May 12, 2000

To all Life and Health Insurers

Re: Market Conduct Examinations of Life and Health Insurers

I would like to update you on this important Canadian Council of Insurance Regulators' (CCIR) initiative that I discussed in my letter to you on March 31, 2000.

At that time, I mentioned that CCIR would be discussing a market conduct examination model at its April 6 and 7, 2000, meeting. CCIR members endorsed the market conduct review program which will determine how well life and health insurance companies operating in Canada are complying with regulatory requirements and guidelines. The model involves the development of a self-assessment questionnaire which would be completed by companies, and a subsequent on-site visit by examiners.

A working group that includes industry representatives has been providing advice on a self-assessment questionnaire. We have now essentially completed the development process. We expect the self-assessment questionnaire will be sent to life and health insurers in June, 2000.

We look forward to working with you in the market conduct examination initiative.

Dina Palozzi
Vice-Chair
Canadian Council of Insurance Regulators

Chief Executive Officer and
Superintendent of Financial Services
Financial Services Commission of Ontario