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Insurance industry

Key tax rates and updates

Tax changes, rates, deadlines and other useful information for the insurance industry in Canada.

2014

pwc

Insurance industry:

Key tax rates and updates

This booklet is available at:
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Contents

Insurance help—Who to contact

For more information, please contact:

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Some cautions
Rates and other information are current to August 20, 2014, but may change as a result of legislation or regulations issued after that date.

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Recent tax changes: Selected highlights

Corporate income tax rates for 2014

Combined federal and provincial/territorial corporate income tax rates are listed on page 10.

Status of changes for accounting purposes

Income tax changes will be recognized for accounting purposes:

- in Canada if they are considered substantively enacted
- in the United States if they are enacted

Tables on pages 5 to 6 show whether corporate tax rate changes effective after 2012 are recognized for accounting purposes. All information is current to August 20, 2014.

Federal changes

Remittance thresholds for employer source deductions

The frequency of employer remittances, which is based on average monthly withholdings from two calendar years ago, will change as follows:

	Frequency per month	Thresholds for employer source deductions	
		before 2015	after 2014
Remittances	Up to 2	$15,000 to < $50,000	$25,000 to < $100,000
	Up to 4	≥ $50,000	≥ $100,000

Eligible capital property (ECP) regime

A public consultation will consider replacing the ECP regime with a new capital cost allowance (CCA) class for businesses and transferring taxpayers' existing cumulative eligible capital (CEC) pools to the new CCA class. Draft legislative proposals will be released for comment. The timing of implementation will be determined after the consultation.

Life insurers and policyholders

Draft legislative proposals, effective upon royal assent, amend the taxation of life insurance policies, generally issued after 2015. Key changes amend the determination of:

- whether a life insurance policy is an exempt policy
- what types of transactions give rise to a disposition of an interest in a policy
- the tax treatment of a disposition of an interest in a policy (having regard to both the adjusted cost basis of the interest and the proceeds of disposition)

The proposals also include consequential amendments to the life insurer's investment income tax.

Trusts and estates

- Taxation – Commencing 2016 taxation years, a flat top-rate tax (instead of graduated tax rates) will apply to testamentary trusts, certain estates and grandfathered inter vivos trusts, and these trusts generally will be required to have taxation years ending on December 31 (starting with a deemed taxation year ending on December 31, 2015). Graduated tax rates will continue to apply for testamentary trusts:
  - that arise as a consequence of an individual's death (the first 36 months of the estate only)
  - that have beneficiaries who qualify for the disability tax credit
- Estate donations – Starting with donations made related to a death occurring after 2015, donations made by a will, and those made by designation under a registered retirement saving plan (RRSP), registered retirement income fund, tax-free savings account or life insurance policy, will no longer be deemed to be made by the individual immediately before the individual's death. These donations will be deemed to have been made at the time the property is transferred to a qualified donee and, if the transfer occurs within 36 months after death, they may be allocated among:
  - the taxation year of the estate in which the donation is made
  - an earlier taxation year of the estate
  - the last two taxation years of the individual

Foreign Income Verification Statement (Form T1135)

Taxpayers required to file Form T1135 must include additional information on foreign property, starting taxation years ending after June 30, 2013. Streamlined reporting for certain foreign property will be permitted and the filing deadline for the 2013 taxation year is extended to July 31, 2014. See our *Tax Insights* 'More changes to Form T1135, Foreign Income Verification Statement' at **www.pwc.com/ca/taxinsights**.

Insurance swaps

For taxation years beginning after February 10, 2014, an anti-avoidance rule in the foreign accrual property income (FAPI) regime intended to prevent Canadian taxpayers from shifting income from the insurance of Canadian risks to an offshore captive, is clarified to ensure that it applies to certain tax planning arrangements sometimes referred to as 'insurance swaps.'

Thin capitalization rules and back-to-back loan arrangements

To target certain back-to-back loan arrangements that have been undertaken by taxpayers using an interposed third party to avoid the application of Part XIII withholding tax and/or the thin capitalization rules:

- a specific anti-avoidance rule relating to withholding tax on interest payments will be introduced, for amounts paid or credited after 2014
- an existing anti-avoidance provision in the thin capitalization rules will be amended, for taxation years that begin after 2014

Demutualization of property and casualty (P&C) insurers

The government confirmed that there will continue to be a consultation on rules in respect of the demutualization of mutual P&C insurers.

Treaty shopping

- Anti-treaty shopping proposal – On February 11, 2014, the government proposed a domestic anti-treaty shopping rule that uses a general approach to identify arrangements representing an improper use of Canada's tax treaties, along with guidance regarding its application.
- Base erosion and profit shifting – On July 19, 2013, the Organisation for Economic Co-operation and Development (OECD) released an action plan on base erosion and profit shifting (BEPS). The BEPS initiative contemplates changes to the OECD's model tax convention and recommendations regarding the design of domestic rules to address tax treaty abuse, including treaty shopping. See our:
  - *Tax Insights* 'BEPS – Where are we?' at **www.pwc.com/ca/taxinsights**
  - *PKN Alerts* 'OECD reveals highly anticipated action plan on Base Erosion and Profit Shifting (BEPS)' and 'The OECD releases calendar for planned stakeholder input into the BEPS project' at **www.pwc.com**

Tax planning by multinational enterprises

The government is seeking input on issues related to international tax planning by multinational enterprises.

Offshore regulated banks

For taxation years of taxpayers beginning after 2014, the exception for regulated foreign financial institutions from the FAPI regime will be amended. The aim is to ensure the exception no longer applies to certain Canadian taxpayers that are not financial institutions, but establish foreign affiliates and elect to subject those affiliates to regulation under foreign banking and financial laws, if the affiliate's main purpose is to invest or trade in securities on its own account, rather than to facilitate financial transactions for customers. The rules are far-reaching and can impact insurers with foreign affiliates in their structure.

Cross-border tax compliance

Canada has ratified the Convention on Mutual Administrative Assistance in Tax Matters, which entered into force, in respect of Canada, on March 1, 2014. The member States of the Council of Europe and the member countries of the OECD are signatories. Under the convention, Canada will exchange tax information based on OECD standards, but is not required to collect taxes on behalf of another country or provide assistance in the service of related documents.

Automatic exchange of information

An Intergovernmental Agreement (IGA) between the United States and Canada to improve international tax compliance and to implement the US Foreign Account Tax Compliance Act (FATCA) entered into force on June 27, 2014. See our *Global IRW Newsbrief* 'Canada and the US sign FATCA Intergovernmental Agreement' at **www.pwc.com/ca/irwnewsbrief**.

Tax Information Exchange Agreements (TIEAs)

Canada is negotiating eight TIEAs and has signed one that is not in force. Twenty-one have entered into force (one on behalf of five jurisdictions).

Automobile deductions and benefits

The 2014 prescribed rates will remain at their 2013 levels for purposes of determining automobile deduction limits and taxable benefits. For more information, see *Car expenses and benefits – A tax guide* at **www.pwc.com/ca/carexpenses**.

Retirement savings plans and deferred profit sharing plans

Contribution limits for retirement savings plans and profit sharing plans are increasing:

	Registered retirement savings plans (RRSPs)	Defined contribution registered pension plans (RPPs)	Deferred profit sharing plans (DPSPs)
2013	$23,820	$24,270	$12,135
2014	$24,270	$24,930	$12,465
2015	$24,930	Indexed	Indexed
2016	Indexed	Indexed	Indexed

Defined benefit registered pension plans (RPPs)

- The maximum pension benefit that can be paid from these plans is increasing:

	Pension benefit (per year of service)
2013	$2,697
2014	$2,770
2015	Indexed

- A special rule that applies in certain limited cases, ensures that the maximum amount that may be transferred tax-free to the RRSP or other registered plans of a departing member of an underfunded defined benefit RPP is the same as if the RPP were fully funded. In certain special circumstances, this special rule is extended to commutation payments made after 2012.

Goods and Services Tax/ Harmonized Sales Tax (GST/HST) changes for the health care sector

For supplies made after February 11, 2014, changes relating to the health care sector, which will reduce the costs to health insurers on policies that cover these services:

- expand the exemption for training services that assist individuals with a disorder or disability to include the services of designing a training plan
- expand the list of GST/HST-exempt health care services to include acupuncture, or naturopathic services supplied by a naturopathic doctor, if rendered to an individual
- zero-rate eyewear specially designed to treat a defect of vision by electronic means if supplied on the written order of a physician or optometrist for use by a consumer named in the order

Provincial changes

British Columbia

General corporate income tax rate

British Columbia's general corporate income tax rate increased:

		Rate	Recognized for accounting purposes? Canada	Recognized for accounting purposes? US
Effective date	Before April 1, 2013	10%	Yes	
	April 1, 2013	11%		

New Brunswick

General corporate income tax rate

New Brunswick's general corporate income tax rate increased:

		Rate	Recognized for accounting purposes? Canada	Recognized for accounting purposes? US
Effective date	Before July 1, 2013	10%	Yes	
	July 1, 2013	12%		

Nova Scotia

Harmonized Sales Tax (HST)

Nova Scotia will maintain the HST rate at 15% until 'sustainable fiscal balances are achieved.' The rate was to decline to 14% by July 1, 2014, and to 13% by July 1, 2015.

Ontario

General corporate income tax rate

This rate is frozen at 11.5% until the province returns to a balanced budget (scheduled for 2017-2018). The rate was to drop to 11% on July 1, 2012, and to 10% on July 1, 2013.

Ontario retirement pension plan (ORPP)

Employers and employees that do not already participate in a comparable pension plan will each be required to contribute up to about $1,700 annually to the ORPP, starting in 2017. See our *Tax Insights* '2014 Ontario budget: Higher taxes for higher earners and some corporations' at **www.pwc.com/ca/budget**.

Tax avoidance

- Closing loopholes – Ontario:
  - will target schemes and practices that avoid the payment of provincial taxes
  - will implement disclosure rules for aggressive tax avoidance transactions, similar to the federal rules
  - supports federal government initiatives that address aggressive international tax planning
  - urges the federal government to address interprovincial profit and loss shifting

- Enhancing audit – Ontario will expand the use of its Flexible and Integrated Risk System program to identify high-risk audit cases

Quebec

Business tax credits

Over 30 business tax credit rates have been reduced by 20%, generally effective on or after June 4, 2014. See our *Tax Insights* 'June 2014 Quebec budget' at **www.pwc.com/ca/budget**.

Tax holiday for large investment projects

For investment projects starting after October 7, 2013, the minimum expenditure threshold for a project to qualify for this 10-year income tax holiday decreased from $300 million to $200 million.

Quebec Taxation Review Committee

To make the tax system more competitive, the committee will study Quebec's tax system, analyze its tax assistance measures and propose changes before the 2015-16 budget.

Saskatchewan

General corporate income tax rate

Saskatchewan's general corporate income tax rate is decreasing:

		Rate	Recognized for accounting purposes?	
			Canada	US
Effective date	**July 1, 2008**	12%	Yes	
	To be determined	10%[1]	Not as of August 20, 2014	

1. Subject to affordability and sustainability within a balanced budget.

Alberta, Manitoba, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and Yukon

No significant changes were made to the rules that apply to insurers in Alberta, Manitoba, Newfoundland and Labrador, the Northwest Territories, Nunavut, Prince Edward Island or the Yukon.

Key tax dates

The following Canadian tax dates for insurance companies are based on a December 31 fiscal year end. Deadlines falling on holidays or weekends may be extended to the next business day. (Filing dates for miscellaneous matters affecting insurers in Canada, such as provincial taxes, licences, fees, permits and municipal taxes, are not covered.)

<table>
<tr><th colspan="2" rowspan="2">Federal tax dates</th><th colspan="2">Payments</th><th rowspan="2">Returns</th></tr>
<tr><th>Instalments</th><th>Balance</th></tr>
<tr><td rowspan="2">Corporate income tax; Financial institutions capital tax</td><td>Some Canadian-controlled private corporations</td><td rowspan="3">Last day of each month[1]</td><td>March 31</td><td rowspan="5">June 30</td></tr>
<tr><td>All other insurers</td><td rowspan="2">February 28</td></tr>
<tr><td colspan="2">Life insurer's investment income tax</td></tr>
<tr><td colspan="2">Branch tax</td><td colspan="2" rowspan="2">June 30</td></tr>
<tr><td>Non-resident tax</td><td>T2016</td></tr>
<tr><td rowspan="2">Transactions with non-residents</td><td>NR4[2]</td><td colspan="2" rowspan="4">n/a</td><td>March 31</td></tr>
<tr><td>Related-party transactions: T106</td><td rowspan="2">June 30</td></tr>
<tr><td rowspan="2">Foreign property reporting</td><td>T1135[3], T1141 and T1142</td></tr>
<tr><td>T1134</td><td>15 months after year end</td></tr>
<tr><td colspan="2">Federal excise tax – unlicensed insurance</td><td colspan="3">April 30</td></tr>
<tr><td colspan="2">Insurers not registered for GST that import taxable supplies</td><td colspan="3">1 month after month of importation</td></tr>
<tr><td>Financial institution GST/HST annual information return[4]</td><td>GST111 Schedule 1[4]</td><td colspan="2">n/a</td><td>June 30</td></tr>
</table>

<table>
<tr><th colspan="2" rowspan="2">Provincial tax dates</th><th colspan="2">Payments</th><th rowspan="2">Returns</th></tr>
<tr><th>Instalments</th><th>Balance</th></tr>
<tr><td rowspan="2">Corporate income tax (Alberta; Quebec)</td><td>Some Alberta Canadian-controlled private corporations</td><td rowspan="2">Last day of each month[1]</td><td>March 31</td><td rowspan="2">June 30</td></tr>
<tr><td>All other insurers</td><td>February 28</td></tr>
<tr><td rowspan="2">Capital tax</td><td>Life insurers in Ontario</td><td colspan="3">Same as federal corporate income tax</td></tr>
<tr><td>Life insurers in Quebec</td><td colspan="3">Same as provincial corporate income tax</td></tr>
</table>

1. Canadian-controlled private corporations can pay federal and Quebec instalments quarterly (rather than monthly) if certain conditions are met.
2. The payer in a transaction with a non-resident is required to remit withholding tax on or before the 15th of the month following the month the amount was paid or credited to the non-resident.
3. Changes to Form T1135 are discussed on page 2.
4. Financial institutions that have total annual revenues exceeding $1 million and are:
   - GST/HST registrants (but not QST registrants) must file Form GST111
   - GST/HST and QST registrants must file Form RC7291

Canadian premium and fire tax – Rates and deadlines

<table>
<tr><th colspan="3">Rates[1]</th><th rowspan="3"></th><th colspan="3">Deadlines</th></tr>
<tr><th colspan="2">Premium tax</th><th rowspan="2">Fire tax[2]</th><th colspan="2">Instalments</th><th rowspan="2">Return and balance due</th></tr>
<tr><th>Life, accident and sickness</th><th>Property and casualty</th><th>Premium tax</th><th>Fire tax</th></tr>
<tr><td rowspan="4">2%</td><td>3%</td><td rowspan="2">Nil</td><td>Alberta</td><td colspan="2">Not required</td><td>75 days after year end</td></tr>
<tr><td>4.4%</td><td>British Columbia[3]</td><td>If prior year's tax payable exceeds $25,000, 15th of June, September and December</td><td rowspan="4"></td><td rowspan="2">March 31</td></tr>
<tr><td rowspan="2">3%</td><td>1.25%</td><td>Manitoba</td><td>Last day of April, July, October and January</td></tr>
<tr><td>1%</td><td>New Brunswick</td><td>Last day of June, September and December</td><td>March 15</td></tr>
<tr><td colspan="2">4%</td><td rowspan="2">Nil[5]</td><td>Newfoundland and Labrador</td><td>Varies[4]</td><td>March 20</td></tr>
<tr><td rowspan="2">3%</td><td>3% or 4%[5]</td><td>N.W.T. & Nunavut</td><td colspan="2">Not required</td><td>March 15</td></tr>
<tr><td>4%</td><td>1.25%</td><td>Nova Scotia</td><td>60 days after end of each quarter</td><td rowspan="2"></td><td>Premium: 60 days after last quarter
Fire: March 31</td></tr>
<tr><td>2%</td><td>3% or 3.5%[6]</td><td>Nil</td><td>Ontario</td><td>Varies[6]</td><td>Return: 6 months after year end
Balance due: Same as federal income tax (page 7)</td></tr>
<tr><td colspan="2">3.5%</td><td>1%</td><td>Prince Edward Island</td><td colspan="2">Last day of each quarter</td><td>3 months after year end</td></tr>
<tr><td>2.3%</td><td>3.3%</td><td>Nil</td><td>Quebec[7]</td><td colspan="3">Same as provincial income tax (page 7)</td></tr>
<tr><td>3%</td><td>4%</td><td>1%</td><td>Saskatchewan[8]</td><td colspan="2" rowspan="2">Not required</td><td rowspan="2">March 15</td></tr>
<tr><td>2%</td><td>2% or 3%[9]</td><td>Nil[9]</td><td>Yukon</td></tr>
</table>

1. The rates in the table apply to licensed insurers. Different rates may apply to unlicensed insurers in some jurisdictions.
2. Fire tax rates are levied under *Fire Prevention Act* or similar legislation of each jurisdiction. For Northwest Territories, Nunavut and Yukon, footnotes 5 and 9 set out rates levied under other legislation relating to fire insurance premiums.
3. British Columbia's premium tax rate on property insurance and automobile insurance is 4.4%. A rate of 4% applies to most other types of insurance not referred to in the table.
4. Newfoundland and Labrador's instalment deadlines are shown in the table to the right.
5. Northwest Territories and Nunavut impose an additional 1% tax on gross premiums in respect of fire insurance.
6. Ontario levies a premium tax rate of 3.5% on property insurance. Ontario's instalment deadlines are shown in the table to the right.
7. Quebec rates include 0.3% compensation tax on insurance premiums. The compensation tax will be nil after March 31, 2019.
8. Saskatchewan imposes an additional 1% tax on gross premiums in respect of motor vehicle insurance. Its premium tax rate on hail insurance is 3%.
9. Yukon imposes an additional 1% tax on gross premiums in respect of fire insurance and property damage insurance.

Newfoundland and Labrador	
Previous year's tax	**Instalment deadlines**
≥ $1,000,000	20th day of each following month
≥ $500,000 but < $1,000,000	20th of April, July, October and January
≥ $100,000 but < $500,000	20th of July and January
< $100,000	Not required

Ontario	
Current or previous year's tax	**Instalment deadlines**
≥ $10,000[a]	One month after month end[b]
≥ $2,000 but < $10,000	Three months after quarter end[b]
< $2,000	Not required

a. This threshold must be met in both the current and previous year.
b. For taxation years that do not end on the last day of a month, instalments are due by the same day of the following month or quarter.

Sales tax – Rates and deadlines

	Tax	Rate	Filing conditions		Balance and returns	
					Reporting period	Due after
Federal	GST[1]	5%	Default (Registrant)		Fiscal year	6 months[2,3]
			Elected (Registrant)		Fiscal quarter	1 month[2]
					Fiscal month	
Alberta	No provincial sales tax					
British Columbia	PST	7%	Annual tax	≤ $3,000	Fiscal quarter, semi-annual or year	1 month
				> $3,000 to $6,000	Fiscal quarter or semi-annual	
				> $6,000 to $12,000	Fiscal month or quarter	
				> $12,000	Fiscal month	
Manitoba	PST	8%[4]	Monthly tax	< $500	Calendar year	20 days
				$500 to $4,999	Calendar quarter	
				≥ $5,000	Calendar month	
New Brunswick	HST	13%	Same as federal GST			
Newfoundland and Labrador	HST	13%	Same as federal GST			
Northwest Territories	No territorial sales tax					
Nova Scotia	HST	15%[5]	Same as federal GST			
Nunavut	No territorial sales tax					
Ontario	HST	13%[6]	Same as federal GST			
Prince Edward Island	HST	14%	Same as federal GST			
Quebec	QST	9.975%[7]	Same as federal GST[7]			
Saskatchewan	PST	5%	Annual tax	< $3,600	Calendar year	20 days
				$3,600 to $7,200	Calendar quarter	
				> $7,200	Calendar month	
Yukon	No territorial sales tax					

GST = Goods and Services Tax
PST = Provincial Sales Tax
HST = Harmonized Sales Tax
QST = Quebec Sales Tax

1. Instead of the GST, a 5% First Nations Goods and Services Tax (FNGST) applies in certain First Nations.
2. Every registered insurer that is an annual filer and is a:
   - GST/HST (but not a QST) Selected Listed Financial Institution (SLFI), must file Form GST494
   - GST/HST and QST SLFI (or a QST SLFI but not a GST/HST SLFI), must file Form RC7294

   within six months of its fiscal year reporting period.

   Every registered and non-registered* insurer that is a monthly or quarterly filer and is a:
   - GST/HST (but not a QST) SLFI, must file: (i) interim returns on Form GST494 within one month of its reporting period, and (ii) a final return on Form GST494 within six months of its fiscal year
   - GST/HST and QST SLFI (or a QST SLFI but not a GST/HST SLFI), must file: (i) interim returns on Form RC7200 (registered insurers) or Form RC7262 (non-registered* insurers) within one month of its reporting period, and (ii) a final return on Form RC7294 within six months of its fiscal year

   Every registered insurer that is not a SLFI must file Form GST34 within either six months of its fiscal year reporting period, or one month of its monthly or quarterly reporting period.

   Every non-registered* insurer that is not a SLFI must file Form GST62 within one month of its monthly reporting period.

   * Non-registered insurers must have a monthly reporting period.
3. Federal and Quebec instalments may be due one month after each quarter.
4. Manitoba also applies an 8% retail sales tax (RST) on certain insurance premiums. Manitoba's PST (which also applies to its RST) will decrease to 7% on July 1, 2023.
5. Nova Scotia will maintain the HST rate at 15% until 'sustainable fiscal balances are achieved.' The rate was to decline to 14% by July 1, 2014, and to 13% by July 1, 2015.
6. Ontario imposes a retail sales tax of 8% on other insurance premiums, with certain exceptions, e.g. individual life and health, and automobile premiums.
7. Quebec's QST reporting has been harmonized with the federal GST reporting. Quebec also imposes a retail sales tax of 5% on automobile premiums and 9% on insurance premiums, with certain exceptions, e.g. individual life and health.

Corporate income tax rates for 2014

The following rates, which have been pro-rated for a December 31, 2014 year end, apply to insurance companies. For Canadian-controlled private property and casualty insurers, lower rates may apply on up to $500,000 of active business income ($425,000 in Manitoba and $350,000 in Nova Scotia).

Basic federal rate	38%
Provincial abatement	-10%
General rate reduction	-13%
Total federal rate	**15%**

	Provincial/ Territorial	Provincial/Territorial + 15% federal
Alberta	10%	25%
British Columbia	11%[1]	26%
Manitoba	12%	27%
New Brunswick	12%[1]	27%
Newfoundland and Labrador	14% H	29%
Northwest Territories	11.5%	26.5%
Nova Scotia	16%	31%
Nunavut	12%	27%
Ontario[2]	11.5%[1]	26.5%
Prince Edward Island	16%	31%
Quebec	11.9% H	26.9%
Saskatchewan	12%[1]	27%
Yukon	15%	30%

H Tax holidays are available to certain corporations.

1. Recent and future income tax changes are outlined on pages 5 to 6.
2. Ontario corporations that, on an associated basis, have gross revenues of $100 million or more and total assets of $50 million or more, may have a corporate minimum tax (CMT) liability based on adjusted book income. CMT is payable to the extent that it exceeds the regular Ontario income tax liability.

Capital tax rates for 2014

			Life[1]	Non-life[1]
Federal	Part VI financial institutions capital tax[2]	On first \$1 billion taxable capital	Nil	
		On taxable capital > \$1 billion	1.25%	
Alberta			No capital tax	
British Columbia				
Manitoba				
New Brunswick				
Newfoundland and Labrador				
Northwest Territories				
Nova Scotia				
Nunavut				
Ontario[3] and Quebec[4]	On taxable capital ≤ \$10 million		Nil	
	On taxable capital > \$10 million and ≤ \$50 million		0.625%	
	On taxable capital > \$50 million and ≤ \$100 million		0.9375%	
	On taxable capital > \$100 million and ≤ \$200 million		1.25%	
	On taxable capital > \$200 million and ≤ \$300 million		0.625%	
	On taxable capital > \$300 million		0.3125%	
Prince Edward Island				
Saskatchewan				
Yukon				

1. All rates in this table are for a December 31, 2014 year end. When applying the thresholds, taxable capital of all companies in a group is considered.
2. The federal Part VI tax is reduced by the corporation's federal income tax liability. Any unused federal income tax liability can be applied to reduce the Part VI tax for the previous three years and the next seven.
3. Ontario capital tax may be reduced by the Ontario income tax and corporate minimum tax payable for the year.
4. Quebec capital tax may be reduced by the Quebec income tax payable for the year.

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The insurance industry in 2014 – top issues: An annual report

This publication describes in detail the challenges insurers face in 2014, and how they can effectively manage their operations and risk, and grow. Topics include: modernizing finance, actuarial and risk management functions, the regulatory environment, reinventing life insurance, the insurance deals market, overcoming common obstacles in policy administration system transformation, and insurance taxation. To download it, visit **www.pwc.com/us/insurance**.

Insurance Banana Skins 2013: The CSFI survey of the risks facing insurers

This survey of the leading members of the insurance industry identifies potential sources of risks to the industry and ranks them by severity. It provides insights into the multitude of risks insurers face globally and focuses attention on addressing risk in an organization. It also questions insurers on current risks, future trends and their preparedness to respond to the risk environment. To download a copy, visit **www.pwc.com/insurance**.

Insurance 2020: The digital prize – Taking customer connection to a new level

This paper discusses how digital innovation can help insurers engage with customers and open up commercial opportunities. It shows how digital is already embedded within the market and holds the key to connecting effectively with customers. For a copy, visit **www.pwc.com/insurance**.

Insurance 2020: Forcing the pace – The fast way to becoming a digital front-runner

This paper explores how digital is reshaping the competitive landscape for life and pensions businesses, and how to develop the adaptable mindset, and the faster decision-making and operational flexibility needed to come out in front of the market. It is available at **www.pwc.com/insurance**.

Insurance 2020: A quiet revolution – The future of insurance M&A

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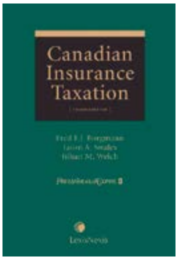
17th Annual Global CEO Survey – Leading from the front: Insurance industry summary

PwC's 17th Annual Global CEO Survey finds that insurance CEOs view technological advances as the trend most likely to transform their business over the next five years, followed by demographic changes, and then shifts in global economic power. For the key insurance industry findings, download this publication at **www.pwc.com/ceosurvey**.

Canadian Insurance Taxation (Third Edition)



The third edition helps insurers identify potential tax problems, make better business decisions and be more effective when discussing these matters with professional advisers. This 454-page book reflects the existing and proposed tax and accounting rules as of November 28, 2008. It includes over 80 flowcharts and tables. Changes from previous editions include a new chapter on Canada's transfer pricing environment and insights into transfer pricing methodologies available to insurers. To order this publication, visit **www.pwc.com/ca/canadianinsurancetax**.

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