



**Autorité
des marchés
financiers**

April 2026

Actuary's guide regarding the Financial Condition Testing report of P&C Insurers

INTRODUCTION

This guide is intended for Appointed Actuaries of property and casualty Quebec chartered insurers, under the application of sections 128 and 129 of the *Insurers Act*, CQLR, c. A-32.1 (the “Act”).

As required by section 129 of the Act, the Appointed Actuary must apply generally accepted actuarial standards in carrying out his work or any other standard established by the Autorité des marchés financiers (the “AMF”). Therefore, the AMF expects that the report on the financial condition testing (the “FCT”) comply with the most recent “Standards of Practice” of the Canadian Institute of Actuaries (the “CIA”), and respect the CIA’s most recent Educational Notes entitled: “Financial Condition Testing” (the “FCT Educational Note”) and “Guidance for the 2026 Reporting of Capital and Financial Condition Testing, and Own Risk and Solvency Assessment for Life and Health, Property & Casualty, and Mortgage Insurers”. This guide contains the AMF’s additional expectations.

The FCT, including the Excel file, must be filed with the AMF no later than **December 31st, 2026** if the previous fiscal year ends on December 31st, 2025 and **March 31st, 2027** if the previous fiscal year ends on March 31st, 2026.

CONTENTS OF THE REPORT

The AMF expects the Appointed Actuary to refer to the section entitled “Reporting” of the FCT educational note when preparing the FCT report. However, here are some additional AMF’s expectations regarding the following sections:

Executive summary

The Appointed Actuary must disclose the date on which the FCT was presented to the board of directors or the audit committee. The presentation document must be provided in the last appendix of the report.

Capital management and adequacy measurement

In addition to disclosing the internal target ratio as determined by the ORSA, and if it changes during the projection period, the revised target ratio, the appointed actuary must provide the details of the calculations and/or the documentation supporting this (these) internal target ratio(s).

Background discussion

The Appointed Actuary must present a reconciliation between the projected results in the first year of the previous FCT and the actual results for the last completed year. The reconciliation must be done by identifying, where appropriate, the main sources that explain the significant differences.

Adverse scenarios

Risk categories

The FCT should minimally discuss each risk category defined in the appendix B of the FCT educational note. For each category not subject to quantitative analysis, the appointed actuary must justify.

Most adverse scenarios

A separate subsection should be included in the report to present at least the two solvency scenarios with the greatest impact on the insurer’s equity and the going concern scenario with the greatest impact on the insurer’s MCT. The impacts must be calculated from the results obtained before the application of corrective management actions.

For each of the most adverse scenarios, the Appointed Actuary should detail the methodology used to define the assumptions and the percentile ranking of the scenario.

EXCEL FILE REQUIRED BY THE AMF

Note that the Appointed Actuary must complete and send to the AMF the Excel file which is available at the following address under section “Financial Condition Testing report” : [P&C insurance | AMF](#)

This file allows the AMF to capture selected information in a format that facilitates data analysis. **The Appointed Actuary must follow the instructions on the first sheet of the Excel file.**