

ANNUAL STATEMENTS

Do insurers need to file a statement annually?

Yes. Each year, on or before the last day of February, every insurer licensed to operate in Nunavut must deliver a statement to the Superintendent of Insurance that describes the condition of their affairs as of the December 31st immediately preceding.

What format should annual statements take?

Federally-regulated insurers are to submit annual statements in the standard format approved by the Canadian Council of Insurance Regulators: P&C-1 for Canadian Property and Casualty Insurers; P&C-2 for foreign Property and Casualty Insurers; LIFE-1 for Canadian Life Insurance Companies; and LIFE-2 for foreign Life Insurance Companies.

These forms, instructions on how to complete them, and related information are available from the federal Office of the Superintendent of Financial Institutions (OSFI) (www.osfi-bsif.gc.ca).

Territorially / provincially regulated insurers not required to complete federal P&C and LIFE returns are required to submit audited financial statements to the Superintendent of Nunavut.

How should insurers submit annual statements?

We prefer for insurers to submit statements electronically by emailing them directly to insurance@gov.nu.ca. We accept files in portable document format (.pdf) and as Excel spreadsheets (.xcl). We will continue to accept statements in hard copy if necessary.

Note Bandwidth restrictions in Nunavut limit the size of each email we can accept to 5 Mb. Please work with our office directly to confirm we receive your full statement. You may need to compress large files, divide them into smaller documents to send over multiple emails, or use “StingRay,” the secure service the GN uses to transfer large files. To use StingRay, you will need to contact us. It is the insurers’ responsibility to ensure we receive the statement on time.

Who may verify the annual statement?

An insurer’s annual statement must be verified by the president, vice-president or other authorized director and by the secretary or manager of the corporation.

INSURANCE PREMIUM TAXES

When is the insurance premium tax due?

Under the *Insurance Act*, the Office of the Superintendent must receive completed premium tax returns and required payments by March 15th each year.

Sending mail to Nunavut—even by express courier—takes longer than many expect. Submit tax returns early to avoid penalty charges.

Is there a penalty for overdue taxes?

Yes. In addition to paying taxes owing, insurers must also pay interest on the amount of unpaid tax at the rate of 6% per year from the date on which the tax is due until payment is made.

Taxes are overdue if we do not receive a complete and accurate return at our offices in Iqaluit by close of business on March 15 (or the preceding business day, if March 15 falls on a weekend).

The Superintendent may also cancel the licence of any insurance company that neglects or refuses to make a return, refuses to provide follow-up information, or makes a return that contains significant inaccuracies.

What supplementary information must accompany the tax return?

Attach the pages of your annual statement that demonstrate the necessary information. These are usually pages 67.10 and 67.30 of your P&C-1 or P&C-2 or pages 95.010 and 95.020 of your LIFE-1 or LIFE-2.

Where do I send insurance premium tax returns?

Send returns to:

Attn: Insurance Premium Tax Return
Office of the Superintendent of Insurance
Department of Finance, Government of Nunavut
2nd floor Parnaivik Building, 924 Mivvik Street
P.O. Box 2260 Iqaluit, Nunavut X0A 0H0

How is the insurance premium tax calculated?

The insurance premium tax is based on the amount of premiums an insurer collects in respect of the business it transacts in Nunavut during the year. The tax is equal to 3% of gross premiums, minus certain deductions for premiums returned during the year and dividends paid to policy holders. Insurers pay an extra 1% for premiums related to fire insurance.

The GN imposes this tax on all insurance companies. However, there is no tax on premiums received by a life insurance company for an annuity contract or for premiums received for marine insurance. Please refer to Part XI of the *Insurance Act* for details.

Which form do I use to submit the insurance premium tax?

Complete and submit insurance premium taxes using the Government of Nunavut's "*Form 1 – Insurance Premium Tax Return.*"

You can download our forms from the Nunavut Department of Finance's website: www.gov.nu.ca/finance. From Finance's homepage, click the 'insurance' link in the Programs and Services tab and scroll down to the appropriate section.

Who may verify the insurance premium tax return?

The return must be verified by the oath or affirmation of the president, manager, secretary or chief agent of the insurance company in Canada.

What methods of payment do you accept?

We prefer payment of taxes by cheque (payable to the Government of Nunavut), money order, or electronic-funds transfer (EFT).

Where can I learn more?

There are several ways to learn more about insurance in Nunavut:

- Visit our website at www.gov.nu.ca/finance, and click on the 'insurance' link in Programs and Services
- Email our office at insurance@gov.nu.ca.
- Contact Tracy Kolta-Webb, our primary insurance officer, at tkolta-webb@gov.nu.ca or at 867-975-6852.
- Contact the Manager, Taxation and Insurance of Nunavut directly by emailing Akhtar Hussain at AHussain@gov.nu.ca or 867-975-5879.