

## Appendix IV

### Client Annual Statement – Proposed Minimum Required Content<sup>1</sup>

- Date of statement
- Insurer's name, contact information, telephone no. website
- A notice to remind clients that the information contained in the statement will help them track their financial goals.
- A notice to invite the client to contact the representative or insurer if additional information is required.
- Contract name
- Contract tax status
- Contract no.
- Contract issue date
- Contract holder(s)
- Annuitant
- Designated beneficiary or beneficiaries
- Representative name, telephone no. and email address
  
- For each fund held, as at DD-MM-YYYY:
  - Fund name
  - Number of units
  - Net asset value per unit
  - Net asset value (also show total)
  
- Redemption value (total only)
  
- Changes in the net asset value of the contract in dollar amount (as at DD-MM-YYYY) – by fund and total, since issue (e.g. change in value net of charges from book value to previous annual account statement) and since the previous annual account statement (e.g. premiums, redemptions, transfers, increase/loss in value, charges). In addition to the dollar amounts, for the variation since the previous annual account statement, present total increase/loss in value, charges and total net rate of return in percentages.

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<sup>1</sup> This document replaces Appendix IV of the Position Paper as released in December 2017.

- Details of charges for the year, in dollar amount, for each fund and in total and in percentages for the total including:
  - Ongoing fund expenses (e.g., management fees (excluding insurance costs), operating fees and transaction costs).
  - Insurance costs
  - Charges under the contract (e.g., front-end sales charges, redemption fees, transfer fees)
  - A notice that fees billed by the intermediary, if applicable, are not included.
  - A notice that charges related to ongoing fund expenses lower the net asset value per unit.
  - A notice that charges related to charges under the contract are paid directly from premiums or fund units
  
- Total personal rate of return net of charges calculated using the money weighted method (%):
  - Last year
  - Last 3 years
  - Last 5 years
  - Last 10 years
  - Since issue
  - A notice to remind that this rate of return may be different than the rate of return realized by the segregated funds because it takes into account the time of its premiums and redemptions.
  
- Remuneration paid during the year for the provision of services in connection with the contract in dollar amount:
  - Name of person to whom remuneration was paid
  - Break out commissions by type (e.g., front-end, deferred, no-load, trailing, other) and provide total amount paid by the insurer. For insurers who do not pay commissions to a third party, they are allowed to report a fair and reasonable estimate of commissions that could have been paid
  - Other compensation paid – Details of all soft dollars arrangements – names of payees and nature
  - A notice to the effect that a third party may also have paid other compensation.

- The commission types must be clearly explained, especially deferred sales charges for which clients may have a charge upon redemption
- Guarantees applicable to the contract, including:
  - Net asset value of its segregated funds
  - Maturity date of the guarantee
  - Value of guarantee at maturity and on death
  - Date of next automatic reset of guarantees
  - For products with guaranteed redemptions, the following information depending on the phase in which the contract is :
    - Accumulation phase
      - Protected value for the calculation of guaranteed redemptions
      - Bonus added to protected value since the previous annual account statement
      - Guaranteed redemption amount for the earliest age possible, at age 65 and at age 70, for every redemption option available (i.e. lifetime, limited pay, life annuity purchase, ...)
    - Redemptions phase
      - Guaranteed annual redemption amount
      - Annual redemption amount the client have chosen to receive
      - Redemption amount guaranteed for lifetime
      - RRIF/LIF/LRIF/RLIF minimum
      - LIF/LRIF/RLIF maximum
    - Benefit phase
      - Guaranteed annual redemption amount
      - A notice that the redemption amount is guaranteed for lifetime or for a limited duration. For the latest, give the date of the last guaranteed redemption amount.
    - A notice that guaranteed redemption amounts have been calculated assuming no bonus, no premium or redemption, no future return and no reset of guarantees between now and the start of annual periodic redemptions.

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- A notice to remind that any redemption that exceed the guaranteed annual redemption amount will decrease future guaranteed redemption amounts except if required in respect of the RRIF/LIF/LRIF/RLIF minimum redemption amount.
- A notice to remind that the guaranteed redemption amount is payable to the client even if the net asset value of his segregated funds is less than this amount.
- A notice to remind clients that they can make discretionary resets if applicable
- A notice to explain how guarantees are affected by redemptions