



August 7 2019
File No.: 78000-01
Ref. No.: 1137

To: All British Columbia (BC) Authorized Non-Federally Regulated Insurers

Re: Adoption of the Asset Securitization Guideline

This is to inform BC authorized non-federally regulated insurers that the Financial Institutions Commission has adopted the Asset Securitization Guideline (Guideline), issued in November 2018 by the federal Office of the Superintendent of Financial Institutions (OSFI).

This guideline sets out general expectations with respect to asset securitization transactions. The Guideline supplements the Life Insurance Capital Adequacy Test (LICAT), the Minimum Capital Test (MCT), and the Mortgage Insurer Capital Adequacy Test (MICAT) and specifies the capital treatment for securitization exposures in addition to those arising from investing in securitizations as a third party.

This guideline replaces the previous [Asset Securitization Guideline](#) issued in 2004. Key amendments reflect events that have affected securitizations since the previous guideline was published, including the financial crisis and changes to the Basel Framework. The Guideline also incorporates relevant content from the Securitization – Expected Practices Advisory. OSFI plans to repeal this Advisory when the Guideline becomes effective on January 1, 2019.

A link to the Guideline can be found [here](#).

Should you have any questions, please contact FICOM's Policy department via email at feedback@ficombc.ca.

Yours truly,

Rob O'Brien
Managing Director, Policy