim that has the potential to exceed the current balance in the Fund. Should such a claim be filed, the *Pension Benefits Act* provides that if the amount standing to the credit of the Fund is insufficient to meet payments for claims, the Lieutenant Governor in Council may authorize the Minister of Finance of Ontario to make loans out of the Consolidated Revenue Fund to the Fund on such terms and conditions as the Lieutenant Governor directs. The Superintendent of Financial Services has since appointed an administrator to manage the pension plans related to this possible claim. During the year, \$1.538 million had been paid from the Fund for the administration and management of these pension plans. The Fund was reimbursed by the administered plans for these costs in April 2003. It is anticipated there will be no settling of this claim for a number of years while the appointed administrator endeavours to reduce the claim through investment performance. As at September 18, 2002, no claim had been filed.



# **MOTOR VEHICLE ACCIDENT CLAIMS FUND**

## **STATEMENT OF FINANCIAL POSITION STATEMENT OF FUND**

**YEAR ENDED MARCH 31, 2002  
UNAUDITED**





# MOTOR VEHICLE ACCIDENT CLAIMS FUND

*(Established under the Motor Vehicle Accident Claims Act)*

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2002

**UNAUDITED**

### ASSETS

|                                                  | 2002<br>\$        | 2001<br>\$       |
|--------------------------------------------------|-------------------|------------------|
| Funds on Deposit with the<br>Minister of Finance | <u>12,193,214</u> | <u>7,174,158</u> |
|                                                  | <u>12,193,214</u> | <u>7,174,158</u> |

### LIABILITIES & FUND BALANCE

|                  |                   |                  |
|------------------|-------------------|------------------|
| Net Fund Balance | <u>12,193,214</u> | <u>7,174,158</u> |
|                  | <u>12,193,214</u> | <u>7,174,158</u> |

See accompanying notes to Financial Statements

A stylized signature of Philip Howell in blue ink.

Philip Howell  
Chief Executive Officer and  
Superintendent of Financial Services (Acting)

# MOTOR VEHICLE ACCIDENT CLAIMS FUND

*(Established under the Motor Vehicle Accident Claims Act)*

## STATEMENT OF FUND FOR THE YEAR ENDED MARCH 31, 2002

### UNAUDITED

|                                                                             | 2002<br>\$        | 2001<br>\$        |
|-----------------------------------------------------------------------------|-------------------|-------------------|
| <b>RECEIPTS</b>                                                             |                   |                   |
| Fee on issue or renewal of driver's licences                                | 8,041,358         | 8,821,318         |
| Repayment by debtors                                                        | 2,119,266         | 2,382,261         |
| Prior year recoveries                                                       | 851,815           | 543,393           |
| <b>TOTAL RECEIPTS</b>                                                       | <b>11,012,439</b> | <b>11,746,972</b> |
| <b>DISBURSEMENTS</b>                                                        |                   |                   |
| Special Purpose Payments                                                    |                   |                   |
| Third Party Claims                                                          |                   |                   |
| Judgments, including costs                                                  | 2,783,606         | 3,107,710         |
| Out-of-Court settlements                                                    | 33,648            | 66,869            |
| Hit-and-run cases, including costs                                          | 442,371           | 985,807           |
|                                                                             | <u>3,259,625</u>  | <u>4,160,386</u>  |
| Accident Benefits                                                           |                   |                   |
| Statutory accident benefits                                                 | 6,198,963         | 3,550,972         |
| Sub-total                                                                   | <u>9,458,588</u>  | <u>7,711,358</u>  |
| Administrative Expenses                                                     |                   |                   |
| Salaries and wages                                                          | 853,424           | 767,755           |
| Employee benefits                                                           | 160,377           | 136,365           |
| Transportation and Communication Services                                   | 39,568            | 15,268            |
| Claims (Solicitors' fees, etc.)                                             | 1,144,707         | 1,415,379         |
| Accident benefits claims expense                                            | 591,151           | 516,812           |
| Other                                                                       | 1,082,650         | 95,323            |
| Supplies and equipment                                                      | 61,918            | 13,140            |
| Sub-total                                                                   | <u>3,933,795</u>  | <u>2,960,042</u>  |
| <b>TOTAL DISBURSEMENTS</b>                                                  | <b>13,392,383</b> | <b>10,671,400</b> |
| Increase/(Decrease) in Fund during the year                                 | (2,379,944)       | 1,075,572         |
| Balance in Fund, on deposit with the Minister of Finance, Beginning of Year | 7,174,158         | 6,098,586         |
| Transfer Payment – Subsidization of MVACF                                   | 7,399,000         | 0                 |
| Balance in Fund, on deposit with the Minister of Finance, End of Year       | <u>12,193,214</u> | <u>7,174,158</u>  |
| See accompanying notes to Financial Statements.                             |                   |                   |

# MOTOR VEHICLE ACCIDENT CLAIMS FUND

## NOTES TO FINANCIAL STATEMENT

### 1. Authority

The Motor Vehicle Accident Claims Fund (the “Fund”) operates under the authority of the *Motor Vehicle Accident Claims Act* (the *Act*), R.S.O. 1990, Chapter M.41 as amended.

### 2. Fund Operations

The Fund was originally established to provide compensation to victims of motor vehicle accidents caused by uninsured or hit-and-run motorists in Ontario. Uninsured motorists were required to pay an annual fee into the Fund. However, effective March 1, 1980, with the enactment of the *Compulsory Automobile Insurance Act*, all motorists were required to carry compulsory third party liability insurance including uninsured motorist coverage. In 1990, a new provision to pay accident benefits was created for the Fund.

The Fund now pays claims under four different automobile insurance compensation systems:

1. Tort - prior to June 22, 1990;
2. OMPP - between June 22, 1990 and December 31, 1993;
3. Bill 164 - between January 1, 1994 and October 31, 1996; and
4. Bill 59 - from November 1, 1996 and forward.

The coverage provided by the Fund is analogous to the minimum required coverage under the standard automobile policy (OAP1) approved by the provincial regulator. Unlike insurance companies, the Fund does not cover claims where the accidents occur outside of Ontario.

### 3. Statement of Fund

#### Basis of Accounting

The Fund uses a cash basis of accounting which is modified to allow an additional 30 days to pay for goods and services pertaining to the fiscal year just ended. In this regard, certain payments incurred at year end may be reported in the following month of the new fiscal period.

#### Receipts

Fees consist of \$1.00 charged per year to every driver in the Province of Ontario who renews his/her driver's licence and for every new driver's licence issued.

Amounts collected on outstanding receivables are reported as receipts in the year they are collected (see below for explanation of Accounts Receivable).

#### Special Purpose Payments

Amounts paid from the Fund to victims of automobile accidents, where there is no insurance to respond to the claim, are reported as expenditures and are broken down into claim types set out in the *Act*. These payments are legally recoverable from uninsured at-fault motorists, for all third party liability claims.

#### Administrative Expenses

The administrative expenditures (e.g. Salaries, Benefits, Transportation and Communication Services, and Supplies and Equipment) are paid out during the course of the year from the

Consolidated Revenue Fund. At the end of each fiscal year, the Lieutenant Governor in Council authorizes the payment out of the Fund, of the amount required to reimburse the Consolidated Revenue Fund for the expenses incurred in connection with the administration of the Fund.

#### 4. Statement of Financial Position

##### Motor Vehicle Accident Claims Fund

As at March 31, 2002, the Fund reported disbursements in excess of revenue by \$2.4 million. Temporary funding in the form of a transfer payment was received from the Consolidated Revenue Fund in the amount of \$7.4 million. This resulted in increasing the fiscal year end Fund balance to \$12.2 million. This amount is held in a Consolidated Revenue Fund Special Purpose Account and is reported as a liability on the Statement of Financial Position of the Province of Ontario.

##### Accounts Receivable

The records of the Fund provide for an Accounts Receivable Portfolio, compiled over the years as a result of third party claim payouts to uninsured victims. In accordance with the *Act* these payouts, which become receivables, are recoverable from uninsured motorists. As of March 31, 1999, the process used to estimate the allowance for doubtful accounts was revised. The process involves an aging method modified to suit the Fund's payout process. At March 31, 2002, the receivables totalled \$48.3 million. The allowance for doubtful accounts is calculated to be \$28.8 million leaving a net realizable value of \$19.5 million.

##### Contingent Gains

Some payments out of the Fund are in the form of Structured Settlements for accident benefit claims. These claims have guarantee periods ranging from 10 to 25 years and during this period the reversionary interest will revert to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance should the claimant die.

Even though the range of probability that the claimant may die during the guarantee period is slight, the Fund nevertheless has calculated the approximate reversionary interest as at March 31, 2002 for information purposes.

As at March 31, 2002, the amount paid out of the Fund for accident benefit claims in the form of structured settlements was approximately \$4.4 million with applicable reversionary interest of approximately \$2.6 million.

##### Fixed Assets

The cost of Fixed Assets, consisting of furniture, equipment and alterations to premises are charged to operations in the period in which they are incurred.

##### Unfunded Liability

As at March 31, 2002, the Fund is contingently liable for claims in process, claims which have occurred but have not yet been reported, and the expenses required to settle the claims. Based on an actuarial valuation, the estimated payments in all future years arising from outstanding claim

and claim settlement expense liability, add up to \$107.9 million. This amount includes a \$5.8 million provision for adverse deviation. Once netted against the Fund's \$12.2 million balance, and \$19.5 million in net receivables (as per Accounts Receivable, above), this leaves an unfunded liability of \$76.2 million.

The portion of the overall \$107.9 million expected to be paid out in the 2002 – 2003 fiscal year is estimated to be approximately \$13.0 million.

# SUPERINTENDENT'S REPORT ON INSURANCE 2001







# SUPERINTENDENT'S REPORT 2001

The following information was obtained from the annual filings and, in the case of federally registered insurers, from the Office of the Superintendent of Financial Institutions. While every effort has been made to ensure the accuracy of this report, decisions should not be made solely on the information contained in it. Other sources should also be consulted. Any material changes to this information will be reported to the Minister of Finance and published in **The Ontario Gazette**.

The information is organized by type of insurer, and insurers are listed alphabetically within each group.

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The Honourable Janet Ecker  
Minister of Finance  
7 Queen's Park Crescent  
Toronto, ON M7A 2H6

Dear Minister:

I am pleased to present the 123<sup>rd</sup> annual report under Section 36 of the *Insurance Act* for the year ended December 31, 2001. Prior to the creation of the Financial Services Commission of Ontario, this report was issued by the Superintendent of Insurance.

In addition to the information contained in this report, a listing of all licensed insurers is published each July in **The Ontario Gazette**. This list contains the names of the insurers, their addresses, telephone numbers, chief agents, and the classes for which they are licensed. During the year, information concerning newly licensed insurers and changes to existing licences is also published in the Financial Services Commission of Ontario Bulletins. Any broker or member of the public can verify whether a particular insurer is licensed by calling our offices at (416) 250-7250, extension 5500. This information is also available on the Commission's Internet site – **[www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca)**.

News releases containing other information of public interest are issued throughout the year. These announcements can effectively reach a large number of Ontario residents. Information is also supplied to industry trade associations for inclusion in their publications to reach more specialized audiences. Financial Services Commission of Ontario Bulletins are issued as required to provide information to insurers and other individuals interested in the insurance industry.

Yours sincerely,



Philip Howell (Acting)  
Superintendent of Financial Services

# SUMMARY FINANCIAL INFORMATION

## SUMMARY OF COMPANIES LICENCED BY TYPE OF BUSINESS ACTIVITY *as at December 31, 2001, and December 31, 2000*

Analysis of 2001 total

| Business Type                 | Total<br>2000 | Additions | Withdrawals | Total<br>2001 | Ontario | Extra<br>Provincial | Federal |
|-------------------------------|---------------|-----------|-------------|---------------|---------|---------------------|---------|
| Property & Casualty Companies | 231           | 8         | 15          | 224           | 67      | 8                   | 149     |
| Life Insurance Companies      | 109           | 3         | 4           | 108           | 5       | 11                  | 92      |
| Reinsurance Companies         | 46            | 1         | 1           | 46            | 2       | 1                   | 43      |
| Reciprocal Exchanges          | 9             | 0         | 0           | 9             | 8       | 0                   | 1       |
| Fraternal Societies           | 28            | 0         | 0           | 28            | 3       | 0                   | 25      |
| Totals                        | 423           | 12        | 20          | 415           | 85      | 20                  | 310     |

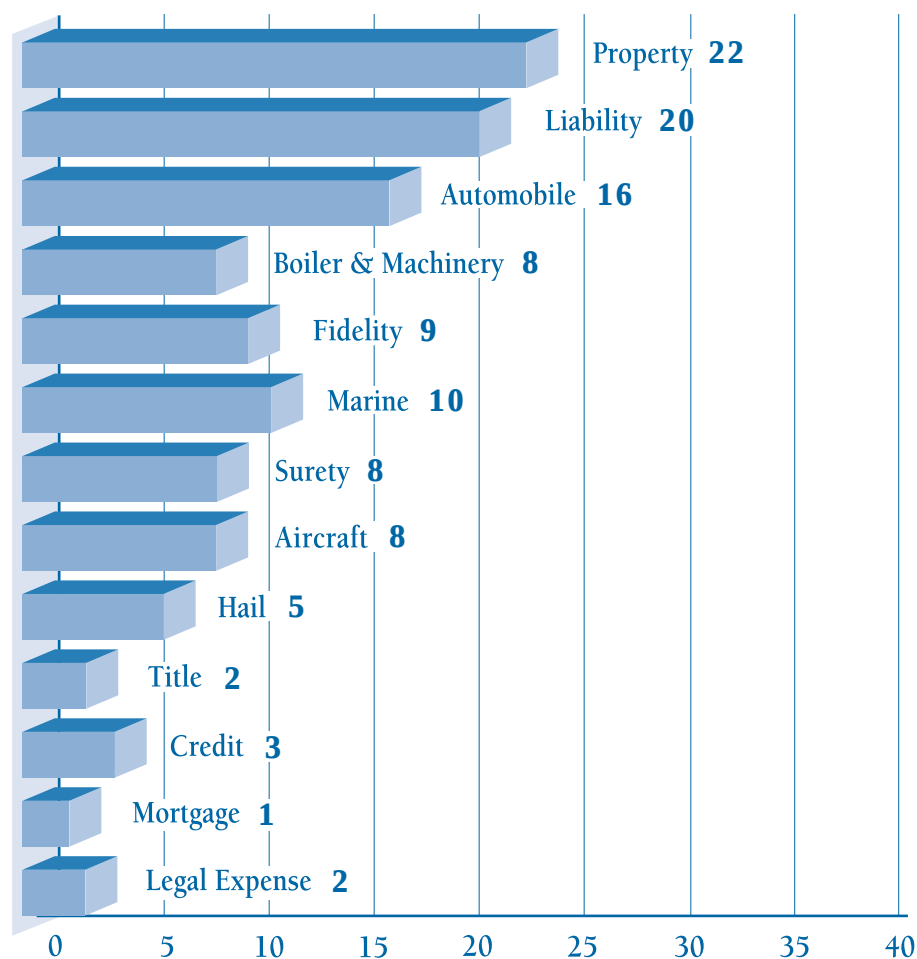
### Notes:

1. Companies writing both property & casualty and life business are listed under Life in the above summary. Their financial performance is shown separately by business type in the following report.
2. Branch operations are included in the Federal totals.
3. The Superintendent's Report 2001, records figures as of the end of the calendar year (December 31, 2001). The Financial Services Commission of Ontario Annual Report 2001-2002, records figures as of the end of the fiscal year (March 31, 2002).

To gauge the level of competition, FSCO calculates how many companies or groups of companies represent 80 per cent of the market for key products.

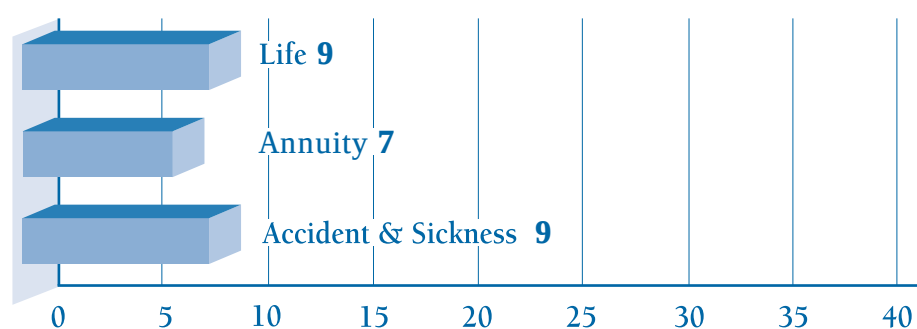
### 2001 Property and Casualty Insurers

*Number of Groups of Affiliated Companies Representing 80% of Ontario Market Share*



### 2001 Life Insurers

*Number of Groups of Affiliated Companies Representing 80% of the Ontario Market Share*

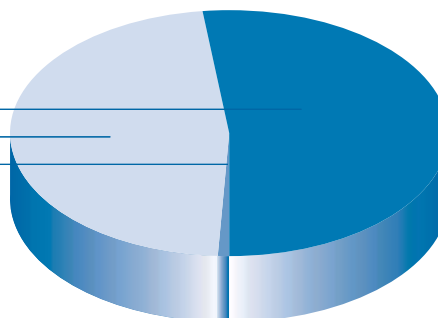


Insurance is a \$24 billion business in Ontario. In 2001, of the total premium dollar, 50.7 per cent went to the life insurance industry and 48.4 per cent went to property and casualty (including automobile) insurers.

#### 2001 Direct Premium Volume in Ontario

Total \$24,284 (millions) in Ontario

|                                         |                  |                |
|-----------------------------------------|------------------|----------------|
| <b>Life Insurance Companies</b>         | <b>\$ 12,308</b> | <b>(50.7%)</b> |
| <b>Property &amp; Casualty Insurers</b> | <b>\$ 11,767</b> | <b>(48.4%)</b> |
| <b>Others</b>                           | <b>\$ 209</b>    | <b>(0.9%)</b>  |

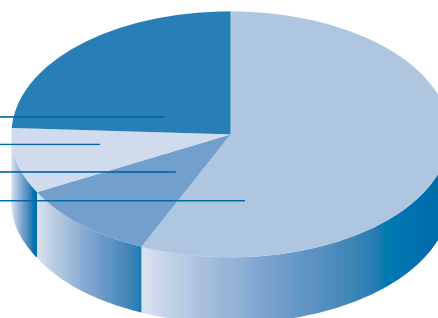


P&C insurers received \$11.7 billion in premiums in 2001. The split among automobile, property and liability insurance was unchanged, year over year.

#### 2001 Property and Casualty Companies - Direct Written Premiums in Ontario - By Line

Total Premiums Written \$11,767 (millions)

|                   |                 |                |
|-------------------|-----------------|----------------|
| <b>Property</b>   | <b>\$ 2,786</b> | <b>(23.7%)</b> |
| <b>Others</b>     | <b>\$ 1,044</b> | <b>(8.9%)</b>  |
| <b>Liability</b>  | <b>\$ 1,466</b> | <b>(12.5%)</b> |
| <b>Automobile</b> | <b>\$ 6,471</b> | <b>(55.0%)</b> |

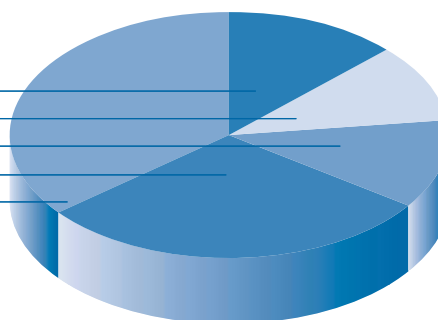


The broad pattern among life insurance companies likewise remained constant. Of the \$12 billion spent on premiums to the life insurers, 18.9 per cent went to buy annuities, 42.6 per cent to purchase individual and group life coverage and 38.5 per cent to obtain accident and sickness insurance.

#### 2001 Life Companies - Direct Premiums Written in Ontario

Total Premiums Written \$12,308 (millions)

|                                |                 |                |
|--------------------------------|-----------------|----------------|
| <b>Life - Group</b>            | <b>\$ 1,593</b> | <b>(12.9%)</b> |
| <b>Annuity - Group</b>         | <b>\$ 1,167</b> | <b>(9.5%)</b>  |
| <b>Annuity - Individual</b>    | <b>\$ 1,155</b> | <b>(9.4%)</b>  |
| <b>Life - Individual</b>       | <b>\$ 3,644</b> | <b>(29.6%)</b> |
| <b>Accident &amp; Sickness</b> | <b>\$ 4,747</b> | <b>(38.6%)</b> |





# PROPERTY AND CASUALTY COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

Note

### ONTARIO

|                                                               |        |        |
|---------------------------------------------------------------|--------|--------|
| Algoma Mutual Insurance Company                               | 4,341  | 2,961  |
| Amherst Island Mutual Fire Insurance Company                  | 241    | 29     |
| Ayr Farmers' Mutual Insurance Company                         | 7,977  | 7,065  |
| Bay of Quinte Mutual Insurance Co.                            | 9,404  | 6,670  |
| Bertie and Clinton Mutual Insurance Company                   | 4,734  | 2,369  |
| Blanshard Mutual Insurance Company                            | 1,747  | 1,658  |
| Brant Mutual Insurance Company                                | 3,136  | 2,500  |
| CAA Insurance Company (Ontario)                               | 84,556 | 56,930 |
| 1 Canadian Millers' Mutual Insurance Company                  | 0      | 0      |
| Caradoc Delaware Mutual Fire Insurance Company                | 755    | 508    |
| Cayuga Mutual Fire Insurance Company                          | 2,155  | 1,793  |
| Coachman Insurance Company                                    | 26,128 | 22,973 |
| Commerce and Industry Insurance Company of Canada             | 32,660 | 41,202 |
| Coronation Insurance Company, Limited                         | 0      | (35)   |
| Culross Mutual Insurance Company                              | 1,687  | 1,390  |
| Downie Mutual Insurance Company, The                          | 3,000  | 1,807  |
| Dufferin Mutual Insurance Company                             | 5,448  | 4,455  |
| Dumfries Mutual Insurance Company                             | 6,086  | 3,014  |
| Elma Mutual Insurance Company                                 | 7,378  | 6,847  |
| Erie Mutual Fire Insurance Company                            | 3,037  | 1,323  |
| Farmers' Mutual Fire Insurance Company (Lindsay)              | 40,997 | 31,767 |
| Formosa Mutual Insurance Company                              | 15,610 | 8,165  |
| Gerling Canada Insurance Company                              | 60,993 | 26,681 |
| Germania Farmers' Mutual Fire Insurance Company               | 4,259  | 4,473  |
| Glengarry Farmers' Mutual Fire Insurance Company              | 3,442  | 1,347  |
| Grenville Mutual Insurance Company                            | 6,912  | 4,538  |
| Grey & Bruce Mutual Insurance Company                         | 1,131  | 1,191  |
| Halwell Mutual Insurance Company                              | 7,453  | 3,682  |
| Hamilton Township Farmers' Mutual Fire Insurance Company, The | 12,251 | 8,376  |
| Hay Mutual Insurance Company                                  | 4,676  | 3,708  |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
| 7,485         | 4,596             | 2,889                             | 80                                | (174)             |
| 993           | 166               | 827                               | 17                                | 90                |
| 22,774        | 10,474            | 12,300                            | 94                                | (279)             |
| 17,625        | 8,061             | 9,564                             | 80                                | (312)             |
| 25,031        | 8,045             | 16,986                            | 54                                | 849               |
| 6,035         | 2,045             | 3,990                             | 88                                | (105)             |
| 8,898         | 3,145             | 5,753                             | 118                               | (798)             |
| 179,336       | 137,755           | 41,581                            | 74                                | 3,916             |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 6,819         | 851               | 5,968                             | 89                                | 60                |
| 11,832        | 2,295             | 9,537                             | 83                                | 68                |
| 64,084        | 48,868            | 15,216                            | 90                                | (580)             |
| 454,862       | 398,409           | 56,453                            | 73                                | 8,542             |
| 6,636         | 3,454             | 3,182                             | n.a.                              | (15)              |
| 2,850         | 1,683             | 1,167                             | 95                                | 27                |
| 9,905         | 3,181             | 6,724                             | 78                                | 303               |
| 13,089        | 7,894             | 5,195                             | 91                                | (785)             |
| 20,446        | 6,008             | 14,438                            | 66                                | 758               |
| 14,007        | 8,739             | 5,268                             | 83                                | (576)             |
| 16,193        | 2,849             | 13,344                            | 54                                | 524               |
| 96,819        | 64,374            | 32,445                            | 88                                | (1,657)           |
| 29,000        | 19,813            | 9,187                             | 80                                | (300)             |
| 458,127       | 391,032           | 67,095                            | 67                                | 7,502             |
| 11,316        | 5,137             | 6,179                             | 105                               | (1,287)           |
| 8,787         | 2,361             | 6,426                             | 49                                | 136               |
| 38,302        | 10,572            | 27,730                            | 80                                | 495               |
| 3,950         | 1,095             | 2,855                             | 144                               | (720)             |
| 16,626        | 6,343             | 10,283                            | 69                                | 53                |
| 22,289        | 12,813            | 9,476                             | 77                                | (25)              |
| 22,732        | 5,001             | 17,731                            | 93                                | 369               |



# PROPERTY AND CASUALTY COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

Note

ONTARIO cont.

|                                                         |         |         |
|---------------------------------------------------------|---------|---------|
| Heritage General Insurance Company                      | 10,693  | 2,661   |
| Howard Mutual Fire Insurance Company                    | 4,536   | 3,665   |
| Howick Mutual Insurance Company                         | 6,480   | 5,172   |
| Kent & Essex Mutual Insurance Company                   | 6,443   | 3,849   |
| Kingsway General Insurance Company                      | 125,792 | 112,844 |
| Lambton Mutual Insurance Company                        | 8,397   | 4,452   |
| Lanark Mutual Insurance Company                         | 11,361  | 6,397   |
| Lawyers' Professional Indemnity Company                 | 80,502  | 63,420  |
| Lennox and Addington Mutual Fire Insurance Company, The | 2,296   | 1,494   |
| Loyalist Insurance Company, The                         | 7,737   | 7,253   |
| Markham General Insurance Company                       | 80,369  | 39,223  |
| McKillop Mutual Insurance Company                       | 3,165   | 1,480   |
| Middlesex Mutual Insurance Co.                          | 4,331   | 6,010   |
| Norfolk Mutual Insurance Company                        | 4,302   | 2,126   |
| North Blenheim Mutual Insurance Company                 | 4,680   | 3,824   |
| North Kent Mutual Fire Insurance Company                | 2,989   | 1,573   |
| Optimum Frontier Insurance Company                      | 49,345  | 58,033  |
| Oxford Mutual Insurance Company                         | 6,330   | 4,020   |
| Pembridge Insurance Company                             | 116,990 | 124,161 |
| Peel and Maryborough Mutual Insurance Company           | 7,180   | 4,587   |
| Peel Mutual Insurance Company                           | 16,266  | 11,522  |
| Pilot Insurance Company                                 | 420,297 | 272,587 |
| Premier Insurance Company                               | 85      | 0       |
| Prescott Mutual Insurance Company                       | 605     | 651     |
| Scottish & York Insurance Co. Limited                   | 107,544 | 110,956 |
| Sherway Insurance Company Limited                       | 0       | 0       |
| South Easthope Mutual Insurance Company                 | 6,825   | 4,562   |
| 2 Town & Country Mutual Insurance Company               | 2,477   | 2,087   |
| 5 Townsend Farmers' Mutual Fire Insurance Company       | 2,413   | 1,139   |
| TTC Insurance Company Limited                           | 0       | 0       |
| Usborne and Hibbert Mutual Fire Insurance Company       | 3,711   | 2,294   |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
|               |                   |                                   |                                   |                   |
| 21,191        | 10,239            | 10,952                            | 55                                | 1,499             |
| 26,099        | 6,565             | 19,534                            | 96                                | 166               |
| 15,026        | 8,299             | 6,727                             | 91                                | (700)             |
| 29,674        | 7,972             | 21,702                            | 71                                | 785               |
| 355,895       | 324,362           | 31,533                            | 94                                | (3,502)           |
| 32,702        | 10,924            | 21,778                            | 70                                | 774               |
| 36,173        | 11,581            | 24,592                            | 62                                | 1,432             |
| 399,135       | 326,798           | 72,337                            | 85                                | 8,730             |
| 6,253         | 2,266             | 3,987                             | 73                                | (19)              |
| 21,699        | 15,622            | 6,077                             | 75                                | (346)             |
| 112,490       | 102,108           | 10,382                            | 89                                | (12,943)          |
| 9,399         | 3,889             | 5,510                             | 79                                | 89                |
| 18,127        | 6,346             | 11,781                            | 100                               | (273)             |
| 8,771         | 5,020             | 3,751                             | 66                                | 203               |
| 13,074        | 4,128             | 8,946                             | 92                                | (600)             |
| 18,198        | 3,068             | 15,130                            | 68                                | 435               |
| 123,516       | 111,033           | 12,483                            | 86                                | (1,037)           |
| 14,672        | 8,616             | 6,056                             | 76                                | (5)               |
| 486,104       | 404,162           | 81,942                            | 98                                | (21,627)          |
| 14,330        | 5,216             | 9,114                             | 64                                | 412               |
| 39,596        | 23,987            | 15,609                            | 82                                | (325)             |
| 948,911       | 670,223           | 278,688                           | 68                                | 56,454            |
| 3,398         | 383               | 3,015                             | 0                                 | 4                 |
| 914           | 479               | 435                               | 56                                | (54)              |
| 458,315       | 395,400           | 62,915                            | 94                                | 2,591             |
| 5,334         | 76                | 5,258                             | n.a.                              | (77)              |
| 21,767        | 9,091             | 12,676                            | 78                                | 728               |
| 15,577        | 2,444             | 13,133                            | 85                                | 62                |
| 8,817         | 3,366             | 5,451                             | 75                                | 241               |
| 30,452        | 30,352            | 100                               | n.a.                              | 0                 |
| 23,826        | 3,371             | 20,455                            | 83                                | 1,042             |



# PROPERTY AND CASUALTY COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

Note

### ONTARIO cont.

|   |                                             |           |           |
|---|---------------------------------------------|-----------|-----------|
| 3 | Wabisa Mutual Insurance Company             | 3,403     | 2,426     |
|   | West Elgin Mutual Insurance Company         | 8,699     | 4,594     |
|   | West Wawanosh Mutual Insurance Company, The | 15,323    | 13,861    |
|   | Westminster Mutual Insurance Company, The   | 3,441     | 2,628     |
|   | Yarmouth Mutual Fire Insurance Company, The | 2,333     | 1,501     |
|   | York Fire & Casualty Insurance Company      | 43,970    | 37,710    |
|   |                                             | 1,543,504 | 1,184,149 |

### EXTRA PROVINCIAL

|  |                                                     |         |         |
|--|-----------------------------------------------------|---------|---------|
|  | Alberta Motor Association Insurance Company's       | 0       | 0       |
|  | Belair Insurance Company Inc.                       | 115,572 | 123,820 |
|  | Canadian Union Insurance Company, The               | 2,289   | 3,047   |
|  | Canassurance, Compagnie d'Assurances G7n7rales Inc. | 76      | (234)   |
|  | La Sécurité, assurances générales inc.              | 34      | 34      |
|  | La Mutuelle d'Eglise de L'Inter-Ouest               | 34      | 6       |
|  | SGI CANADA Insurance Services Ltd.                  | 216     | 203     |
|  | Trans Global Insurance Comany                       | 3,234   | 23      |
|  |                                                     | 121,455 | 126,899 |

### FEDERAL

|   |                                                        |         |         |
|---|--------------------------------------------------------|---------|---------|
|   | Allianz Insurance Company of Canada                    | 277,479 | 187,161 |
|   | Allstate Insurance Company of Canada                   | 310,473 | 273,143 |
| 4 | Alta Surety Company                                    | 0       | 0       |
|   | AXA Insurance (Canada)                                 | 213,041 | 153,790 |
|   | AXA Pacific Insurance Company                          | 11,624  | 17,956  |
|   | Boiler Inspection and Insurance Company of Canada, The | 13,574  | 7,983   |
|   | Canada Life Casualty Insurance Company                 | 94,321  | 76,054  |
| 5 | Certas Direct Insurance Company                        | 0       | 0       |
|   | CGU Insurance Company of Canada                        | 446,883 | 448,349 |
|   | Cheiftain Insurance Company                            | 3,312   | 2,753   |
|   | Chubb Insurance Company of Canada                      | 199,338 | 158,971 |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
| 8,818         | 4,716             | 4,102                             | 65                                | 153               |
| 21,178        | 10,965            | 10,213                            | 57                                | 772               |
| 29,751        | 20,372            | 9,379                             | 92                                | (1,210)           |
| 7,340         | 4,656             | 2,684                             | 63                                | 622               |
| 10,125        | 2,103             | 8,022                             | 96                                | (121)             |
| 93,134        | 78,228            | 14,906                            | 111                               | 356               |
| 5,086,629     | 3,815,485         | 1,271,144                         |                                   | 50,790            |
| 297,220       | 213,502           | 83,718                            | 89                                | 4,178             |
| 544,689       | 443,252           | 101,437                           | 74                                | 4,724             |
| 201,069       | 159,410           | 41,659                            | 68                                | 4,415             |
| 7,555         | 1,446             | 6,109                             | 33                                | 289               |
| 153,022       | 102,030           | 50,992                            | 72                                | 7,823             |
| 4,058         | 245               | 3,813                             | 88                                | 154               |
| 33,377        | 8,693             | 24,684                            | 75                                | 294               |
| 8,770         | 1,396             | 7,374                             | 1                                 | 3,848             |
| 1,249,760     | 929,974           | 319,786                           |                                   | 25,725            |
| 1,460,530     | 1,203,622         | 256,908                           | 91                                | (42,854)          |
| 1,218,326     | 931,416           | 286,910                           | 83                                | 4,715             |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 576,965       | 480,996           | 95,969                            | 82                                | (4,848)           |
| 462,343       | 357,988           | 104,355                           | 69                                | 3,144             |
| 132,290       | 91,920            | 40,370                            | 33                                | 10,376            |
| 344,632       | 285,513           | 59,119                            | 86                                | 3,265             |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 3,050,252     | 2,499,925         | 550,327                           | 85                                | (25,624)          |
| 11,751        | 2,339             | 9,412                             | 90                                | (718)             |
| 970,686       | 761,009           | 209,677                           | 69                                | 11,729            |



# PROPERTY AND CASUALTY COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

Note

### FEDERAL cont.

|                                                   |         |         |
|---------------------------------------------------|---------|---------|
| CIGNA Insurance Company of Canada                 | 80,799  | 39,877  |
| Citadel General Assurance Company, The            | 105,668 | 81,153  |
| Commerce Group Insurance Company, The             | 0       | 0       |
| Commonwealth Insurance Company                    | 16,915  | (124)   |
| Constitution Insurance Company of Canada          | 0       | 390     |
| Co-Operators General Insurance Company            | 528,627 | 424,238 |
| Coseco Insurance Company                          | 80,413  | 80,341  |
| TD General Insurance Company                      | 33,857  | 44,632  |
| CUMIS General Insurance Company                   | 27,761  | 17,593  |
| Dominion of Canada General Insurance Company, The | 453,282 | 341,407 |
| Echelon General Insurance Company                 | 28,079  | 31,470  |
| Economical Mutual Insurance Company               | 502,361 | 391,261 |
| Elite Insurance Company                           | 34,136  | 14,787  |
| Everest Insurance Company of Canada               | 883     | 169     |
| Federated Insurance Company of Canada             | 28,446  | 25,682  |
| Federation Insurance Company of Canada            | 82,276  | 64,324  |
| First North American Insurance Company            | 4,392   | 1,666   |
| GE Capital Casualty Company, Canada               | 0       | 0       |
| GE Capital Mortgage Insurance Company (Canada)    | 126,050 | 7,980   |
| Gold Circle Insurance Company                     | 0       | 0       |
| Gore Mutual Insurance Company                     | 94,657  | 81,575  |
| Grain Insurance and Guarantee Company             | 4,536   | 2,220   |
| Granite Insurance Company                         | 0       | (123)   |
| Guarantee Company of North America, The           | 137,675 | 100,426 |
| Halifax Insurance Company, The                    | 479,444 | 377,525 |
| ING Novex Insurance Company of Canada             | 17,776  | 15,123  |
| ING Wellington Insurance Company                  | 93,604  | 56,662  |
| ING Western Union Insurance Company               | 405     | 1,293   |
| Jevco Insurance Company                           | 5,830   | 4,396   |
| 6 Langdon Insurance Company                       | 27,367  | 17,856  |
| Legacy General Insurance Company                  | 8,753   | 1,062   |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
|               |                   |                                   |                                   |                   |
| 524,417       | 448,250           | 76,167                            | 111                               | (9,997)           |
| 537,478       | 416,765           | 120,713                           | 81                                | (580)             |
| 1,214,638     | 971,077           | 243,561                           | 74                                | 20,434            |
| 892,328       | 730,500           | 161,828                           | 106                               | 2,517             |
| 5,084         | 2,233             | 2,851                             | n.a.                              | 18                |
| 2,606,297     | 1,966,203         | 640,094                           | 90                                | (10,798)          |
| 293,705       | 258,809           | 34,896                            | 84                                | (402)             |
| 112,239       | 91,777            | 20,462                            | 90                                | (688)             |
| 95,666        | 80,330            | 15,336                            | 78                                | (779)             |
| 1,424,673     | 1,052,043         | 372,630                           | 75                                | 36,453            |
| 148,289       | 126,431           | 21,858                            | 104                               | 175               |
| 2,076,101     | 1,420,980         | 655,121                           | 83                                | 3,593             |
| 176,190       | 128,596           | 47,594                            | 69                                | 4,361             |
| 18,889        | 5,096             | 13,793                            | 101                               | 3,117             |
| 176,401       | 142,430           | 33,971                            | 77                                | 3,653             |
| 311,523       | 259,730           | 51,793                            | 76                                | 27                |
| 64,295        | 22,334            | 41,961                            | 13                                | 818               |
| 12,919        | 485               | 12,434                            | n.a.                              | 237               |
| 942,988       | 569,119           | 373,869                           | 29                                | 60,583            |
| 4,082         | 29                | 4,053                             | n.a.                              | 68                |
| 261,759       | 173,763           | 87,996                            | 76                                | 1,114             |
| 41,321        | 27,510            | 13,811                            | 52                                | 1,112             |
| 5,412         | 1,407             | 4,005                             | n.a.                              | 1,281             |
| 679,444       | 319,783           | 359,661                           | 75                                | 27,422            |
| 2,053,486     | 1,791,325         | 262,161                           | 74                                | 27,635            |
| 174,560       | 156,998           | 17,562                            | 74                                | 1,171             |
| 577,001       | 462,638           | 114,363                           | 74                                | 19,271            |
| 972,183       | 862,222           | 109,961                           | 74                                | 16,741            |
| 222,029       | 169,169           | 52,860                            | 65                                | 8,476             |
| 66,957        | 48,039            | 18,918                            | 75                                | 479               |
| 25,533        | 2,663             | 22,870                            | 14                                | 3,318             |



# PROPERTY AND CASUALTY COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

Note

### FEDERAL cont.

|                                                      |         |         |
|------------------------------------------------------|---------|---------|
| Liberty Insurance Company of Canada                  | 56,166  | 78,857  |
| Lombard General Insurance Company of Canada          | 196,347 | 111,456 |
| Lombard Insurance Company                            | 93,728  | 90,390  |
| London and Midland General Insurance Company         | 17,857  | 5,904   |
| London Guarantee Insurance Company                   | 67,502  | 61,978  |
| Markel Insurance Company of Canada                   | 54,007  | 34,441  |
| Missisquoi Insurance Company, The                    | 8       | (2,475) |
| Mortgage Insurance Company of Canada, The            | 0       | (397)   |
| Nordic Insurance Company of Canada, The              | (1,483) | (6,871) |
| North Waterloo Farmers Mutual Insurance Company, The | 20,245  | 14,644  |
| Northern Indemnity, Inc.                             | 7,890   | (341)   |
| Old Republic Insurance Company of Canada             | 31,236  | 58,689  |
| Peopleplus Insurance Company                         | 48,900  | 40,819  |
| Personal Insurance Company of Canada, The            | 123,968 | 82,423  |
| Perth Insurance Company                              | 31,765  | 18,678  |
| Portage La Prairie Mutual Insurance Company, The     | 8,831   | 8,670   |
| Quebec Assurance Company                             | 2       | 0       |
| RBC General Insurance Company                        | 63,622  | 50,673  |
| RBC Travel Insurance Company                         | 73,282  | 31,031  |
| Royal Insurance Company of Canada                    | 580,207 | 449,457 |
| Scotia General Insurance Company                     | 0       | 0       |
| Security National Insurance Company                  | 198,559 | 145,017 |
| Sovereign General Insurance Company, The             | 37,408  | 20,088  |
| TD Direct Insurance Inc.                             | 0       | 0       |
| Temple Insurance Company                             | 36,487  | 25,834  |
| Traders General Insurance Company                    | 201,329 | 192,959 |
| Trafalgar Insurance Company of Canada                | 98,002  | 90,315  |
| Travelers Casualty & Surety Company of Canada        | 18,300  | 17,768  |
| Unifund Assurance Company                            | 103,423 | 61,204  |
| Waterloo Insurance Company                           | 25,706  | 17,246  |
| Wawanesa Mutual Insurance Company, The               | 233,560 | 211,837 |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
|               |                   |                                   |                                   |                   |
| 254,054       | 200,410           | 53,644                            | 98                                | (9,388)           |
| 803,441       | 679,122           | 124,319                           | 78                                | (29,449)          |
| 321,479       | 277,130           | 44,349                            | 93                                | (16,416)          |
| 153,789       | 89,619            | 64,170                            | 32                                | 20,072            |
| 326,437       | 278,951           | 47,486                            | 66                                | 2,004             |
| 252,638       | 207,740           | 44,898                            | 71                                | 4,406             |
| 188,868       | 142,035           | 46,833                            | 65                                | 3,794             |
| 391,515       | 42,847            | 348,668                           | 1                                 | 13,072            |
| 1,064,953     | 818,856           | 246,097                           | 74                                | 25,640            |
| 43,136        | 23,695            | 19,441                            | 74                                | (278)             |
| 79,208        | 24,159            | 55,049                            | 0                                 | 5,455             |
| 149,814       | 114,476           | 35,338                            | 148                               | (5,499)           |
| 116,423       | 30,474            | 85,949                            | 78                                | (1,530)           |
| 473,800       | 366,123           | 107,677                           | 75                                | (7,451)           |
| 85,163        | 64,456            | 20,707                            | 77                                | 1,389             |
| 146,678       | 101,322           | 45,356                            | 78                                | (1,196)           |
| 435,254       | 340,054           | 95,200                            | 80                                | 10,198            |
| 172,805       | 78,472            | 94,333                            | 90                                | (9,053)           |
| 149,460       | 80,465            | 68,995                            | 30                                | 6,751             |
| 3,235,934     | 2,625,600         | 610,334                           | 80                                | 38,467            |
| 35,235        | 28                | 35,207                            | n.a.                              | 4,520             |
| 724,812       | 636,371           | 88,441                            | 79                                | 2,968             |
| 272,002       | 225,799           | 46,203                            | 65                                | (1,183)           |
| 11,669        | 47                | 11,622                            | n.a.                              | 290               |
| 305,149       | 192,104           | 113,045                           | 72                                | 6,675             |
| 837,842       | 642,986           | 194,856                           | 83                                | 5,826             |
| 234,073       | 199,677           | 34,396                            | 94                                | (9,965)           |
| 112,865       | 71,758            | 41,107                            | 46                                | 4,803             |
| 295,889       | 223,645           | 72,244                            | 73                                | 6,675             |
| 75,483        | 43,583            | 31,900                            | 80                                | 891               |
| 2,574,526     | 1,438,972         | 1,135,554                         | 83                                | 31,049            |



# PROPERTY AND CASUALTY COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

Note

### FEDERAL cont.

|                           |           |           |
|---------------------------|-----------|-----------|
| Western Assurance Company | 109,638   | 71,178    |
| Western Surety Company    | 698       | (155)     |
| Zenith Insurance Company  | 24,552    | 19,025    |
|                           | 7,135,779 | 5,551,363 |

### BRANCH

|                                                        |         |         |
|--------------------------------------------------------|---------|---------|
| Aegon Insurance Company (U.K.) Limited                 | 0       | (148)   |
| Affiliated FM Insurance Company                        | 8,650   | 2,150   |
| Allendale Mutual Insurance Company                     | 44,688  | 17,258  |
| Allstate Insurance Company                             | 0       | 0       |
| American Bankers Insurance Company of Florida          | 68,249  | 14,063  |
| American Credit Indemnity Company                      | 13,659  | 9,178   |
| American Home Assurance Company                        | 173,807 | 114,089 |
| American Re-Insurance Company                          | 1,436   | 899     |
| American Road Insurance Company, The                   | 2,785   | 3,553   |
| Ascentus Insurance Ltd.                                | 584     | 40      |
| Avemco Insurance Company                               | 1,525   | 1,785   |
| Aviation & General Insurance Company Limited           | 0       | (29)    |
| AXA Corporate Solutions Assurance                      | 2,044   | 407     |
| Balboa Insurance Company                               | 0       | 0       |
| British Aviation Insurance Company Limited, The        | 307     | 435     |
| Centennial Insurance Company                           | 994     | 1,452   |
| Chicago Title Insurance Company                        | 755     | 373     |
| Commercial Union Assurance Company PLC                 | 10,664  | 4,712   |
| Continental Casualty Company                           | 40,583  | 24,988  |
| 7 Continental Insurance Company, The                   | 0       | 0       |
| 8 Daimler-Chrysler Insurance Company                   | 2,042   | 1,898   |
| Eagle Star Insurance Company Limited                   | 1,920   | (495)   |
| Ecclesiastical Insurance Office Public Limited Company | 23,589  | 23,342  |
| Employers Insurance of Wausau, A Mutual Company        | (83)    | 547     |
| Employers Reinsurance Corporation                      | 59,967  | 11,178  |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
| 259,838       | 238,584           | 21,254                            | 80                                | 219               |
| 18,661        | 9,890             | 8,771                             | (1)                               | 1,076             |
| 74,796        | 53,021            | 21,775                            | 91                                | (3,555)           |
| 39,623,351    | 29,885,933        | 9,737,418                         |                                   | 281,292           |
| 2,999         | 1,102             | 1,897                             | n.a.                              | (94)              |
| 58,496        | 36,794            | 21,702                            | 48                                | 2,043             |
| 340,432       | 191,171           | 149,261                           | 66                                | 6,458             |
| 17,768        | 3,633             | 14,135                            | 7                                 | 2,706             |
| 162,261       | 96,067            | 66,194                            | 23                                | 4,495             |
| 73,449        | 41,373            | 32,076                            | 61                                | (626)             |
| 1,510,444     | 1,175,562         | 334,882                           | 88                                | 16,448            |
| 373,497       | 163,943           | 209,554                           | 96                                | 13,079            |
| 38,499        | 3,002             | 35,497                            | 143                               | (482)             |
| 14,221        | 1,450             | 12,771                            | 45                                | 271               |
| 14,528        | 6,674             | 7,854                             | 101                               | 246               |
| 3,191         | 471               | 2,720                             | n.a.                              | 264               |
| 148,789       | 103,892           | 44,897                            | 88                                | 862               |
| 7,557         | 113               | 7,444                             | n.a.                              | 1,124             |
| 22,652        | 12,851            | 9,801                             | 49                                | 1,249             |
| 9,845         | 6,383             | 3,462                             | 128                               | (1,367)           |
| 4,768         | 2,281             | 2,487                             | 72                                | (318)             |
| 114,473       | 64,031            | 50,442                            | 49                                | 4,726             |
| 587,741       | 342,488           | 245,253                           | 78                                | 20,440            |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 31,993        | 2,567             | 29,426                            | 92                                | 1,729             |
| 35,388        | 19,930            | 15,458                            | 126                               | (3,213)           |
| 119,836       | 84,779            | 35,057                            | 83                                | (110)             |
| 97,624        | 17,377            | 80,247                            | 138                               | 5,543             |
| 613,384       | 366,485           | 246,899                           | 90                                | (9,183)           |



# PROPERTY AND CASUALTY COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

Note

BRANCH cont.

|    |                                                  |         |          |
|----|--------------------------------------------------|---------|----------|
|    | Federal Insurance Company                        | 1,980   | 706      |
|    | First American Title Insurance Company           | 21,955  | 2,741    |
| 9  | General Insurance Company of America             | 0       | 0        |
|    | General Reinsurance Corporation                  | 0       | 0        |
|    | Great American Insurance Company                 | 15,518  | 4,242    |
| 10 | Great American Insurance Company of New York     | 601     | 424      |
|    | Hanover Insurance Company, The                   | 0       | (57)     |
|    | Hartford Fire Insurance Company, The             | 8,313   | 10,381   |
|    | Home Insurance Company, The                      | 0       | 1,324    |
|    | ICAROM Public Limited Company                    | 0       | (10)     |
|    | Lawyers Title Insurance Corporation              | 1,269   | 500      |
|    | Liberty Mutual Fire Insurance Company            | 2,702   | 3,884    |
|    | Liberty Mutual Insurance Company                 | 521,779 | 457,718  |
|    | Lloyd's Underwriters                             | 256,119 | 108,454  |
|    | Lumbermens Mutual Casualty Company               | 34,161  | (30,560) |
|    | Maritime Insurance Company Limited               | 8,815   | 5,754    |
|    | Maryland Casualty Company                        | 0       | 0        |
|    | Mitsui Marine and Fire Insurance Company Limited | 4,877   | 2,813    |
|    | Motors Insurance Corporation                     | 191,190 | 81,563   |
|    | NAC Reinsurance Corporation                      | 21      | 1,140    |
|    | New Hampshire Insurance Company                  | 573     | (790)    |
| 7  | Niagara Fire Insurance Company                   | 0       | 0        |
| 11 | Nipponkoa Insurance Company Limited              | 352     | 101      |
|    | Pearl Assurance Public Limited Company           | 0       | 0        |
|    | Phoenix Insurance Company, The                   | 0       | 0        |
|    | Progressive Casualty Insurance Company           | (172)   | 5,336    |
|    | Protective Insurance Company                     | 171     | 311      |
|    | Providence Washington Insurance Company          | 757     | 619      |
| 12 | Reliance Insurance Company                       | 0       | 0        |
| 13 | SAFECO Insurance Company of America              | 0       | 0        |
|    | Security Insurance Company of Hartford           | 6,773   | 1,891    |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
|               |                   |                                   |                                   |                   |
| 21,355        | 7,032             | 14,323                            | 25                                | 1,118             |
| 21,949        | 7,185             | 14,764                            | 13                                | 2,427             |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 541,519       | 449,028           | 92,491                            | 155                               | (45,335)          |
| 85,686        | 54,158            | 31,528                            | 132                               | (1,800)           |
| 6,611         | 4,208             | 2,403                             | 77                                | 110               |
| 3,074         | 75                | 2,999                             | n.a.                              | 88                |
| 249,093       | 90,518            | 158,575                           | 84                                | 11,046            |
| 52,896        | 13,716            | 39,180                            | n.a.                              | 503               |
| 3,840         | 435               | 3,405                             | n.a.                              | 78                |
| 3,480         | 1,868             | 1,612                             | 43                                | (383)             |
| 72,965        | 14,968            | 57,997                            | 146                               | 6,569             |
| 1,515,563     | 1,013,789         | 501,774                           | 89                                | 31,155            |
| 1,428,189     | 1,319,013         | 109,176                           | 82                                | (29,464)          |
| 214,356       | 26,937            | 187,419                           | 94                                | (2,297)           |
| 34,550        | 22,415            | 12,135                            | 57                                | 2,407             |
| 2,183         | 142               | 2,041                             | n.a.                              | 151               |
| 45,606        | 27,955            | 17,651                            | 85                                | (632)             |
| 450,578       | 328,907           | 121,671                           | 81                                | 17,926            |
| 72,465        | 54,032            | 18,433                            | 94                                | (1,356)           |
| 99,078        | 48,258            | 50,820                            | 24                                | 4,475             |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 22,519        | 7,851             | 14,668                            | 216                               | (327)             |
| 1,683         | 25                | 1,658                             | n.a.                              | (77)              |
| 3,688         | 3                 | 3,685                             | n.a.                              | 134               |
| 95,814        | 61,059            | 34,755                            | (560)                             | (1,229)           |
| 8,109         | 911               | 7,198                             | 180                               | (26)              |
| 18,161        | 10,225            | 7,936                             | 45                                | 1,124             |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 119,936       | 78,568            | 41,368                            | 102                               | 3,586             |



# PROPERTY AND CASUALTY COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

Note

BRANCH cont.

|    |                                                        |                   |                  |
|----|--------------------------------------------------------|-------------------|------------------|
|    | Sentry Insurance, A Mutual Company                     | 741               | 737              |
|    | Skandia Insurance Company Ltd.                         | 0                 | (75)             |
| 17 | Specialty National Insurance Company                   | 0                 | 108              |
|    | St. Paul Fire and Marine Insurance Company             | 72,994            | 73,341           |
|    | State Farm Fire and Casualty Company                   | 203,726           | 171,116          |
|    | State Farm Mutual Automobile Insurance Company         | 578,415           | 601,057          |
|    | Stewart Title Guaranty Company                         | 22,414            | 2,352            |
|    | TIG Insurance Company                                  | 9,270             | 9,636            |
|    | Tokio Marine and Fire Insurance Company Limited, The   | 8,905             | 8,857            |
|    | Trade Indemnity PLC                                    | 0                 | 0                |
|    | Travelers Indemnity Company, The                       | 54                | 620              |
|    | UAP - New Rotterdam Insurance Company NV               | 0                 | (90)             |
|    | Underwriters Reinsurance Company                       | 0                 | 0                |
|    | Utica Mutual Insurance Company                         | 161               | 68               |
|    | Virginia Surety Company, Inc.                          | 1,091             | 6,552            |
|    | Yasuda Fire and Marine Insurance Company, Limited, The | 1,371             | 680              |
|    | Zurich Insurance Company                               | 531,597           | 318,818          |
|    |                                                        | 2,966,658         | 2,083,937        |
|    | <b>Totals</b>                                          | <b>11,767,396</b> | <b>8,946,348</b> |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
| 19,782        | 3,547             | 16,235                            | 168                               | 436               |
| 23,758        | 1,023             | 22,735                            | n.a.                              | 1,335             |
| 7,397         | 710               | 6,687                             | n.a.                              | 266               |
| 691,569       | 448,340           | 243,229                           | 96                                | 2,222             |
| 439,924       | 318,293           | 121,631                           | 90                                | (53,747)          |
| 1,828,835     | 1,316,528         | 512,307                           | 109                               | (112,208)         |
| 16,644        | 5,316             | 11,328                            | 10                                | 3,697             |
| 60,821        | 42,511            | 18,310                            | 107                               | (4,796)           |
| 44,621        | 20,110            | 24,511                            | 80                                | (135)             |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 117,397       | 53,046            | 64,351                            | n.a.                              | 8,833             |
| 8,273         | 2,850             | 5,423                             | n.a.                              | 742               |
| 20,750        | 10,472            | 10,278                            | 110                               | 343               |
| 24,381        | 4,212             | 20,169                            | 42                                | 1,183             |
| 62,358        | 21,016            | 41,342                            | 94                                | 2,496             |
| 23,033        | 4,574             | 18,459                            | 84                                | 527               |
| 1,566,356     | 998,490           | 567,866                           | 73                                | 61,182            |
| 14,554,680    | 9,638,738         | 4,915,942                         |                                   | (21,363)          |
| 60,514,420    | 44,270,130        | 16,244,290                        |                                   | 336,444           |



# LIFE INSURANCE COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Benefits and  
payments to  
policyholders  
\$

Note

### ONTARIO

|                                       |        |        |
|---------------------------------------|--------|--------|
| CT Financial Assurance Company        | 67,377 | 14,539 |
| Gerling Global Life Insurance Company | 0      | (168)  |
| Ingle Life & Health Assurance Co.     | 23,908 | 7,673  |
| Security Life Insurance Company       | 0      | 23,866 |
| Union du Canada Assurance-vie         | 967    | 703    |
|                                       | 92,252 | 46,613 |

### EXTRA PROVINCIAL

|                                                      |         |         |
|------------------------------------------------------|---------|---------|
| Acadia Life                                          | 0       | 0       |
| Aegis Insurance Corporation                          | 10      | 0       |
| Assomption Compagnie d'Assurance-vie                 | 1,706   | 662     |
| AXA Assurance Inc.                                   | 675     | 260     |
| Canassurance Life Insurance Company Inc.             | 36,257  | 30,518  |
| 15 Desjardins-Laurentian Life Assurance Company Inc. | 279,520 | 305,748 |
| First Canadian Insurance Corporation                 | 13,870  | 1,985   |
| Industrial-Alliance Life Insurance Company           | 188,089 | 126,978 |
| National Bank Life Insurance Company                 | 7,435   | 2,182   |
| SSQ, Societe d'Assurance-vie Inc.                    | 9,051   | 3,984   |
| Trans Global Life Insurance Company                  | 605     | 182     |
|                                                      | 537,218 | 472,499 |

### FEDERAL

|                                              |           |           |
|----------------------------------------------|-----------|-----------|
| 16 AIG Assurance Canada                      | 57,446    | 40,167    |
| AIG Life Insurance Company of Canada         | 102,892   | 28,044    |
| Allstate Life Insurance Company of Canada    | 0         | 0         |
| Blue Cross Life Insurance Company of Canada  | 3,278     | 3,217     |
| Canada Life Assurance Company, The           | 1,502,645 | 1,222,968 |
| Canadian Premier Life Insurance Company      | 49,610    | 9,181     |
| 17 Chrysler Life Insurance Company of Canada | 0         | 0         |
| CIBC Life Insurance Company Limited          | 12,827    | 2,101     |
| CIGNA Life Insurance Company of Canada       | 30,347    | 11,526    |



**TOTAL COMPANY**

| <b>Total<br/>assets</b> | <b>Total<br/>liabilities</b> | <b>Excess of<br/>assets over<br/>liabilities</b> | <b>Net<br/>profit/<br/>(loss)</b> |
|-------------------------|------------------------------|--------------------------------------------------|-----------------------------------|
| <b>\$</b>               | <b>\$</b>                    | <b>\$</b>                                        | <b>\$</b>                         |
|                         |                              |                                                  |                                   |
| 32,121                  | 15,245                       | 16,876                                           | 617                               |
| 113,320                 | 43,843                       | 69,477                                           | 663                               |
| 9,010                   | 8,677                        | 333                                              | (6,933)                           |
| 258,064                 | 249,592                      | 8,472                                            | 1,605                             |
| 62,318                  | 51,794                       | 10,524                                           | 352                               |
| 474,833                 | 369,151                      | 105,682                                          | (3,696)                           |
|                         |                              |                                                  |                                   |
| 43,415                  | 30,049                       | 13,366                                           | 999                               |
| 18,699                  | 11,364                       | 7,335                                            | 2,161                             |
| 424,714                 | 383,366                      | 41,348                                           | 3,586                             |
| 942,052                 | 622,283                      | 319,769                                          | 35,122                            |
| 88,930                  | 64,446                       | 24,484                                           | 1,350                             |
| 8,782,193               | 7,456,363                    | 1,325,830                                        | 91,495                            |
| 98,971                  | 68,439                       | 30,532                                           | 5,072                             |
| 5,884,597               | 4,723,253                    | 1,161,344                                        | 107,597                           |
| 109,711                 | 74,802                       | 34,909                                           | 8,033                             |
| 1,205,829               | 1,054,341                    | 151,488                                          | 13,633                            |
| 7,326                   | 762                          | 6,564                                            | 646                               |
| 17,606,437              | 14,489,468                   | 3,116,969                                        | 269,694                           |
|                         |                              |                                                  |                                   |
| 509,600                 | 461,498                      | 48,102                                           | 3,127                             |
| 519,762                 | 432,611                      | 87,151                                           | 3,005                             |
| 3,363                   | 325                          | 3,038                                            | 633                               |
| 112,836                 | 84,256                       | 28,580                                           | 2,877                             |
| 23,853,943              | 20,442,882                   | 3,411,061                                        | 341,612                           |
| 69,937                  | 20,212                       | 49,725                                           | 2,135                             |
| 0                       | 0                            | 0                                                | 0                                 |
| 46,360                  | 14,153                       | 32,207                                           | 4,967                             |
| 74,150                  | 63,930                       | 10,220                                           | 1,132                             |



# LIFE INSURANCE COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Benefits and  
payments to  
policyholders  
\$

Note

### FEDERAL cont.

|    |                                                       |           |           |
|----|-------------------------------------------------------|-----------|-----------|
|    | Clarica Life Insurance Company                        | 1,363,165 | 1,336,701 |
|    | CNA Life Insurance Company of Canada                  | 13,746    | 7,245     |
|    | Co-Operators Life Insurance Company                   | 193,082   | 123,260   |
|    | Commercial Union Life Assurance Company of Canada     | 51,545    | 28,911    |
|    | CompCorp Life Insurance Company                       | 0         | 0         |
|    | Concordia Life Insurance Company                      | 25,869    | 19,097    |
| 18 | Confederation Life Insurance Company                  | 0         | 0         |
|    | Crown Life Insurance Company                          | 0         | 0         |
|    | CUMIS Life Insurance Company                          | 62,054    | 32,231    |
|    | Empire Life Insurance Company, The                    | 187,080   | 180,697   |
|    | Equitable Life Insurance Company of Canada, The       | 177,310   | 138,198   |
|    | Federated Life Insurance Company of Canada            | 8,556     | 6,774     |
|    | Great-West Life Assurance Company, The                | 1,198,276 | 1,165,989 |
|    | Industrial-Alliance Pacific Life Insurance Company    | 54,426    | 27,242    |
|    | London Life Insurance Company                         | 974,795   | 726,682   |
|    | Manufacturers Life Insurance Company, The             | 1,591,461 | 1,527,479 |
|    | Maritime Life Assurance Company, The                  | 794,971   | 609,167   |
|    | MD Life Insurance Company                             | 1,754     | 8         |
|    | National Life Assurance Company of Canada, The        | 195,835   | 248,677   |
|    | Penncorp Life Insurance Company                       | 17,867    | 5,194     |
|    | Primerica Life Insurance Company of Canada            | 62,895    | 14,360    |
|    | RBC Life Insurance Company                            | 153,327   | 64,786    |
|    | Reliable Life Insurance Company                       | 23,917    | 12,059    |
|    | Royal & Sun Alliance Life Insurance Company of Canada | 80,584    | 59,824    |
|    | Scotia Life Insurance Company                         | 5,309     | 1,552     |
|    | Standard Life Assurance Company of Canada, The        | 422       | 1,727     |
|    | Sun Life Assurance Company of Canada                  | 1,124,314 | 1,017,360 |
| 19 | TD Life Insurance Company                             | 6,209     | 1,673     |
| 20 | Toronto Mutual Life Insurance Company                 | 12,653    | 5,628     |
| 21 | Transamerica Life Canada                              | 276,849   | 162,879   |
|    | Wawanesa Life Insurance Company, The                  | 11,120    | 8,218     |



**TOTAL COMPANY**

| <b>Total<br/>assets</b> | <b>Total<br/>liabilities</b> | <b>Excess of<br/>assets over<br/>liabilities</b> | <b>Net<br/>profit/<br/>(loss)</b> |
|-------------------------|------------------------------|--------------------------------------------------|-----------------------------------|
| <b>\$</b>               | <b>\$</b>                    | <b>\$</b>                                        | <b>\$</b>                         |
| 27,457,139              | 24,278,973                   | 3,178,166                                        | 418,237                           |
| 33,163                  | (10,075)                     | 43,238                                           | 5,939                             |
| 1,579,570               | 1,315,041                    | 264,529                                          | 33,418                            |
| 929,096                 | 814,949                      | 114,147                                          | 13,713                            |
| 10,112                  | 112                          | 10,000                                           | 382                               |
| 701,763                 | 643,240                      | 58,523                                           | (13,007)                          |
| 0                       | 0                            | 0                                                | 0                                 |
| 1,122,862               | 740,179                      | 382,683                                          | 43,862                            |
| 502,945                 | 433,022                      | 69,923                                           | 10,193                            |
| 1,773,144               | 1,384,035                    | 389,109                                          | 28,309                            |
| 820,626                 | 702,473                      | 118,153                                          | 14,646                            |
| 46,396                  | 33,951                       | 12,445                                           | 1,688                             |
| 11,053,134              | 8,573,928                    | 2,479,206                                        | 301,326                           |
| 1,733,991               | 1,508,465                    | 225,526                                          | 26,017                            |
| 17,543,686              | 16,034,127                   | 1,509,559                                        | 169,934                           |
| 34,659,629              | 26,374,539                   | 8,285,090                                        | 1,152,045                         |
| 7,358,219               | 6,353,106                    | 1,005,113                                        | 124,113                           |
| 60,640                  | 41,802                       | 18,838                                           | 838                               |
| 1,757,437               | 1,493,643                    | 263,794                                          | 23,961                            |
| 82,004                  | 49,690                       | 32,314                                           | 1,893                             |
| 201,216                 | (17,455)                     | 218,671                                          | 35,981                            |
| 1,303,605               | 1,071,297                    | 232,308                                          | 17,527                            |
| 46,532                  | 31,067                       | 15,465                                           | 1,598                             |
| 1,284,132               | 987,789                      | 296,343                                          | 7,244                             |
| 34,845                  | (5,084)                      | 39,929                                           | 4,446                             |
| 123,072                 | 115,190                      | 7,882                                            | 1,094                             |
| 37,513,188              | 29,991,409                   | 7,521,779                                        | 920,668                           |
| 20,624                  | (653)                        | 21,277                                           | 911                               |
| 137,135                 | 113,288                      | 23,847                                           | 1,422                             |
| 2,997,423               | 2,243,227                    | 754,196                                          | 63,606                            |
| 334,260                 | 283,709                      | 50,551                                           | 5,086                             |



# LIFE INSURANCE COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Benefits and  
payments to  
policyholders  
\$

Note

### FEDERAL cont.

|    |                                         |            |           |
|----|-----------------------------------------|------------|-----------|
| 20 | Western Life Assurance Company, The     | 0          | 0         |
|    | Zurich Life Insurance Company of Canada | 28,583     | (52,173)  |
|    |                                         | 10,399,573 | 8,758,482 |

### BRANCH

|    |                                                            |        |         |
|----|------------------------------------------------------------|--------|---------|
|    | Aetna Life Insurance Company                               | 1,915  | 2,200   |
|    | Allianz Life Insurance Company of North America            | 18,405 | 328,765 |
|    | Allstate Life Insurance Company                            | 0      | 0       |
|    | American Bankers Life Assurance Company of Florida         | 49,263 | 11,321  |
|    | American Income Life Insurance Company                     | 7,955  | 1,402   |
|    | AMEX Assurance Company                                     | 542    | 150     |
|    | Associates Financial Life Insurance Company                | 6,269  | 2,155   |
|    | Balboa Life Insurance Company                              | 0      | 0       |
|    | Bankers Life and Casualty Company                          | 1,928  | 2,051   |
|    | Combined Insurance Company of America                      | 32,852 | 11,739  |
|    | Connecticut General Life Insurance Company                 | 9,291  | 11,722  |
| 22 | Continental Assurance Company                              | 0      | 0       |
|    | Cuna Mutual Insurance Society                              | 241    | 526     |
|    | Equitable Life Assurance Society of The United States, The | 61     | 1,174   |
|    | First Allmerica Financial Life Insurance Company           | 35     | 32      |
|    | Ford Life Insurance Company                                | 0      | 0       |
|    | Forethought Life Insurance Company                         | 32,694 | 6,108   |
| 23 | Fortis Benefits Insurance Company                          | 13,206 | 3,812   |
|    | General American Life Insurance Company                    | (58)   | 0       |
|    | Gerber Life Insurance Company                              | 148    | 0       |
|    | Hartford Life Insurance Company                            | 134    | 676     |
|    | Household Life Insurance Company                           | 8,428  | 1,783   |
|    | John Alden Life Insurance Company                          | 0      | 13      |
|    | John Hancock Life Insurance Company                        | 48     | 620     |
|    | J.C. Penney Life Insurance Company                         | 53     | 20      |
|    | Liberty Life Assurance Company of Boston                   | 45,869 | 15,041  |



**TOTAL COMPANY**

| <b>Total<br/>assets</b> | <b>Total<br/>liabilities</b> | <b>Excess of<br/>assets over<br/>liabilities</b> | <b>Net<br/>profit/<br/>(loss)</b> |
|-------------------------|------------------------------|--------------------------------------------------|-----------------------------------|
| <b>\$</b>               | <b>\$</b>                    | <b>\$</b>                                        | <b>\$</b>                         |
| 0                       | 0                            | 0                                                | 0                                 |
| 801,305                 | 625,382                      | 175,923                                          | 46,576                            |
| 178,703,244             | 147,262,735                  | 31,440,509                                       | 3,820,027                         |
| 45,333                  | 18,755                       | 26,578                                           | 2,573                             |
| 132,083                 | 49,989                       | 82,094                                           | (9,177)                           |
| 2,695                   | 56                           | 2,639                                            | 129                               |
| 141,708                 | 80,739                       | 60,969                                           | 6,693                             |
| 74,661                  | 10,481                       | 64,180                                           | 9,945                             |
| 6,698                   | 620                          | 6,078                                            | 277                               |
| 78,829                  | 32,665                       | 46,164                                           | 7,009                             |
| 15,118                  | 83                           | 15,035                                           | 936                               |
| 4,322                   | 792                          | 3,530                                            | (372)                             |
| 403,189                 | 242,065                      | 161,124                                          | 29,904                            |
| 58,645                  | 43,529                       | 15,116                                           | (992)                             |
| 0                       | 0                            | 0                                                | 0                                 |
| 23,911                  | 17,784                       | 6,127                                            | (335)                             |
| 26,659                  | 13,093                       | 13,566                                           | 3,324                             |
| 3,355                   | 2,190                        | 1,165                                            | 144                               |
| 0                       | 0                            | 0                                                | 0                                 |
| 121,274                 | 101,217                      | 20,057                                           | 4,021                             |
| 195,151                 | 168,093                      | 27,058                                           | 925                               |
| 886,414                 | 579,395                      | 307,019                                          | (83,051)                          |
| 10,738                  | 40                           | 10,698                                           | (117)                             |
| 23,906                  | 18,560                       | 5,346                                            | 182                               |
| 71,685                  | 21,664                       | 50,021                                           | 8,466                             |
| 2,213                   | 1,228                        | 985                                              | (39)                              |
| 32,594                  | 8,480                        | 24,114                                           | (2,095)                           |
| 28,290                  | 3,436                        | 24,854                                           | 1,095                             |
| 63,684                  | 48,411                       | 15,273                                           | (373)                             |



# LIFE INSURANCE COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Benefits and  
payments to  
policyholders  
\$

Note

BRANCH cont.

|    |                                                                    |            |            |
|----|--------------------------------------------------------------------|------------|------------|
|    | Life Insurance Company of North America                            | 289        | 3,364      |
|    | Life Investors Insurance Company of America                        | 4,357      | 1,895      |
|    | Lincoln Heritage Life Insurance Company o/a Superior Life Ins. Co. | 509        | 79         |
|    | Lincoln National Life Insurance Company, The                       | 0          | 0          |
|    | Massachusetts Mutual Life Insurance Company                        | 40         | 347        |
|    | Metropolitan Life Insurance Company                                | 9,782      | 13,927     |
|    | MIC Life Insurance Corporation                                     | 0          | 0          |
|    | Minnesota Life Insurance Company                                   | 327        | 358        |
|    | Mutual of Omaha Insurance Company                                  | 0          | 0          |
|    | National Fidelity Life Insurance Company                           | 316        | 8          |
|    | New York Life Insurance Company                                    | 18,034     | 6,470      |
| 24 | Paul Revere Life Insurance Company, The                            | 0          | 0          |
|    | Pennsylvania Life Insurance Company                                | 3,125      | 1,613      |
|    | Phoenix Home Life Mutual Insurance Company                         | 0          | 0          |
|    | Principal Life Insurance Company                                   | 246        | 465        |
|    | Provident Life and Accident Insurance Company                      | 231,057    | 205,231    |
|    | Prudential Insurance Company of America, The                       | 9,276      | 11,427     |
|    | Royal Maccabees Life Insurance Company                             | 0          | 0          |
|    | Standard Life Assurance Company, The                               | 655,754    | 840,730    |
|    | State Farm Life Insurance Company                                  | 58,755     | 30,406     |
|    | Travelers Insurance Company, The                                   | 0          | 475        |
|    | Union Fidelity Life Insurance Company                              | 0          | 0          |
|    | United American Insurance Company                                  | 565        | 512        |
| 25 | UNUM Life Insurance Company of America                             | 0          | 0          |
|    |                                                                    | 1,221,711  | 1,518,617  |
|    | Totals                                                             | 12,308,200 | 10,836,378 |



**TOTAL COMPANY**

| <b>Total<br/>assets</b> | <b>Total<br/>liabilities</b> | <b>Excess of<br/>assets over<br/>liabilities</b> | <b>Net<br/>profit/<br/>(loss)</b> |
|-------------------------|------------------------------|--------------------------------------------------|-----------------------------------|
| <b>\$</b>               | <b>\$</b>                    | <b>\$</b>                                        | <b>\$</b>                         |
| 38,658                  | 19,390                       | 19,268                                           | (2,307)                           |
| 155,298                 | 92,408                       | 62,890                                           | 9,275                             |
| 10,759                  | 1,127                        | 9,632                                            | 506                               |
| 288,304                 | (7,977)                      | 296,281                                          | 73,678                            |
| 13,140                  | 5,264                        | 7,876                                            | 518                               |
| 1,567,480               | 545,240                      | 1,022,240                                        | 49,439                            |
| 3,548                   | 4                            | 3,544                                            | 108                               |
| 2,716                   | 119                          | 2,597                                            | 162                               |
| 1,217                   | 451                          | 766                                              | (338)                             |
| 5,005                   | 2,082                        | 2,923                                            | 91                                |
| 207,252                 | 79,572                       | 127,680                                          | 12,055                            |
| 0                       | 0                            | 0                                                | 0                                 |
| 172,798                 | 111,517                      | 61,281                                           | 7,812                             |
| 2,159                   | 774                          | 1,385                                            | (1)                               |
| 10,485                  | 7,157                        | 3,328                                            | (64)                              |
| 1,854,003               | 1,374,110                    | 479,893                                          | 42,469                            |
| 478,121                 | 330,284                      | 147,837                                          | 5,890                             |
| 12,639                  | 5,968                        | 6,671                                            | 82                                |
| 12,167,791              | 11,024,637                   | 1,143,154                                        | 36,902                            |
| 702,149                 | 563,526                      | 138,623                                          | 1,455                             |
| 23,501                  | 4,767                        | 18,734                                           | 1,545                             |
| 6,029                   | 0                            | 6,029                                            | 436                               |
| 20,242                  | 5,991                        | 14,251                                           | 796                               |
| 0                       | 0                            | 0                                                | 0                                 |
| 20,196,449              | 15,629,776                   | 4,566,673                                        | 219,581                           |
| 217,490,563             | 178,212,628                  | 39,277,935                                       | 4,308,733                         |



# REINSURANCE COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

This table lists only those companies which are licensed solely for the business of reinsurance.

Premiums  
assumed

Net losses  
incurred

\$

\$

Note

### ONTARIO

|                                    |                |               |
|------------------------------------|----------------|---------------|
| Farm Mutual Reinsurance Plan Inc.  | 58,083         | 16,040        |
| Gerling Global Reinsurance Company | 42,866         | 18,919        |
|                                    | <b>100,949</b> | <b>34,959</b> |

### EXTRA PROVINCIAL

|                          |        |       |
|--------------------------|--------|-------|
| Optimum Reassurance Inc. | 24,577 | 5,068 |
|--------------------------|--------|-------|

### FEDERAL

|                                           |                |                |
|-------------------------------------------|----------------|----------------|
| Anglo Canada General Insurance Company    | 52,908         | 42,437         |
| Munich Reinsurance Company of Canada      | 158,035        | 25,361         |
| Odyssey Reinsurance Company of Canada     | 0              | 0              |
| RGA Life Reinsurance Company of Canada    | 116,082        | 3,644          |
| SCOR Canada Reinsurance Company           | 79,340         | 45,446         |
| Swiss Re Life & Health Canada             | 203,311        | 50,085         |
| Swiss Reinsurance Company Canada          | 90,511         | 33,370         |
| Trygg-Hansa Reinsurance Company of Canada | 1              | (126)          |
|                                           | <b>700,188</b> | <b>200,217</b> |

### BRANCH

|    |                                                  |         |        |
|----|--------------------------------------------------|---------|--------|
| 26 | Alea Europe Ltd.                                 | 6,095   | 11,453 |
|    | American Agricultural Insurance Company          | 3,297   | 944    |
| 27 | AXA Corporate Solutions                          | 142,439 | 91,969 |
|    | Caisse Central de Reassurance                    | 13,990  | 8,159  |
|    | Cologne Reinsurance Company                      | 71      | (87)   |
|    | Employers Reassurance Corporation                | 30,711  | 14,866 |
|    | Everest Reinsurance Company                      | 28,466  | 15,566 |
|    | Folksamerica Reinsurance Company                 | 23,567  | 17,883 |
| 28 | GE Frankona Ruckversicherungs-Aktiengesellschaft | 52,033  | 33,449 |
|    | GE Reinsurance Company                           | 4,574   | 1,895  |
|    | General & Cologne Life Re of America             | 0       | 0      |
|    | Hannover Ruckversicherungs-Aktiengesellschaft    | 43,582  | 24,593 |



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
| 330,695       | 205,478           | 125,217                           | 61                                | 15,858            |
| 242,372       | 189,218           | 53,154                            | 78*                               | 1,771             |
| 573,067       | 394,696           | 178,371                           |                                   | 17,629            |
| 199,387       | 159,511           | 39,876                            | n.a.                              | 2,732             |
| 163,138       | 124,360           | 38,778                            | 84                                | (1,100)           |
| 893,206       | 763,016           | 130,190                           | 83                                | 3,824             |
| 6,119         | 304               | 5,815                             | n.a.                              | (315)             |
| 1,405,016     | 1,119,412         | 285,604                           | n.a.                              | 19,029            |
| 406,203       | 330,700           | 75,503                            | 73                                | 7,048             |
| 2,493,838     | 2,211,696         | 282,142                           | n.a.                              | 89,045            |
| 910,460       | 740,797           | 169,663                           | 72                                | 31,597            |
| 14,261        | 3,800             | 10,461                            | n.a.                              | 402               |
| 6,292,241     | 5,294,085         | 998,156                           |                                   | 149,530           |
| 113,274       | 70,679            | 42,595                            | 88                                | 587               |
| 29,588        | 15,804            | 13,784                            | 69                                | 1,442             |
| 737,454       | 477,917           | 259,537                           | 95                                | 3,210             |
| 47,975        | 22,485            | 25,490                            | 77                                | (88)              |
| 27,888        | 4,764             | 23,124                            | n.a.                              | 1,326             |
| 840,164       | 426,146           | 414,018                           | n.a.                              | (114,503)         |
| 345,182       | 251,086           | 94,096                            | 80                                | 10,543            |
| 107,527       | 74,255            | 33,272                            | 93                                | (3,285)           |
| 124,971       | 87,905            | 37,066                            | n.a.*                             | 7,258             |
| 99,686        | 56,694            | 42,992                            | 39                                | 4,217             |
| 11,874        | 3,506             | 8,368                             | n.a.                              | 1,165             |
| 249,908       | 175,989           | 73,919                            | 77                                | 4,592             |



# REINSURANCE COMPANIES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

This table lists only those companies which are licensed solely for the business of reinsurance.

Premiums  
assumed

Net losses  
incurred

\$

\$

Note

BRANCH cont.

|                                          |           |           |
|------------------------------------------|-----------|-----------|
| Insurance Corporation of New York, The   | 0         | (49)      |
| Le Mans Re                               | 31,220    | 18,480    |
| Life Reassurance Corporation of America  | 0         | 0         |
| Munich Reinsurance Company               | 471,410   | 364,926   |
| National Reinsurance Corporation         | 0         | 521       |
| Nationwide Mutual Insurance Company      | 251       | (496)     |
| Nederlandse Reassurantie Groep N.V.      | 0         | (6)       |
| Nordisk Reinsurance Company A/S          | 0         | 0         |
| NRG Victory Reinsurance Limited          | 11        | (2,149)   |
| NW Reinsurance Corporation Limited       | 5         | (48)      |
| Odyssey American Reinsurance Corporation | 29,824    | 26,386    |
| 29 PartnerRe Sa                          | 50,855    | 48,987    |
| Philadelphia Reinsurance Corporation     | 0         | 204       |
| Pohjola Insurance Company Ltd.           | 0         | 0         |
| ReliaStar Life Insurance Company         | 18,618    | 22,584    |
| SCOR Vie                                 | 30,862    | 16,368    |
| Sorema North America Reinsurance Comapny | 12,214    | 9,522     |
| Swiss Re Italia S.P.A.                   | (1)       | (37)      |
| Swiss Reinsurance Company                | 129,036   | 27,998    |
| Terra Nova Insurance Company Limited     | 9,931     | 8,077     |
| Toa-Re Insurance Company of America      | 9,894     | 4,637     |
| Transatlantic Reinsurance Company        | 50,451    | 14,074    |
| Unigard Security Insurance Company       | 0         | 0         |
|                                          | 1,193,406 | 780,669   |
| Totals                                   | 2,019,120 | 1,020,913 |

\*For reinsurance companies with both life and property & casualty business, claims incurred as a percentage of earned premium provided in the report, pertains only to property & casualty business.



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
| 24,381        | 4,212             | 20,169                            | 42                                | 1,183             |
| 101,354       | 75,848            | 25,506                            | 96                                | (4,216)           |
| 1,636         | 0                 | 1,636                             | n.a.                              | 1,313             |
| 3,348,870     | 2,542,950         | 805,920                           | 86*                               | 60,450            |
| 3,073         | 1,043             | 2,030                             | n.a.                              | (402)             |
| 38,112        | 12,522            | 25,590                            | 174                               | 2,678             |
| 6,026         | 2,340             | 3,686                             | n.a.                              | 312               |
| 1,580         | 370               | 1,210                             | n.a.                              | 12                |
| 35,625        | 10,006            | 25,619                            | n.a.                              | 3,416             |
| 23,795        | 8,600             | 15,195                            | n.a.                              | 1,038             |
| 95,859        | 65,049            | 30,810                            | 92                                | (460)             |
| 343,056       | 30,339            | 312,717                           | n.a.*                             | (7,529)           |
| 3,757         | 912               | 2,845                             | n.a.                              | (49)              |
| 1,386         | 0                 | 1,386                             | n.a.                              | 0                 |
| 93,698        | 63,873            | 29,825                            | n.a.                              | (6,414)           |
| 197,404       | 147,986           | 49,418                            | n.a.                              | 3,439             |
| 139,375       | 91,682            | 47,693                            | 62                                | 3,293             |
| 10,092        | 848               | 9,244                             | n.a.*                             | 444               |
| 1,337,920     | 71,669            | 1,266,251                         | 72*                               | (16,142)          |
| 90,755        | 40,101            | 50,654                            | 74                                | 5,084             |
| 67,967        | 46,913            | 21,054                            | 94                                | (253)             |
| 308,168       | 215,571           | 92,597                            | 82                                | 2,760             |
| 10,015        | 1,804             | 8,211                             | n.a.                              | 446               |
| 9,019,395     | 5,101,868         | 3,917,527                         |                                   | (33,133)          |
| 16,084,090    | 10,950,160        | 5,133,930                         |                                   | 136,758           |



# RECIPROCAL OR INTERINSURANCE EXCHANGES

## FINANCIAL SUMMARY

## ONTARIO BUSINESS

year ended December 31, 2001 (in thousands)

Direct  
premiums  
written  
\$

Direct  
claims  
incurred  
\$

### Note

#### ONTARIO

|                                                              |               |               |
|--------------------------------------------------------------|---------------|---------------|
| Canadian Lawyers Liability Assurance Society                 | 14,759        | 21,106        |
| Canadian Universities Reciprocal Insurance Exchange          | 2,864         | 2,648         |
| Community Newspaper Reciprocal Insurance Exchange            | 73            | 44            |
| Healthcare Insurance Reciprocal of Canada                    | 31,516        | 16,396        |
| Metro Public Education Insurance Exchange                    | 0             | 0             |
| Municipal Electric Association Reciprocal Insurance Exchange | 6,648         | 4,101         |
| Ontario Municipal Insurance Exchange                         | 7,027         | 5,194         |
| Ontario School Boards' Insurance Exchange                    | 21,124        | 24,825        |
|                                                              | <b>84,011</b> | <b>74,314</b> |

#### BRANCH

|                                   |       |       |
|-----------------------------------|-------|-------|
| Lumbermen's Underwriting Alliance | 5,302 | 3,410 |
|-----------------------------------|-------|-------|

|               |               |               |
|---------------|---------------|---------------|
| <b>Totals</b> | <b>89,313</b> | <b>77,724</b> |
|---------------|---------------|---------------|



| TOTAL COMPANY |                   |                                   |                                   |                   |
|---------------|-------------------|-----------------------------------|-----------------------------------|-------------------|
| Total assets  | Total liabilities | Excess of assets over liabilities | Claims incurred to earned premium | Net income/(loss) |
| \$            | \$                | \$                                | %                                 | \$                |
| 91,817        | 77,758            | 14,059                            | 46                                | 3,370             |
| 30,389        | 23,161            | 7,228                             | 89                                | 533               |
| 1,154         | 203               | 951                               | 27                                | 88                |
| 198,462       | 111,357           | 87,105                            | 72                                | 16,841            |
| 0             | 0                 | 0                                 | n.a.                              | 0                 |
| 21,827        | 15,373            | 6,454                             | 67                                | 1,065             |
| 42,154        | 36,985            | 5,169                             | 86                                | 1,390             |
| 116,632       | 92,385            | 24,247                            | 136                               | 13                |
| 502,435       | 357,222           | 145,213                           |                                   | 23,300            |
| 68,250        | 38,314            | 29,936                            | 103                               | (8,698)           |
| 570,685       | 395,536           | 175,149                           |                                   | 14,602            |



# FRATERNAL SOCIETIES

## FINANCIAL SUMMARY

year ended December 31, 2001 (in thousands)

## ONTARIO BUSINESS

Direct  
premiums  
written  
\$

Benefits and  
payments to  
policyholders  
\$

Note

### ONTARIO

|                                                       |        |        |
|-------------------------------------------------------|--------|--------|
| Guaranteed Funeral Deposits of Ontario (Fraternal)    | 24,473 | 20,164 |
| Metropolitan Toronto Police Widows' and Orphans' Fund | 1,839  | 1,839  |
| Teachers Life Insurance Society (Fraternal)           | 7,421  | 4,164  |
|                                                       | 33,733 | 26,167 |

### FEDERAL

|                                                                |        |        |
|----------------------------------------------------------------|--------|--------|
| ACTRA Fraternal Benefit Society                                | 6,854  | 6,031  |
| Canadian Professional Sales Association                        | 661    | 656    |
| Canadian Slovak Benefit Society                                | 32     | 101    |
| Canadian Slovak League                                         | 34     | 63     |
| Grand Orange Lodge of British America, The                     | 978    | 1,213  |
| Independent Order of Foresters, The                            | 16,844 | 23,622 |
| Lutheran Life Insurance Society of Canada                      | 10,556 | 13,530 |
| Order of Italo-Canadians, The                                  | 16     | 11     |
| Sons of Scotland Benevolent Association                        | 47     | 224    |
| Ukrainian Fraternal Society of Canada                          | 42     | 97     |
| Ukrainian Mutual Benefit Association of St. Nicholas of Canada | 5      | 40     |
| Workers Benevolent Association of Canada                       | 39     | 84     |
|                                                                | 36,108 | 45,672 |

### BRANCH

|    |                                                                      |        |        |
|----|----------------------------------------------------------------------|--------|--------|
|    | ACA Assurance                                                        | 506    | 182    |
|    | Croatian Catholic Union of U.S.A. and Canada                         | 24     | 13     |
|    | Croatian Fraternal Union of America                                  | 239    | 231    |
| 30 | First Catholic Slovak Ladies Association of The U.S.A., The          | 0      | 0      |
| 31 | First Catholic Slovak Union of The United States of America & Canada | 0      | 0      |
|    | Knights of Columbus                                                  | 48,892 | 25,577 |
|    | Royal Arcanum, Supreme Council of, The                               | 69     | 132    |
| 32 | Serb National Federation                                             | 0      | 0      |
|    | Ukrainian Fraternal Association of America                           | 43     | 65     |
|    | Ukrainian National Aid Association of America                        | 0      | 0      |



**TOTAL COMPANY**

| <b>Total<br/>assets</b> | <b>Total<br/>liabilities</b> | <b>Excess of<br/>assets over<br/>liabilities</b> | <b>Net<br/>income/<br/>(loss)</b> |
|-------------------------|------------------------------|--------------------------------------------------|-----------------------------------|
| <b>\$</b>               | <b>\$</b>                    | <b>\$</b>                                        | <b>\$</b>                         |
| 162,792                 | 161,919                      | 873                                              | 228                               |
| 45,253                  | 37,168                       | 8,085                                            | 1,668                             |
| 26,597                  | 22,612                       | 3,985                                            | (166)                             |
| 234,642                 | 221,699                      | 12,943                                           | 1,730                             |
| 52,240                  | 34,447                       | 17,793                                           | 48                                |
| 30,079                  | 21,503                       | 8,576                                            | (118)                             |
| 2,509                   | 1,741                        | 768                                              | (87)                              |
| 1,723                   | 1,906                        | (183)                                            | (361)                             |
| 20,948                  | 18,625                       | 2,323                                            | (4)                               |
| 5,968,416               | 4,544,540                    | 1,423,876                                        | 14,912                            |
| 307,146                 | 276,888                      | 30,258                                           | 332                               |
| 1,450                   | 930                          | 520                                              | (24)                              |
| 11,480                  | 9,606                        | 1,874                                            | 227                               |
| 7,105                   | 6,058                        | 1,047                                            | 69                                |
| 5,099                   | 3,839                        | 1,260                                            | (8)                               |
| 3,870                   | 3,433                        | 437                                              | (89)                              |
| 6,412,065               | 4,923,516                    | 1,488,549                                        | 14,897                            |
| 18,410                  | 15,207                       | 3,203                                            | 250                               |
| 698                     | 400                          | 298                                              | (17)                              |
| 8,585                   | 7,767                        | 818                                              | 569                               |
| 0                       | 0                            | 0                                                | 0                                 |
| 0                       | 0                            | 0                                                | 0                                 |
| 962,037                 | 805,075                      | 156,962                                          | 29,654                            |
| 10,629                  | 4,529                        | 6,100                                            | 508                               |
| 0                       | 0                            | 0                                                | 0                                 |
| 4,753                   | 2,428                        | 2,325                                            | 453                               |
| 0                       | 0                            | 0                                                | 0                                 |



# FRATERNAL SOCIETIES

## FINANCIAL SUMMARY

year ended December 31, 2001 (in thousands)

## ONTARIO BUSINESS

Direct  
premiums  
written  
\$

Benefits and  
payments to  
policyholders  
\$

Note

BRANCH cont.

33 Ukrainian National Association

94

214

United Commercial Travelers of America, Order of

173

67

Woman's Life Insurance Society

284

657

50,324

27,138

Total

120,165

98,977



## TOTAL COMPANY

| Total<br>assets<br>\$ | Total<br>liabilities<br>\$ | Excess of<br>assets over<br>liabilities<br>\$ | Net<br>income/<br>(loss)<br>\$ |
|-----------------------|----------------------------|-----------------------------------------------|--------------------------------|
| 15,253                | 6,698                      | 8,555                                         | 441                            |
| 3,800                 | 2,045                      | 1,755                                         | 204                            |
| 11,121                | 8,570                      | 2,551                                         | 307                            |
| 1,035,286             | 852,719                    | 182,567                                       | 32,369                         |
| 7,681,993             | 5,997,934                  | 1,684,059                                     | 48,996                         |

## Financial Summary Notes

- 1 No financial information was reported in 2001 for Canadian Millers' Mutual Insurance Company. The company was ordered into liquidation effective December 13, 2001.
- 2 East Williams Mutal Fire Insurance Company, Ekfrid Mutal Insurance Company and Lobo Mutual Insurance Company amalgamated using the name Town & Country Mutual Insurance Company. The licences of East Williams Mutual Fire Insurance Company, Ekfrid Mutual Insurance Company and Lobo Mutual Insurance Company were cancelled January 1, 2001.
- 3 The former name of Wabisa Mutual Insurance Company is Wabisa Mutual Fire Insurance Company.
- 4 No financial information was reported in 2001 for Alta Surety Company. The company was placed in liquidation in July of 2001.
- 5 The former name of Certas Direct Insurance Company was The Personal Insurance Company of Canada. No financial information was reported in 2001 for Certas Direct Insurance Company. The licence of Certas Direct Insurance Company was cancelled January 21, 2002.
- 6 The former name of Langdon Insurance Company was Hartford Insurance Company of Canada.
- 7 The Continental Insurance Company and Niagara Fire Insurance Company trasferred their insurance business to the Continental Casualty Company in December of 2001 and have requested we cancel their Ontario licences.
- 8 The former name of Daimler-Chrysler Insurance Company is Chrysler Insurance Company.
- 9 No financial information was reported in 2001 for General Insurance Company of America. Company ceased doing business in Canada effective December 24, 2001.
- 10 The former name of Great American Insurance Company of New York was National Fire Insurance Company.
- 11 The Nippon Fire & Marine Insurance Company Limited and KOA Fire and Marine Insurance Company amalgamated April 27, 2001. The name of the amalgamated company is Nipponkoa Insurance Company Limited.
- 12 On November 8, 2001, the Superintendent of Financial Institutions took control of Reliance Insurance Company and the court granted a Winding Up Order.
- 13 No financial information was reported in 2001 for SAFECO Insurance Company of America. Company ceased doing business in Canada effective December 24, 2001.
- 14 The former name of Specialty National Insurance Company is Calvert Insurance Company.
- 15 Laurentian Life and Health Insurance Corporation and Desjardins Laurentian Life Assurance Company Inc. merged effective March 19, 2001. The company will use the name Desjardins-Laurentian Life Assurance Company Inc.

- 16 The former name of AIG Assurance Canada is Norwich Union Life Insurance Company (Canada).
- 17 No financial information was reported in 2001 for Chrysler Life Insurance Company of Canada. The company is winding up and has no outstanding and unpaid claims in respect of any insurance policies written in Ontario.
- 18 No financial information was reported in 2001 for Confederation Life Insurance Company. The company is being wound up under the provision of the *Winding Up Act*.
- 19 The former name of TD Life Insurance Company is Toronto Dominion Life Insurance Company.
- 20 Toronto Mutual Life Insurance Company and The Western Life Assurance Company amalgamated on January 1, 2002 and will continue under the name Unity Life of Canada.
- 21 The former name of Transamerica Life Canada is Transamerica Life Insurance Company of Canada.
- 22 No financial information was reported in 2001 for The Continental Assurance Company. The company transferred its business to CAN Life Insurance Company of Canada and has requested that we cancel its licence.
- 23 The former name of Fortis Benefits Insurance Company is Pierce National Life Insurance Company.
- 24 No financial information was reported in 2001 for The Paul Revere Life Insurance Company. The Order Revoking the Order to Insure Canada Risks was issued June 22, 2002.
- 25 No financial information was reported in 2001 for UNUM Life Insurance Company of America. The Order Revoking the Order to Insure Canada Risks was issued June 22, 2002.
- 26 The former name of Alea Europe Ltd. is Rhine Re Ltd.
- 27 The former name of AXA Corporate Solutions is Axa Reassurance.
- 28 The former name of GE Frankona Ruckversicherungs Aktiengesellschaft is ERC Frankona Ruckversicherungs Aktein-Gesellschaft.
- 29 The former name of PartnerRe Sa is SAFR Partner Re.
- 30 No financial information was reported in 2001 for The First Catholic Slovak Ladies Association of The U.S.A. The society is in the process of being wound up.
- 31 No financial information was reported in 2001 for The First Catholic Slovak Union of The United States of America & Canada. The society is in the process of being wound up. Their liabilities have been transferred to Toronto Mutual Life Insurance Company.
- 32 No financial information was reported in 2001 for Serb National Federation. The society is in the process of being wound up.
- 33 No financial information was reported in 2001 for Ukrainian National Aid Association of America. The society is in the process of being wound up.



