In paragraph 1. Repeal the BSCR formula and insert:

$$BSCR = \sqrt{C_{fi}^2 + C_{eq}^2 + C_{int}^2 + C_{Curr}^2 + C_{Conc}^2 + C_{prem}^2 + \left[\tfrac{1}{2} C_{cred} + C_{rsvs}\right]^2 + \left[\tfrac{1}{2} C_{cred}\right]^2 + C_{cat}^2} + C_{op} + C_{adj}$$

$$+\left(BSCR_{Corr} - \left(\sqrt{C_{fi}^2 + C_{eq}^2 + C_{int}^2 + C_{Curr}^2 + C_{Conc}^2 + C_{prem}^2 + \left[\tfrac{1}{2} C_{cred} + C_{rsvs}\right]^2 + \left[\tfrac{1}{2} C_{cred}\right]^2 + C_{cat}^2} + C_{op} + C_{adj}\right)\right)$$

$$\times TransitionalFactor$$

insert after " C_{adj}" the following words

$BSCR_{Corr}$	=	$BSCR_{Corr}$ as calculated in accordance with paragraph 13;
$TransitionalFactor$	=	shall be 33% for the financial beginning on or after 1St January 2018; shall be 66% for the financial beginning on or after 1St January 2019; shall be 100% for the financial beginning on or after 1St January 2020;

Insert after paragraph 12 as follows:

13. The BSCR shall be established, on an EBS Valuation basis in accordance with the following formula-

$$BSCR = \text{Basic BSCR} + C_{operational} + C_{regulatoryadj} + C_{otheradj}$$

where-

$Basic\ BSCR$	= Basic BSCR risk module charge as calculated in accordance with paragraph 13a;
$C_{operational}$	= operational risk charge as calculated in accordance with paragraph 23; and
$C_{regulatoryadj}$	= regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraph 24; and
$C_{otheradj}$	= other capital adjustment risk charge as calculated in accordance with paragraph 25.

13a. The Basic BSCR risk module charge calculation shall be determined in accordance with the following formula-

$$Basic\ BSCR = \sqrt{\sum_{i,j} CorrBBSCR_{i,j} \times C_i \times C_j}$$

where-

$CorrBBSCR_{i,j}$	= the correlation factors of the Basic BSCR correlation matrix in accordance with table A;
i,j	= the sum of the different terms should cover all possible combinations of i and j;
C_i and C_j	= risk charge *i* and risk charge *j* which are replaced by the following: C_{Market}, C_{Credit}, $C_{P\&C\ Insurance}$;
C_{Market}	= market risk module charge as calculated in accordance with paragraph 13b;
$C_{P\&C\ Insurance}$	= P&C risk module charge as calculated in accordance with paragraph 13c; and

C_{Credit} = credit risk module charge as calculated in accordance with paragraph 21.

Table A – Basic BSCR Correlation Matrix

$CorrBBSCR_{i,j}$	C_{Market}	C_{Credit}	$C_{P\&C\ Insurance}$
C_{Market}	1		
C_{Credit}	0.25	1	
$C_{P\&C\ Insurance}$	0.25	0.50	1

13b. The market risk module risk module charge calculation shall be determined in accordance with the following formula-

$$\boxed{C_{Market} = \sqrt{\sum_{i,j} CorrMarket_{i,j} \times C_i \times C_j}}$$

where-

$CorrMarket_{i,j}$ = the correlation factors of the market risk module correlation matrix in accordance with table B;

i,j = the sum of the different terms should cover all possible combinations of i and j;

C_i and C_j = risk charge i and risk charge j which are replaced by the following: $C_{fixedIncome}$, C_{equity}, $C_{interest}$, $C_{currency}$, $C_{concentration}$;

$C_{fixedIncome}$ = fixed income investment risk charge as calculated in accordance with paragraph 14;

C_{equity} = equity investment risk charge as calculated in accordance with paragraph 15;

$C_{interest}$ = interest rate / liquidity risk charge as calculated in accordance with paragraph 16;

$C_{currency}$ = currency risk charge as calculated in accordance with paragraph 17; and

$C_{concentration}$ = concentration risk charge as calculated in accordance with paragraph 18.

Table B – Market Risk Module Correlation Matrix

$CorrMarket_{i,j}$	$C_{fixedIncome}$	C_{equity}	$C_{interest}$	$C_{currency}$	$C_{concentration}$
$C_{fixedIncome}$	1				
C_{equity}	0.50	1			
$C_{interest}$	0.25	0.25	1		
$C_{currency}$	0.25	0.25	0.25	1	
$C_{concentration}$	0.00	0.00	0.00	0.00	1

13c. The P&C risk module charge calculation shall be determined in accordance with the following formula-

$$C_{P\&C\ Insurance} = \sqrt{\sum_{i,j} CorrP\&CInsurance_{i,j} \times C_i \times C_j}$$

where-

$CorrP\&CInsurance_{i,j}$ = the correlation factors of the P&C insurance risk module correlation matrix in accordance with table C;

i,j = the sum of the different terms should cover all possible combinations of i and j;

C_i and C_j = risk charge i and risk charge j which are replaced by the following: $C_{premium}$, $C_{reserve}$, $C_{catastrophe}$;

$C_{premium}$ = premium risk charge as calculated in accordance with paragraph 19;

$C_{reserve}$ = reserve risk charge as calculated in accordance with paragraph 20; and

$C_{catastrophe}$ = catastrophe risk charge as calculated in accordance with paragraph 22;

Table C – P&C Insurance Risk Module Correlation Matrix

$CorrP\&CInsurance_{i,j}$	$C_{premium}$	$C_{reserve}$	$C_{catastrophe}$
$C_{premium}$	1		
$C_{reserve}$	0.25	1	
$C_{catastrophe}$	0.25	0.25	1

14. The fixed income investment risk charge calculation shall be determined in accordance with the following formula-

$$C_{fixedIncome} = \sum_i \chi_i \times FIastclass_i \times \mu_r$$ where

χ_i = the capital charge factors prescribed in Table 1A for each type of $FIastclass_i$;

$FIastclass_i$ = value of investment in corresponding asset $class_i$;and

μ_r = additional diversification adjustment factor applied to cash and cash equivalent balances, or 1 for other asset classes.

Table 1A – Capital charge factors for $FIastclass_i$

Type of fixed income investments $FIastclass_i$	**Statement Source** These Rules	**Capital Factor** χ_i
Corporate and Sovereign Bonds		
BSCR rating 0	Schedule IIB & IIC, Line 1, Column (1)	0.0%
BSCR rating 1	Schedule IIB & IIC, Line 2, Column (1)	0.4%
BSCR rating 2	Schedule IIB & IIC, Line 3, Column (1)	0.8%
BSCR rating 3	Schedule IIB & IIC, Line 4, Column (1)	1.5%

BSCR rating 4	Schedule IIB & IIC, Line 5, Column (1)	3.0%
BSCR rating 5	Schedule IIB & IIC, Line 6, Column (1)	8.0%
BSCR rating 6	Schedule IIB & IIC, Line 7, Column (1)	15.0%
BSCR rating 7	Schedule IIB & IIC, Line 8, Column (1)	26.3%
BSCR rating 8	Schedule IIB & IIC, Line 9, Column (1)	35.0%
Residential Mortgage-Backed Securities		
BSCR rating 1	Schedule IIB & IIC, Line 2, Column (3)	0.6%
BSCR rating 2	Schedule IIB & IIC, Line 3, Column (3)	1.2%
BSCR rating 3	Schedule IIB & IIC, Line 4, Column (3)	2.0%
BSCR rating 4	Schedule IIB & IIC, Line 5, Column (3)	4.0%
BSCR rating 5	Schedule IIB & IIC, Line 6, Column (3)	11.0%
BSCR rating 6	Schedule IIB & IIC, Line 7, Column (3)	25.0%
BSCR rating 7	Schedule IIB & IIC, Line 8, Column (3)	35.0%
BSCR rating 8	Schedule IIB & IIC, Line 9, Column (3)	35.0%
Commercial Mortgage-Backed Securities/Asset-Backed Securities		
BSCR rating 1	Schedule IIB & IIC, Line 2, Column (5)	0.5%
BSCR rating 2	Schedule IIB & IIC, Line 3, Column (5)	1.0%
BSCR rating 3	Schedule IIB & IIC, Line 4, Column (5)	1.8%
BSCR rating 4	Schedule IIB & IIC, Line 5, Column (5)	3.5%
BSCR rating 5	Schedule IIB & IIC, Line 6, Column (5)	10.0%
BSCR rating 6	Schedule IIB & IIC, Line 7, Column (5)	20.0%
BSCR rating 7	Schedule IIB & IIC, Line 8, Column (5)	30.0%
BSCR rating 8	Schedule IIB & IIC, Line 9, Column (5)	35.0%
Bond Mutual Funds		
BSCR rating 0	Schedule IIB & IIC, Line 1, Column (7)	0.0%
BSCR rating 1	Schedule IIB & IIC, Line 2, Column (7)	0.4%
BSCR rating 2	Schedule IIB & IIC, Line 3, Column (7)	0.8%
BSCR rating 3	Schedule IIB & IIC, Line 4, Column (7)	1.5%
BSCR rating 4	Schedule IIB & IIC, Line 5, Column (7)	3.0%
BSCR rating 5	Schedule IIB & IIC, Line 6, Column (7)	8.0%
BSCR rating 6	Schedule IIB & IIC, Line 7, Column (7)	15.0%
BSCR rating 7	Schedule IIB & IIC, Line 8, Column (7)	26.3%
BSCR rating 8	Schedule IIB & IIC, Line 9, Column (7)	35.0%
Mortgage Loans		
Insured/guaranteed mortgages	Schedule IIB & IIC, Line 24, Column (3)	0.3%
Other commercial and farm mortgages	Schedule IIB & IIC, Line 25, Column (3)	5.0%
Other residential mortgages	Schedule IIB & IIC, Line 26, Column (3)	1.5%
Mortgages not in good standing	Schedule IIB & IIC, Line 27, Column (3)	25.0%
Other Fixed Income Investments		
Other loans	Form 1EBS, Line 8	5.0%
Cash and cash equivalents		
BSCR rating 0	Schedule XIX, Column A	0.0%
BSCR rating 1	Schedule XIX, Column A	0.1%
BSCR rating 2	Schedule XIX, Column A	0.2%
BSCR rating 3	Schedule XIX, Column A	0.3%
BSCR rating 4	Schedule XIX, Column A	0.5%

BSCR rating 5	Schedule XIX, Column A	1.5%
BSCR rating 6	Schedule XIX, Column A	4.0%
BSCR rating 7	Schedule XIX, Column A	6.0%
BSCR rating 8	Schedule XIX, Column A	9.0%
Less: Diversification adjustment	Schedule XIX, Column A	to a maximum of 40.0%

INSTRUCTIONS AFFECTING TABLE 1A: Capital charge factors for $FIastclass_i$

(a) all assets comprising of bonds and debentures, loans, and other miscellaneous investments that are subject to capital charges within the fixed income investment risk charge shall be included;

(b) all non-affiliated quoted and unquoted bonds and debentures shall be included in the fixed income investment charge;

(c) all bonds and debentures, loans, and other miscellaneous investments shall be reported on a basis consistent with that used for purposes of statutory financial reporting;

(d) The capital requirements relating to cash and cash equivalents shall be reduced by a diversification adjustment of up to a maximum of 40%;

(e) the diversification adjustment in paragraph (d) is determined as 40% multiplied by 1 minus the ratio of the largest cash and cash equivalent balance held with a single counterparty to the total of all cash and cash equivalent balance; and

(f) amounts are to be reported on an EBS Valuation basis.

15. The equity investment risk charge calculation shall be established in accordance with the following formula-

$$\boxed{C_{\text{equity}} = \sqrt{\sum_{i,j} CorrEq_{i,j} \times C_i \times C_j}}$$

where-

$Correq_{i,j}$ = the correlation factors of the equity risk correlation matrix in accordance with table 2A;

i,j = the sum of the different terms should cover all possible combinations of i and j;

C_i and C_j = risk charge i and risk charge j which are replaced by the following: C_{Type1}, C_{Type2}, C_{Type3};

C_{Type1} = *Type1* equity risk charge as calculated in accordance with paragraph 15a;

C_{Type2} = *Type2* equity risk charge as calculated in accordance with paragraph 15a;

C_{Type3} = *Type3* equity risk charge as calculated in accordance with paragraph 15a;

Table 2A – Equity Risk Charge Correlation Matrix

Equity Corr Matrix	C_{Type1}	C_{Type2}	C_{Type3}
C_{Type1}	1		
C_{Type2}	0.75	1	

C_{Type3}	0.75	0.75	1

15a. The *Type1, Type2 and Type3* equity risk charges calculation shall be determined in accordance with the following formulas-

$$C_{Type1} = \sum_{Type1_i} Max(\chi_i \times Eclass_i, 0)$$

$$C_{Type2} = \sum_{Type2_i} Max(\chi_i \times Eclass_i, 0)$$

$$C_{Type3} = \sum_{Type3_i} Max(\chi_i \times Eclass_i, 0)$$

where-

χ_i = the capital charge factors which corresponds to instantaneous shocks prescribed in Table 2B for each type of $Eclass_i$; and

$Eclass_i$ = Net-Asset-Value (assets minus technical provisions and segregated account company liabilities) in corresponding equity $class_i$.

Table 2B – Capital charge factors for $Eqastclass_i$

$C_{eq} = Corr(Type1, Type2, Type3)$ where -

$$Type1 = \sum_i \chi_i \times Eqastclass_i$$

$$Type2 = \sum_i \chi_i \times Eqastclass_i$$

$$Type3 = \sum_i \chi_i \times Eqastclass_i$$

χ_i = the capital charge factors prescribed in Table 2B for each type of $Eqastclass_i$; and

$Eqastclass_i$ = value of investment in corresponding asset $class_i$.

Table 2A – Capital charge factors for $Eqastclass_i$

Equity investments $Eqastclass_i$	**Type of equity investments**	**Statement Source** These Rules	**Capital Factor** χ_i
Strategic Holdings			
Strategic Holdings-Listed	Type 1	Schedule IIB, Line 28, Column (1) Less Schedule IIB, Line 47, Column (9)	20.0%
Strategic Holdings-other	Type 2	Schedule IIB, Line 29, Column (1) Less Schedule IIB, Line 48, Column (9)	20.0%
Equity Securities			
Infrastructure	Type 3	Schedule IIB & IIC, Line 19, Column (9) Less Schedule IIB & IIC, Line 39, Column (9)	25.0%
Listed Equity Securities	Type 1	Schedule IIB & IIC, Line 20, Column (9) Less Schedule IIB & IIC, Line 40, Column (9)	35.0%
Other Equities	Type 3	Schedule IIB & IIC, Line 21, Column (9)	45.0%

		Less Schedule IIB & IIC, Line 41, Column (9)	
Preferred stocks			
BSCR rating 1	Type 1	Schedule IIB & IIC, Line 11, Column (3) Less Schedule IIB & IIC, Line 31, Column (9)	0.6%
BSCR rating 2	Type 1	Schedule IIB & IIC, Line 12, Column (3) Less Schedule IIB & IIC, Line 32, Column (9)	1.2%
BSCR rating 3	Type 1	Schedule IIB & IIC, Line 13, Column (3) Less Schedule IIB & IIC, Line 33, Column (9)	2.0%
BSCR rating 4	Type 1	Schedule IIB & IIC, Line 14, Column (3) Less Schedule IIB & IIC, Line 34, Column (9)	4.0%
BSCR rating 5	Type 1	Schedule IIB & IIC, Line 15, Column (3) Less Schedule IIB & IIC, Line 35, Column (9)	11.0%
BSCR rating 6	Type 1	Schedule IIB & IIC, Line 16, Column (3) Less Schedule IIB & IIC, Line 36, Column (9)	25.0%
BSCR rating 7	Type 1	Schedule IIB & IIC, Line 17, Column (3) Less Schedule IIB & IIC, Line 37, Column (9)	35.0%
BSCR rating 8	Type 1	Schedule IIB & IIC, Line 18, Column (3) Less Schedule IIB & IIC, Line 38, Column (9)	35.0%
Other equity investments			
Equity Real Estate 1	Type 2	Form 1EBS, Line 7(a) Less Schedule IIB, Line 43, Column (9)	10.0%
Equity Real Estate 2	Type 2	Form 1EBS, Line 7(b) Less Schedule IIB, Line 44, Column (9)	20.0%
Letters of Credit	Type 2	Form 1EBS, Line (14d)	20.0%

INSTRUCTIONS AFFECTING TABLE 2A: Capital charge factors for $Eqastclass_i$

(a) all assets comprising of strategic holdings except regulated non-insurance financial operating entities equity securities, preferred stock and other equity investments are to be reported on a basis consistent with that used for purposes of statutory reporting and applied a reduction for technical provisions and segregated account cell liabilities that are subject to equity shocks. The net position shall be subject to capital charges;

(b) Short equity exposures (other than those embedded in the technical provisions and segregated account company liabilities) should be ignored for the purposes of the calculation; and

(c) amounts are to be reported on an EBS Valuation basis.

16. The interest rate / liquidity risk charge calculation shall be established in accordance with the following formula-

$C_{interest} = bonds \times duration \times marketdecline$ where

$bonds$ = quoted and unquoted value of total bonds and debentures, preferred stock, or mortgage loans;

$duration$ = the higher of

(a) 1; or

(b) the insurer's effective asset duration less the insurer's effective liability duration; or

(c) the insurer's effective liability duration less the insurer's effective asset duration; and not to exceed 3.5

(d) the statement source for effective asset duration and effective liability duration is Schedule V paragraphs (d) and (e), respectively, of these Rules; and

$marketdecline$ = assumed interest rate adjustment prescribed in Table 3A.

Table 3A – Interest rate adjustment for $bond$

Type of investments $bonds$	**Statement Source** These Rules	**Estimated duration**	**200 basis point interest rate increase** $marketdecline$
Total bonds and debentures	Schedule IIB and Schedule IIC, Column 9, Line 10	$duration$	2.0%
Preferred stock	Schedule IIB and Schedule IIC, Column 3, Line 23	$duration$	2.0%
Mortgage loans	Schedule IIB, Column 3, Line 30 & Schedule IIC, Column 3, Line 29	$duration$	2.0%

INSTRUCTIONS AFFECTING TABLE 3A: Interest rate adjustment for $bonds$

(a) all assets comprising of total bonds and debentures, preferred stock, and mortgage loans investments that are subject to capital charges within the interest rate / liquidity risk charge shall be included;

(b) all quoted and unquoted non-affiliated total bonds and debentures and preferred stock shall be included in the interest rate/liquidity risk charge;

(c) total bonds and debentures, preferred stock, and mortgage loans investments shall be reported on a basis consistent with that used for purposes of statutory financial reporting; and

(d) amounts are to be reported on an EBS Valuation basis.

17. The currency risk charge calculation shall be established in accordance with the following formula-

$$C_{Currency} = \sum_i \chi_i \times (Currproxybscr_i + Currliab_i - Currast_i)$$ where -

χ_i = the capital charge factors prescribed in Table 4A for each type of currency where $(Currast_i - Currliab_i - Currproxybscr_i) < 0$;

$Currency_i$ = refers to currency type that has been translated to the functional currency as expressed in Form 1EBS

$GrossCurrast_i$ = value of assets corresponding to $Currency_i$ as reported on Form 1EBS Line 15

$Currast_i$ = value of assets corresponding to $Currency_i$ as reported on Form 1EBS Form 1EBS Line 15 adjusted to allow for currency hedging arrangements

$GrossCurrliab_i$ = value of liabilities corresponding to $Currency_i$ as reported on Form 1EBS Line 39 .

$Currliab_i$ = value of liabilities corresponding to $Currency_i$ as reported on Form

1EBS Line 39 adjusted to allow for currency hedging arrangements

$Currproxybscrclass_i$ = refers to the product of $GrossCurrliab_i$ and BSCR Proxy factor

BSCR Proxy factor = greater of:

i. the Enhanced Capital Requirement divided by Form 1EBS Line 39 Total Liabilities for the preceding year;
ii. the average of the above ratio for the preceding 3 years.

where there are no prior submissions available, the BSCR proxy factor is the above ratio that would be obtained from the current submission without taking into account the currency risk charge.

Table 4A – Capital charge factors for Currency Risk

Currency	$GrossCurrast_i$	$Currast_i$	$GrossCurrliab_i$	$Currliab_i$	$Currproxybscr_i$	Capital Factor: If reporting currency χ_i	Capital Factor: Otherwise χ_i
United States Dollars	Schedule XXA, Column A, Line 1	Schedule XXA, Column B, Line 1	Schedule XXA, Column C, Line 1	Schedule XXA, Column D, Line 1	$GrossCurrliab_1$ x BSCR Proxy Factor	0%	25.00%
Bermuda Dollars	Schedule XXA, Column A, Line 2	Schedule XXA, Column B, Line 2	Schedule XXA, Column C, Line 2	Schedule XXA, Column D, Line 2	$GrossCurrliab_2$ x BSCR Proxy Factor	0%	25.00%
Qatari Riyals	Schedule XXA, Column A, Line 3	Schedule XXA, Column B, Line 3	Schedule XXA, Column C, Line 3	Schedule XXA, Column D, Line 3	$GrossCurrliab_3$ x BSCR Proxy Factor	0%	25.75%
Hong Kong	Schedule XXA, Column A, Line 4	Schedule XXA, Column B, Line 4	Schedule XXA, Column C, Line 4	Schedule XXA, Column D, Line 4	$GrossCurrliab_4$ x BSCR Proxy Factor	0%	26.00%
Euro	Schedule XXA, Column A, Line 5	Schedule XXA, Column B, Line 5	Schedule XXA, Column C, Line 5	Schedule XXA, Column D, Line 5	$GrossCurrliab_5$ x BSCR Proxy Factor	0%	25.00%
Danish Krones	Schedule XXA, Column A, Line 6	Schedule XXA, Column B, Line 6	Schedule XXA, Column C, Line 6	Schedule XXA, Column D, Line 6	$GrossCurrliab_6$ x BSCR Proxy Factor	0%	25.39%
Bulgarian Levs	Schedule XXA, Column A, Line 7	Schedule XXA, Column B, Line 7	Schedule XXA, Column C, Line 7	Schedule XXA, Column D, Line 7	$GrossCurrliab_7$ x BSCR Proxy Factor	0%	26.81%
West African CFA Francs	Schedule XXA, Column A, Line 8	Schedule XXA, Column B, Line 8	Schedule XXA, Column C, Line 8	Schedule XXA, Column D, Line 8	$GrossCurrliab_8$ x BSCR Proxy Factor	0%	27.18%
Central African CFA Francs	Schedule XXA, Column A, Line 9	Schedule XXA, Column B, Line 9	Schedule XXA, Column C, Line 9	Schedule XXA, Column D, Line 9	$GrossCurrliab_9$ x BSCR Proxy Factor	0%	26.96%
Comorian Francs	Schedule XXA, Column A, Line 10	Schedule XXA, Column B, Line 10	Schedule XXA, Column C, Line 10	Schedule XXA, Column D, Line 10	$GrossCurrliab_{10}$ x BSCR Proxy Factor	0%	27.00%
United Kingdom Pounds	Schedule XXA, Column A, Line 11	Schedule XXA, Column B, Line 11	Schedule XXA, Column C, Line 11	Schedule XXA, Column D, Line 11	$GrossCurrliab_{11}$ x BSCR Proxy Factor	0%	25.00%
Canada Dollars	Schedule XXA, Column A, Line 12	Schedule XXA, Column B, Line 12	Schedule XXA, Column C, Line 12	Schedule XXA, Column D, Line 12	$GrossCurrliab_{12}$ x BSCR Proxy Factor	0%	25.00%
Japan Yen	Schedule XXA, Column A, Line 13	Schedule XXA, Column B, Line 13	Schedule XXA, Column C, Line 13	Schedule XXA, Column D, Line 13	$GrossCurrliab_{13}$ x BSCR Proxy Factor	0%	25.00%

Other currency 1	Schedule XXA, Column A, Line 14	Schedule XXA, Column B, Line 14	Schedule XXA, Column C, Line 14	Schedule XXA, Column D, Line 14	$GrossCurrliab_{14}$ x BSCR Proxy Factor	0%	25.00%
Other currency 2	Schedule XXA, Column A, Line 15	Schedule XXA, Column B, Line 15	Schedule XXA, Column C, Line 15	Schedule XXA, Column D, Line 15	$GrossCurrliab_{15}$ x BSCR Proxy Factor	0%	25.00%
Other currency 3	Schedule XXA, Column A, Line 16	Schedule XXA, Column B, Line 16	Schedule XXA, Column C, Line 16	Schedule XXA, Column D, Line 16	$GrossCurrliab_{16}$ x BSCR Proxy Factor	0%	25.00%
Other currency 4	Schedule XXA, Column A, Line 17	Schedule XXA, Column B, Line 17	Schedule XXA, Column C, Line 17	Schedule XXA, Column D, Line 17	$GrossCurrliab_{17}$ x BSCR Proxy Factor	0%	25.00%
Other currency 5	Schedule XXA, Column A, Line 18	Schedule XXA, Column B, Line 18	Schedule XXA, Column C, Line 18	Schedule XXA, Column D, Line 18	$GrossCurrliab_{18}$ x BSCR Proxy Factor	0%	25.00%
Other currency 6	Schedule XXA, Column A, Line 19	Schedule XXA, Column B, Line 19	Schedule XXA, Column C, Line 19	Schedule XXA, Column D, Line 19	$GrossCurrliab_{19}$ x BSCR Proxy Factor	0%	25.00%
Other currency 7	Schedule XXA, Column A, Line 20	Schedule XXA, Column B, Line 20	Schedule XXA, Column C, Line 20	Schedule XXA, Column D, Line 20	$GrossCurrliab_{20}$ x BSCR Proxy Factor	0%	25.00%
Other currency 8	Schedule XXA, Column A, Line 21	Schedule XXA, Column B, Line 21	Schedule XXA, Column C, Line 21	Schedule XXA, Column D, Line 21	$GrossCurrliab_{21}$ x BSCR Proxy Factor	0%	25.00%
Other currency 9	Schedule XXA, Column A, Line 22	Schedule XXA, Column B, Line 22	Schedule XXA, Column C, Line 22	Schedule XXA, Column D, Line 22	$GrossCurrliab_{22}$ x BSCR Proxy Factor	0%	25.00%
Other currency 10	Schedule XXA, Column A, Line 23	Schedule XXA, Column B, Line 23	Schedule XXA, Column C, Line 23	Schedule XXA, Column D, Line 23	$GrossCurrliab_{23}$ x BSCR Proxy Factor	0%	25.00%

INSTRUCTIONS AFFECTING TABLE 4A: Capital charge factors for Currency Risk

(a) where the reporting currency is the United States Dollar, the capital factor χ_i charge shall be reduced to:

i. 0.00% for the Bermuda Dollar;
ii. 0.75% for the Qatari Riyal;
iii. 1.00% for the Hong Kong Dollar.

(b) where the reporting currency is the Bermuda Dollar the capital factor χ_i charge shall be reduced to 0.00% for the United States Dollar.

(c) where the reporting currency is the Qatari Riyal the capital factor χ_i charge shall be reduced to 0.00% for the United States Dollar.

(d) where the reporting currency is the Hong Kong Dollar the capital factor χ_i charge shall be reduced to 0.00% for the United States Dollar.

(e) where the reporting currency is Euros, the capital factor χ_i shall be reduced to:

i. 0.39% for the Danish Krone;
ii. 1.81% for the Bulgarian Lev;
iii. 2.18% for the West African CFA Franc;
iv. 1.96% for the Central African CFA Franc;
v. 2.00% for the Comorian Franc.

(f) where the reporting currency is the Danish Krone the capital factor χ_i charge shall be reduced to 0.00% for the Euro.

(g) where the reporting currency is the Bulgarian Lev the capital factor χ_i charge shall be reduced to 0.00% for the Euro.

(h) where the reporting currency is the West African CFA Franc the capital factor χ_i charge shall be reduced to 0.00% for the Euro.

(i) where the reporting currency is the Central African CFA Franc the capital factor χ_i charge shall be reduced to 0.00% for the Euro.

(j) where the reporting currency is the Comorian Franc the capital factor χ_i charge shall be reduced to 0.00% for the Euro.

(k) any adjustment to reflect currency hedging arrangements shall not apply to the calculation of $Currproxybscr_i$;

(l) "currency hedging arrangements" means derivative or other risk mitigation arrangements designed to reduce losses due to foreign currency exchange movements, and which meet the Authority's requirements to be classed as such;

(m) insurers are to report currencies representing at least 95% of their economic balance sheet liabilities; and

(n) amounts are to be reported on an EBS Valuation basis.

18. The concentration risk charge calculation shall be established in accordance with the following formula-

$$C_{Concentraiton} = \sum_i \chi_i \times Concastclass_i$$ where -

χ_i = the capital charge factors prescribed in Table 5A for each type $Concastclass_i$ of and

$Concastclass_i$ = value of corresponding asset in Asset Class.

Table 5A – Capital charge factors for $Concastclass_i$

Asset Class	**Statement Source** These Rules	**Capital Factor** χ_i
Cash and Cash Equivalents		
BSCR rating 0	Schedule XXIA, Column D	0.0%
BSCR rating 1	Schedule XXIA, Column D	0.1%
BSCR rating 2	Schedule XXIA, Column D	0.2%
BSCR rating 3	Schedule XXIA, Column D	0.3%
BSCR rating 4	Schedule XXIA, Column D	0.5%
BSCR rating 5	Schedule XXIA, Column D	1.5%
BSCR rating 6	Schedule XXIA, Column D	4.0%
BSCR rating 7	Schedule XXIA, Column D	6.0%
BSCR rating 8	Schedule XXIA, Column D	9.0%
Corporate & Sovereign Bonds		
BSCR rating 0	Schedule XXIA, Column D	0.0%
BSCR rating 1	Schedule XXIA, Column D	0.4%
BSCR rating 2	Schedule XXIA, Column D	0.8%
BSCR rating 3	Schedule XXIA, Column D	1.5%
BSCR rating 4	Schedule XXIA, Column D	3.0%
BSCR rating 5	Schedule XXIA, Column D	8.0%

BSCR rating 6	Schedule XXIA, Column D	15.0%
BSCR rating 7	Schedule XXIA, Column D	26.3%
BSCR rating 8	Schedule XXIA, Column D	35.0%
Residential Mortgage-Backed Securities		
BSCR rating 0	Schedule XXIA, Column D	0.0%
BSCR rating 1	Schedule XXIA, Column D	0.6%
BSCR rating 2	Schedule XXIA, Column D	1.2%
BSCR rating 3	Schedule XXIA, Column D	2.0%
BSCR rating 4	Schedule XXIA, Column D	4.0%
BSCR rating 5	Schedule XXIA, Column D	11.0%
BSCR rating 6	Schedule XXIA, Column D	25.0%
BSCR rating 7	Schedule XXIA, Column D	35.0%
BSCR rating 8	Schedule XXIA, Column D	35.0%
Commercial Mortgage-Backed Securities/Asset Backed Securities		
BSCR rating 0	Schedule XXIA, Column D	0.0%
BSCR rating 1	Schedule XXIA, Column D	0.5%
BSCR rating 2	Schedule XXIA, Column D	1.0%
BSCR rating 3	Schedule XXIA, Column D	1.8%
BSCR rating 4	Schedule XXIA, Column D	3.5%
BSCR rating 5	Schedule XXIA, Column D	10.0%
BSCR rating 6	Schedule XXIA, Column D	20.0%
BSCR rating 7	Schedule XXIA, Column D	30.0%
BSCR rating 8	Schedule XXIA, Column D	35.0%
Bond Mutual Funds		
BSCR rating 0	Schedule XXIA, Column D	0.0%
BSCR rating 1	Schedule XXIA, Column D	0.4%
BSCR rating 2	Schedule XXIA, Column D	0.8%
BSCR rating 3	Schedule XXIA, Column D	1.5%
BSCR rating 4	Schedule XXIA, Column D	3.0%
BSCR rating 5	Schedule XXIA, Column D	8.0%
BSCR rating 6	Schedule XXIA, Column D	15.0%
BSCR rating 7	Schedule XXIA, Column D	26.3%
BSCR rating 8	Schedule XXIA, Column D	35.0%
Preferred Shares		
BSCR rating 1	Schedule XXIA, Column D	0.6%
BSCR rating 2	Schedule XXIA, Column D	1.2%
BSCR rating 3	Schedule XXIA, Column D	2.0%
BSCR rating 4	Schedule XXIA, Column D	4.0%
BSCR rating 5	Schedule XXIA, Column D	11.0%
BSCR rating 6	Schedule XXIA, Column D	25.0%
BSCR rating 7	Schedule XXIA, Column D	35.0%
BSCR rating 8	Schedule XXIA, Column D	35.0%
Mortgage Loans		
Insured/Guaranteed Mortgages	Schedule XXIA, Column D	0.3%
Other Commercial and Farm Mortgages	Schedule XXIA, Column D	5.0%
Other Residential Mortgages	Schedule XXIA, Column D	1.5%
Mortgages Not In Good Standing	Schedule XXIA, Column D	25%
Other Asset Classes		
Infrastructure	Schedule XXIA, Column D	25.0%
Listed Equity Securities	Schedule XXIA, Column D	35.0%
Other Equities	Schedule XXIA, Column D	45.0%
Strategic Holdings	Schedule XXIA, Column D	20.0%
Advances to Affiliates	Schedule XXIA, Column D	5.0%

Policy Loans	Schedule XXIA, Column D	0.0%
Equity Real Estate 1	Schedule XXIA, Column D	10.0%
Equity Real Estate 2	Schedule XXIA, Column D	20.0%
Collateral Loans	Schedule XXIA, Column D	5.0%

INSTRUCTIONS AFFECTING TABLE 5A: Capital charge factors for $Concastclass_i$

(a) $Concastclass_i$ shall only apply to the insurers 10 largest counterparty exposures based on the aggregate of all instruments included in Table 5A related to that counterparty

(b) a counterparty shall include all related/connected counterparties defined as:

(i) control relationship: if the counterparty, directly or indirectly, has control over the other(s); or

(ii) economic interdependence: if one of the counterparties were to experience financial problems, in particular funding or repayment difficulties, the other(s) as a result, would also be likely to encounter funding or repayment difficulties; and

(c) amounts are to be reported on an EBS Valuation basis.

19. The premium risk charge calculation shall be established in accordance with the following formula-

$$\boxed{C_{\mathrm{Premium}} = \sqrt{\sum_{i,j} Corr\,Premium_{i,j} \times C_i \times C_j} - \sum_i C_i \times \varepsilon \times \mu}$$

where-

$Corr\,Prem_{i,j}$ = the correlation factors of the premium risk module correlation matrix in accordance with table 6B;

i,j = the sum of the different terms should cover all possible combinations of i and j; and

C_i and C_j = risk charge i and risk charge j which are replaced by the following: $C_{premium_i}$, $C_{premium_j}$ as calculated in accordance with paragraph 19a.

ε = CISSA risk mitigation factor.

μ = maximum concentration adjustment factor equal to 40%.

Table 6B – Premium Risk Module Correlation Matrix

Prem Corr Matrix	Prop Cat	Prop	Prop NP	PA	PA NP	Aviatn	Aviatn NP	C/S	C/S NP	Ergy O/M	Ergy O/M NP	US Cas	US Cas NP	US Prof	US Prof NP	US Spec	US Spec NP	Int Motor	Int Motor NP	Int Cas	Int Cas NP	Retro Prop	Str/ Fin Re	Health
Prop Cat	1																							
Prop	0.25	1																						
Prop NP	0.25	0.5	1																					
PA	0.25	0.25	0.25	1																				
PA NP	0.25	0.25	0.25	0.5	1																			
Aviat n	0.25	0.25	0.25	0.25	0.25	1																		
Aviatn NP	0.25	0.25	0.25	0.25	0.25	0.5	1																	
C/S	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1																
C/S NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1															
Ergy O/M	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1														
Ergy O/MNP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1													
US Cas	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1												
US CasNP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1											
US Prof	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	0.5	1										
US Prof NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	0.5	0.5	1									
US Spec	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1								
US Spec NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1							
Int Motor	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1						
Int Motor NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1					
Int Cas	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	0.5	0.5	0.5	0.25	0.25	0.25	0.25	1				
Int Cas NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	0.5	0.5	0.5	0.25	0.25	0.25	0.25	0.5	1			
Retro Prop	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1		
Str / Fin Re	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1	
Health	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1

19a. The line of bussines premium risk charges $C_{premium_i}$ calculation shall be determined in accordance with the following formula-

$$C_{prem_i} = \alpha_i \times geodivlineprem_i - \left[avgpremcap \times \frac{avgannloss}{catlossratio}\right]$$

where -

α_i	= individual $geolineprem_i$ risk capital charge factor as prescribed in Table 6C;
$geodivlineprem_i$	= geographic diversification of premium exposure measure for line of business $_i$ as prescribed in Table 6D;
$avgpremcap$	= weighted average premium risk capital charge factor (after concentration adjustment and allowing for geographic diversification);
$avgannloss$	= average annual loss estimated with catastrophe models;
$catlossratio$	= expected industry average catastrophe loss ratio prescribed by the Authority;

Table 6C – Capital charge factors for $geolineprem_i$

Line of business $geolineprem_i$	**Statement Source** These Rules	**Capital Factor** χ_i
Property catastrophe	Schedule IVD, Line 1	0.0%
Property	Schedule IVD, Line 2	49.7%
Property non- proportional	Schedule IVD, Line 3	51.6%
Personal accident	Schedule IVD, Line 4	34.1%
Personal accident non-proportional	Schedule IVD, Line 5	41.2%
Aviation	Schedule IVD, Line 6	48.2%
Aviation non- proportional	Schedule IVD, Line 7	48.2%
Credit / surety	Schedule IVD, Line 8	39.8%
Credit / surety non- proportional	Schedule IVD, Line 9	54.4%
Energy offshore /marine	Schedule IVD, Line 10	42.1%
Energy offshore / marine non- proportional	Schedule IVD, Line 11	47.0%
US casualty	Schedule IVD, Line 12	50.3%
US casualty non- proportional	Schedule IVD, Line 13	55.6%
US professional	Schedule IVD, Line 14	51.2%
US professional non- proportional	Schedule IVD, Line 15	53.8%
US specialty	Schedule IVD, Line 16	51.4%
US specialty non- proportional	Schedule IVD, Line 17	52.7%
International motor	Schedule IVD, Line 18	42.2%
International motor non-proportional	Schedule IVD, Line 19	48.2%
International casualty non-motor	Schedule IVD, Line 20	50.0%
International casualty non-motor non-proportional	Schedule IVD, Line 21	53.6%
Retro property	Schedule IVD, Line 22	50.8%
Structured / finite reinsurance	Schedule IVD, Line 23	27.2%
Health	Schedule IVD, Line 24	15.0%

INSTRUCTIONS AFFECTING TABLE 6C: Capital charge factors for $geolineprem_i$

(a) all reported net premium exposure measure as prescribed in Schedule IVD that are subject to capital charges within the premium risk charge shall be included;

(b) all net premium exposure measure by statutory line of business shall be reported on a basis consistent with that described in Schedule IVD;

(c) an insurer may provide net premium exposure measure for all statutory lines of general business, or for particular statutory lines of general business, split by geographic zone as set out in Table 6D. $geolineprem_i$ is then derived from the total premium for that line of business by reducing the total by 25% times $\frac{\sum x_i^{\,2}}{(\sum x_i)^2}$ where x_i = net premium exposure measure in that line of business for $Zone_i$; and where summation covers all zones ; and

(d) amounts are to be reported on a consolidated basis.

Table 6D – Underwriting Geographical Zones

Underwriting Zone	**Location**
Zone 1 - Centeral & Western Asia	Armenia, Azerbaijan, Bahrain, Georgia, Iraq, Israel, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Oman, Palestinian, Qatar, Saudi Arabia, Saudi Arab Republic, Tajikistan, Turkey, Turkmenistan, United Arab Emirates and Uzbekistan
Zone 2 - Eastern Asia	China, Hong Kong, Japan, Macao, Mongolia, North Korea, South Korea, and Taiwan
Zone 3 - South and South-Eastern Asia	Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, India, Indonesia. Iran, Lao PDR, Malaysia, Maldives, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste, and Vietnam
Zone 4 - Oceania	American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, Niue, Norfolk Island, N. Mariana Islands, Palau, Papua New Guinea, Pitcairn, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis & Futuna Island
Zone 5 - Northern Africa	Algeria, Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Cote d' Ivoire, Egypt, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Saint Helena, Senegal, Sierra Leone, Sudan, Togo, Tunisia, and Western Sahara
Zone 6 - Southern Africa	Angola, Botswana, Burundi, Democratic Republic of Congo, Comoros, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mayotte, Mozambique, Namibia, Republic of Congo, Reunion, Rwanda, Sao Tome & Principe, Seychelles, Somalia, South Africa, Swaziland, Uganda, United Republic of Tanzania, Zambia, and Zimbabwe
Zone 7 - Eastern Europe	Belarus, Bulgaria, Czech Republic, Hungary, Moldova, Poland, Romania, Russian Federation, Slovakia, and Ukraine
Zone 8 - Northern Europe	Aland Islands, Channel Islands, Denmark , Estonia, Faeroe Islands, FinlandGuernsey, Iceland, Republic of Ireland, Isle of Man, Jersey, Latvia, Lithuania, Norway, Svalbard, Jan Mayen, Sweden, United Kingdom
Zone 9 - Southern Europe	Albania, Andorra, Bosnia, Croatia, Cyprus, Gibraltar, Greece, Italy fYR of Macedonia, Malta, Montenegro, Portugal, San Marino, Serbia, Slovenia, Spain, and Vatican City
Zone 10 - Western Europe	Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands, and Switzerland
Zone 11 - Northern America (Excluding USA)	Bermuda, Canada, Greenland, and St Pierre & Miquelon
Zone 12 -	Anguilla, Antigua & Barbuda, Aruba, Bahamas, Barbados , Belize, British Virgin Islands, Cayman Islands, Costa Rica ,

Caribbean & Centeral America	Cuba, Dominica, Dominican, El Salvador, Grenada, Guadeloupe Guatemala, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Puerto Rico, St-Barthelemy, St Kitts & Nevis, St Lucia, St Martin, St Vincent, Trinidad & Tobago, Turks & Caicos Islands, and US Virgin Islands
Zone 13 - Eastern South America	Brazil, Falkland Islands, French Guiana, Guyana, Paraguay, Suriname, and Uruguay
Zone 14 - Northern, Southern and Western South America	Argentina, Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela
Zone 15 - North-East United States	Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont
Zone 16 - South-East United States	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virginia, and West Virginia
Zone 17 - Mid-West United States	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin
Zone 18 - Western United States	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming

20. The reserve risk charge calculation shall be established in accordance with the following formula-

$$\boxed{C_{reserve} = \sqrt{\sum_{i,j} CorrReserve_{i,j} \times C_i \times C_j} - \sum_i C_i \times \varepsilon \times \mu}$$

where-

$CorrReserve_{i,j}$	= the correlation factors of the reserve risk module correlation matrix in accordance with table 7A;
i,j	= the sum of the different terms should cover all possible combinations of i and j;
C_i and C_j	= risk charge i and risk charge j which are replaced by the following: $C_{reserve_i}$, $C_{reserve_j}$ as calculated in accordance with paragraph 20a;.
ε	= CISSA risk mitigation factor.
μ	= maximum concentration adjustment factor equal to 40%.

Table 7A – Reserve Risk Module Correlation Matrix

Reserve Corr Matrix	Prop Cat	Prop	Prop NP	PA	PA NP	Aviat n	Aviatn NP	C/S	C/S NP	Ergy O/ M	Ergy O/M NP	US Cas	US Cas NP	US Prof	US Prof NP	US Spec	US Spec NP	Int Mot or	Int Motor NP	Int Cas	Int Cas NP	Retro Prop	Str/ Fin Re	Health
Prop Cat	1																							
Prop	0.25	1																						
Prop NP	0.25	0.5	1																					
PA	0.25	0.25	0.25	1																				
PA NP	0.25	0.25	0.25	0.5	1																			
Aviat n	0.25	0.25	0.25	0.25	0.25	1																		
Aviatn NP	0.25	0.25	0.25	0.25	0.25	0.5	1																	
C/S	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1																
C/S NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1															
Ergy O/M	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1														
Ergy O/MNP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1													
US Cas	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1												
US CasNP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1											
US Prof	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	0.5	1										
US Prof NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	0.5	0.5	1									
US Spec	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1								
US Spec NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1							
Int Motor	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1						
Int Motor NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	1					
Int Cas	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	0.5	0.5	0.5	0.25	0.25	0.25	0.25	1				
Int Cas NP	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.5	0.5	0.5	0.5	0.25	0.25	0.25	0.25	0.5	1			
Retro Prop	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1		
Str / Fin Re	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1	
Health	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1

20a. The line of bussines reserve risk charges $C_{reserve_i}$ calculation shall be determined in accordance with the following formula-

$$C_{reserve_i} = \beta_i \times geolinersvs_i$$

β_i individual $geolinersvs_i$ risk capital charge factor as prescribed in Table 7B;

$geolinersvs_i$ = geographic diversification of reserves for individual line of business $_i$ as prescribed in Table 6D;

Table 7B – Capital charge factors for $geolinersvs_i$

Line of business $geolinersvs_i$	**Statement Source** These Rules	**Capital Factor** β_i
Property catastrophe	Schedule III, Line 1	46.2%
Property	Schedule III, Line 2	43.8%
Property non- proportional	Schedule III, Line 3	49.7%
Personal accident	Schedule III, Line 4	29.7%
Personal accident non-proportional	Schedule III, Line 5	34.9%
Aviation	Schedule III, Line 6	46.0%
Aviation non- proportional	Schedule III, Line 7	48.3%
Credit / surety	Schedule III, Line 8	38.4%
Credit / surety non- proportional	Schedule III, Line 9	43.5%
Energy offshore /marine	Schedule III, Line 10	39.5%
Energy offshore / marine non- proportional	Schedule III, Line 11	43.9%
US casualty	Schedule III, Line 12	43.0%
US casualty non- proportional	Schedule III, Line 13	48.8%
US professional	Schedule III, Line 14	46.3%
US professional non- proportional	Schedule III, Line 15	51.5%
US specialty	Schedule III, Line 16	46.5%
US specialty non- proportional	Schedule III, Line 17	48.3%
International motor	Schedule III, Line 18	37.1%
International motor non-proportional	Schedule III, Line 19	43.5%
International casualty non-motor	Schedule III, Line 20	43.7%
International casualty non-motor non-proportional	Schedule III, Line 21	49.4%
Retro property	Schedule III, Line 22	47.8%
Structured / finite reinsurance	Schedule III, Line 23	24.1%
Health	Schedule III, Line 24	12.5%

INSTRUCTIONS AFFECTING TABLE 7B: Capital charge factors for $geolinersvs_i$

(a) all reported net loss and loss expense provisions for the relevant year by statutory line of business as prescribed in this Schedule are subject to capital charges within the reserve risk charge shall be included;

(b) all reported net loss and loss expense provisions by statutory line of business shall be reported on a basis consistent with that used for purposes of statutory financial reporting;

(c) an insurer may provide loss and loss expense provisions exposure for all statutory lines of general business, or for particular statutory lines of general business, split by geographic zone as set out in Table 6D. $geolinersvs_i$ is then derived from the total loss and loss expense provisions for that line of business by reducing the total by 25% times $\frac{\sum x_i^2}{(\sum x_i)^2}$ where x_i = best estimate net loss and loss expense provisions in that line of business for $Zone_i$; and where the summation covers all zones; and

(d) amounts are to be reported on an EBS Valuation basis.

21. The credit risk charge calculation shall be established in accordance with the following formula-

$C_{credit} = \sum_i \delta_i \times debtor_i \times \mu_r$ where -

δ_i = the credit risk capital charge factor for type of $debtor_i$ as prescribed in Table 8A; and

$debtor_i$ = receivable amount from debtor i net of any collateral placed in favour of the insurer; and.

μ_r = additional diversification adjustment factor applied to reinsurance balances only taking into consideration diversification by number of reinsurers, equal to 40%.

Table 8A – Capital charge factors for $debtor_i$

Type of debtor $debtor_i$	**Statement Source** These Rules	**Capital Factor** δ_i
Accounts and Premiums Receivable		
In course of collection	Form 1EBS, Line 10(a)	5.0%
Deferred - Not Yet Due	Form 1SFS, Line (10b)	5.0%
Receivables from retrocessional contracts less: collateralized balances	Form 1EBS, Line 10(c) and instruction (c) below	10.0%
All Other Receivables		
Accrued investment income	Form 1EBS, Line 9	2.5%
Advances to affiliates	Form 1EBS, Line 4(g)	5.0%
Balances receivable on sale of investments	Form 1EBS, Line (13f)	2.5%
Particulars of reinsurance balances shall be the maximum of the amounts calculated from (i) and (ii)		
(i) Particulars of reinsurance balances for current year by BSCR Rating		
BSCR rating 0	Schedule XVIII paragraph (d)	0.0%
BSCR rating 1	Schedule XVIII paragraph (d)	0.7%
BSCR rating 2	Schedule XVIII paragraph (d)	1.5%
BSCR rating 3	Schedule XVIII paragraph (d)	3.5%
BSCR rating 4	Schedule XVIII paragraph (d)	7.0%
BSCR rating 5	Schedule XVIII paragraph (d)	12.0%
BSCR rating 6	Schedule XVIII paragraph (d)	20.0%
BSCR rating 7	Schedule XVIII paragraph (d)	17.0%
BSCR rating 8	Schedule XVIII paragraph (d)	35.0%

Less: Diversification adjustment		Schedule XVIII paragraph (d)	40.0%
(ii) Particulars of reinsurance balances for future premium by BSCR Rating			
Premium Risk Capital Charge (Gross)		INSTRUCTIONS AFFECTING TABLE 6C: Capital charge for β_i paragraph (d)	$C_{Grossprem}$
Premium Risk Capital Charge (Net)		INSTRUCTIONS AFFECTING TABLE 6C: Capital charge for β_i paragraph (d)	$C_{Netprem}$
Premium Risk Capital Charge (Ceded)		$C_{Grossprem} - C_{Netprem}$	
Type of debtor $debtor_i$	**Statement Source** These Rules	**Debtor Allocation**	**Capital Factor** δ_i
BSCR rating 0	Part (i) BSCR Rating 0 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	0.0%
BSCR rating 1	Part (i) BSCR Rating 1 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	0.7%
BSCR rating 2	Part (i) BSCR Rating 2 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	1.5%
BSCR rating 3	Part (i) BSCR Rating 3 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	3.5%
BSCR rating 4	Part (i) BSCR Rating 4 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	7.0%
BSCR rating 5	Part (i) BSCR Rating 5 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	12.0%
BSCR rating 6	Part (i) BSCR Rating 6 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	20.0%
BSCR rating 7	Part (i) BSCR Rating 7 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	17.0%
BSCR rating 8	Part (i) BSCR Rating 8 / Part (i) Sum(BSCR Ratings 0 – 8)	Premium Risk Capital Charge (Ceded)	35.0%
Less: Diversification adjustment		Schedule XVIII paragraph (d)	40.0%

INSTRUCTIONS AFFECTING TABLE 8A: Capital charge factors for $debtor_i$

(a) all accounts and premiums receivable and all other receivables that are subject to capital charges within the credit risk charge shall be included;

(b) all accounts and premiums receivable, reinsurance balances receivables, all other receivables, and reinsurance recoverable balances shall be reported on a basis consistent with that used for purposes of statutory financial reporting;

(c) collateralized balances are assets pledged in favour of the insurer relating to accounts and premiums receivable;

(d) Particulars of reinsurance balances shall be the greater of:

(i) Particulars of reinsurance balances for current year by BSCR rating:

(A) the net qualifying exposure comprises of reinsurance balances receivable and reinsurance recoverable balances less the corresponding reinsurance balances payable and other payables less the qualifying collateral issued in favour of the insurer in relation to the reinsurance balances;

(B) the net qualifying exposure in instruction (d)(i)(A) shall be subject to the prescribed credit risk capital factor;

(C) the total capital requirement relating to the reinsurance balances shall be reduced by a diversification adjustment of up to a maximum of 40%;

(D) the diversification adjustment in instruction (d)(i)(C) is determined as 40% multiplied by 1 minus the ratio of the largest net reinsurance exposure, on an individual reinsurer basis, to total net reinsurance exposure;

(ii) Pariculars of reinsurance balances for future premium by BSCR rating:

(A) the Premium Risk Capital Charge (Gross) as per INSTRUCTIONS AFFECTING TABLE 6C: Capital charge for β_i paragraph (d) less the Premium Risk Capital Charge (Net) as per INSTRUCTIONS AFFECTING TABLE 6C: Capital charge for β_i shall be referred to as Premium Risk Capital Charge (Ceded). Such amount shall be allocated by BSCR rating Net Qualifying Exposure Measure as reported on Schedule XVIII;

(B) the Premium Risk Capital Charge (Ceded) shall be subject to the prescribed credit capital factor.

(e) amounts are to be reported on an EBS Valuation basis.

22. The catastrophe risk charge calculation shall be established in accordance with the following formula-

$C_{catastrophe} = NetPML - Netcatprem + CR_{PML}$ where –

$NetPML$ = net probable maximum loss as prescribed in Schedule V paragraph (g);

$Netcatprem$ = property catastrophe premium as included in Schedule IV, Line (1); and

CR_{PML} = {(gross probable maximum loss as prescribed in Schedule V paragraph (f) less net probable maximum loss as prescribed in Schedule V paragraph (g) less arrangements with respect to property catastrophe recoverables as prescribed in Schedule V paragraph (j)(v) of these Rules) x (Credit risk charge, equal to 10%, associated with reinsurance recoveries of ceded catastrophe losses)}.

(a) all reported net probable maximum loss, gross probable maximum loss, average annual loss excluding property catastrophe, property catastrophe premium and arrangements with respect to property catastrophe recoverables as prescribed in Schedule V that are subject to capital charges within the catastrophe risk charge shall be included; and

(b) the amount of collateral and other funded arrangements with respect to property catastrophe recoverables shall be reported and reduced by 2% to account for the market risk associated with the underlying collateral assets.

23. The operational risk charge calculation shall be established in accordance with the following formula:

$C_{operational} = \rho \times ACov$ where –

ρ = an amount between 2% and 20% as determined by the Authority in accordance with Table 9G; and

$ACov$ = BSCR after Covariance amount or an amount prescribed by the Authority.

Table 9G – Operational Risk Charge for ρ

Overall Score	Applicable Operational Risk Charge ρ
<=5200	20.0%
>5200 <=6000	18.0%
>6000 <=6650	16.0%

>6650 <=7250	14.0%
>7250 <=7650	12.0%
>7650 <=7850	10.0%
>7850 <=8050	8.0%
>8050 <=8250	6.0%
>8250 <=8450	4.0%
>8450	2.0%

INSTRUCTIONS AFFECTING TABLE 9G

In this table, "overall score" means an amount equal to the sum of the aggregate score derived from each of tables 9H, and 9I.

TABLE 9H
Corporate Governance Score Table

Criterion	Implemented	Score
Board sets risk policies, practices and tolerance limits for all material foreseeable operational risks at least annually		200
Board ensures they are communicated to relevant business units		200
Board monitors adherence to operational risk tolerance limits more regularly than annually		200
Board receives, at least annually, reports on the effectiveness of material operational risk internal controls as well as management's plans to address related weaknesses		200
Board ensures that systems or procedures, or both, are in place to identify, report and promptly address internal control deficiencies related to operational risks		200
Board promotes full, open and timely disclosure from senior management on all significant issues related to operational risk		200
Board ensures that periodic independent reviews of the risk management function are performed and receives the findings of the review		200
Total		**XX**

Comments

INSTRUCTIONS AFFECTING TABLE 9H

The total score is derived by adding the score for each criterion of an insurer's corporate structure that the insurer has implemented.

TABLE 9I
Risk Management Function ('RMF') Score Table

Criterion	Implemented	Score
RMF is independent of other operational units and has direct access to the Board of Directors		200
RMF is entrenched in strategic planning, decision making and the budgeting process		200
RMF ensures that the risk management procedures and policies are well documented and approved by the Board of Directors		200
RMF ensures that the risk management policies and		200

procedures are communicated throughout the organization		
RMF ensures that operational risk management processes and procedures are reviewed at least annually		200
RMF ensures that loss events arising from operational risks are documented and loss event data is integrated into the risk management strategy		200
RMF ensures that risk management recommendations are documented for operational units, ensures that deficiencies have remedial plans and that progress on the execution of such plans are reported to the Board of Directors at least annually		200
Total		**XX**

Comments

INSTRUCTIONS AFFECTING TABLE 9I

The total score is derived by adding the score for each criterion of an insurer's risk management function that the insurer has implemented.

24. The regulatory capital requirement for regulated non-insurance financial operating entities shall be determined in accordance with Schedule XVI - "Schedule of Regulated Non-Insurance Financial Operating Entities". This amount shall be equal to the sum of the insurer's proportionate share of each entity's regulatory capital requirement in accordance with the applicable solvency laws of the jurisdiction where the entity is licensed or registered.-

25. The other capital adjustment risk charge calculation shall be established in accordance with the following formula

$$C_{otheradj} = Min\left(\left(\text{Basic BSCR} + C_{operational} + C_{regulatoryadj}\right) \times t, Limit, \left(\text{Basic BSCR} + C_{operational} + C_{regulatoryadj}\right) \times 20\%\right)$$

where-

$Basic\ BSCR$	= Basic BSCR risk module charge as calculated in accordance with paragraph 13a;
$C_{operational}$	= operational risk charge as calculated in accordance with paragraph 23; and
$C_{regulatoryadj}$	= regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraph 24;
t	= insurer's standard federal tax rate
$Limit$	= $PastLAC + CurrentLAC + FutureLAC$
$PastLAC$	= Loss Carryback Provision x t;
$CurrentLAC$	= Current Deferred Tax Libialities – Current Deferred Tax Assets;
$FutureLAC$	= Risk Margin as reported on Form 1EBS Line 18 x t;

Insert in numerical order Schedules IIB, IIC, IVD, IVE, XXA and XXIA

SCHEDULE IIB **(Paragraph 6)**

Schedule of fixed income and equity investments by BSCR rating

[blank] name of Company

As at [blank] (day/month/year)

All amounts are expressed in (currency used)

Line no.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Quoted and unquoted bonds and debentures		Corporate and sovereign bonds		Residential mortgage-backed securities		Commercial mortgage-backed securities/asset- backed securities		Bond mutual funds		Total (Form 4EBS, Lines 2(b) & 3(b))	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
1	BSCR rating 0										
2	BSCR rating 1										
3	BSCR rating 2										
4	BSCR rating 3										
5	BSCR rating 4										
6	BSCR rating 5										
7	BSCR rating 6										
8	BSCR rating 7										
9	BSCR rating 8										
10	Total										
Quoted and unquoted equities		Common stock (Form 4EBS, Lines 2(c)(i) & 3(c)(i))		Preferred stock (Form 4EBS, Lines 2(c)(ii) & 3(c)(ii))		Equity mutual funds (Form 4EBS, Lines 2(c)(iii) & 3(c)(iii))		Other investments (Form 4EBS, Lines 2(e) & 3(e))		Total (Form 4EBS, Lines 2(d) & 3(d))	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
11	BSCR rating 1										
12	BSCR rating 2										
13	BSCR rating 3										
14	BSCR rating 4										
15	BSCR rating 5										
16	BSCR rating 6										

17	BSCR rating 7										
18	BSCR rating 8										
19	Infrastructure										
20	Listed Equity Securities										
21	Other Equities										
22	Duration Based										
23	Total										

Investment in Affiliates and Mortgage Loans		Investment in Affiliates (Form 1EBS, Line 4(f))		Mortgage loans (Form 1EBS, Line 5(c))	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)
24	Insured/ guaranteed mortgages				
25	Other commercial and farm mortgages				
26	Other residential mortgages				
27	Mortgages not in good standing				
28	Strategic Holdings - Listed				
29	Strategic Holdings - Other				
30	Total				

Technical Provisions with Equity Features and Segregated Acount Companies		Common Stock	Preferred Stock	Equity Mutual Funds	Other Investment	Investment in Affiliates	Real Estate	Segregated Account Cell		Total	
31	BSCR Rating 1										
32	BSCR Rating 2										
33	BSCR Rating 3										
34	BSCR Rating 4										

35	BSCR Rating 5										
36	BSCR Rating 6										
37	BSCR Rating 7										
38	BSCR Rating 8										
39	Infrastructure										
40	Listed Equity Securities										
41	Other Equities										
42	Duration Based										
43	Real Estate Occupied by the company (less encumbrances)										
44	Real Estate Other properties (less encumbrances)										
45	Strategic Holdings - Listed										
46	Strategic Holdings - Other										
47	Total										

INSTRUCTIONS AFFECTING SCHEDULE IIB:

(a) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities/asset-backed securities, and bond mutual funds and classified by BSCR rating;

(b) equity investments, both quoted and unquoted, shall be categorized into common stock, preferred stock, equity mutual funds and other investments and classified by infrastructure, listed equity securities, and other equity investments;

(c) preferred stock shall be classified by BSCR rating;

(d) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;

(e) where the ratings of a security by different rating agencies differ, the insurer shall classify the security according to the most conservative rating;

(f) unrated securities shall be assigned a BSCR rating of 8;

(g) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds shall be classified in a similar manner as corporate bonds;

(h) debt issued by government-owned and related entities that were explicitly guaranteed by that government, with the exception of mortgage-backed securities, shall be assigned a BSCR rating of 0;

(i) bond mutual funds shall be classified based on the underlying bond ratings as advised by the fund managers; equity mutual funds shall be classified in a similar manner as direct equity investments while money market funds shall be treated as cash and cash equivalents;

(j) strategic holdings-listed shall include amounts in investment in affiliates for companies that are traded on a Bermuda approved listed stock exchange as per guidance (n). strategic holdings- other shall include amounts in investment in affiliates that are not included in strategic holdings-listed;

(k) infrastructure shall include equity investments in qualifying infrastructure investments that are non-affiliate holdings. Qualifying infrastructure investments are defined as investment in an infrastructure project entity that meets the following criteria:

1. The infrastructure project entity can meet its financial obligations under sustained stresses that are relevant for the risk of the project.
2. The cash flows that the infrastructure project entity generates for equity investors are predictable.
3. The infrastructure assets and infrastructure project entity are governed by a contractual framework that provides equity investors with a high degree of protection.
4. The infrastructure assets and infrastructure project entity are located in Bermuda or in the OECD.

5. Where the infrastructure project entity is in the construction phase the following criteria shall be fulfilled by the equity investor, or where there is more than one equity investor, the following criteria shall be fulfilled by a group of equity investors as a whole:
   a) The equity investors have a history of successfully overseeing infrastructure projects and the relevant expertise.
   b) The equity investors have a low risk of default, or there is a low risk of material losses for the infrastructure project entity as a result of their default.
   c) The equity investors are incentivized to protect the interests of investors.
6. The infrastructure project entity has established safeguards to ensure completion of the project according to the agreed specification, budget or completion date.
7. Where operating risks are material, they are properly managed.
8. The infrastructure project entity uses tested technology and design.
9. The capital structure of the infrastructure project entity allows it to service its debt.
10. The refinancing risk for the infrastructure project entity is low.
11. The infrastructure project entity uses derivatives only for risk-mitigation purposes.

"Infrastructure project entity" means an entity which is not permitted to perform any other function than owning, financing, developing or operating infrastructure assets, where the primary source of payments to debt providers and equity investors is the income generated by the assets being financed.

"Infrastructure assets" means physical structures or facilities, systems and networks that provide or support essential public services.

(l) listed equity securities shall include amounts in quoted equity investments that are traded on a Bermuda approved listed stock exchange as per paragraph (n) and also in selected mutual funds defined as units or shares of alternative investment funds authorised as European Long-term Investment Funds in accordance with Regulation (EU) 2015/760, of 29th April 2015, or units or shares of collective investment undertakings which are qualifying social entrepreneurship funds in accordance with article 3(b) of Regulation (EU) 346/2013, of 17th April 2013 or units or shares of collective investment undertakings which are qualifying venture capital funds as referred to in Article 3(b) of Regulation 345/2013 of 17th April 2013, and units or shares of closed-ended and unleveraged alternative investment funds where those alternative investment funds are established in the European Union or, if they are not established in the European Union, they are marketed in the European Union according to Articles 35 or 40 of Directive 2011/61/EU of 8th June 2011, as well as other similarly purposed investment funds as established in Guidance issued by the Authority.

(m) other equities shall include amounts in quoted and unquoted equity investments that are not reported on paragraphs (j) and (l) above, namely equities not listed in stock exchanges of developed markets, equities which are not listed, hedge funds, commodities, other alternative investments and sundry assets;

(n) for the purposes of Schedule IIB, Bermuda approved listed stock exchange shall refer to approved stock exchanges in Bermuda, Organisation for Economic Co-operation and Development (OECD), European Economic Area (EEA), Hong-Kong, Singapore or in other developed markets. A full listing of the Bermuda listed stock exchanges is available in the Authority's Guidance Note for Statutory Reporting;

(o) technical provisions that are subject to revaluation for equity securities shocks and segregated account liabilities are to be included in lines 31 to 46; and

(p) amounts are to be reported on both an EBS Valuation and unconsolidated basis

BSCR Rating	Standard & Poor's	Moody's	AM Best	Fitch
1	AAA	Aaa	A++	AAA
2	AA+ to AA-	Aa1 to Aa3	A+	AA+ to AA-
3	A+ to A-	A1 to A3	A	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	A-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	B++ to B	BB+ to BB-
6	B+ to B-	B1 to B3	B- to C+	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	C, C-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below C-	Below CCC-

SCHEDULE IIC **(Paragraph 6)**

Schedule of funds held by ceding reinsurers in segregated accounts/trusts by BSCR rating

[blank] name of Company

As at [blank] (day/month/year)

All amounts are expressed in (currency used)

Line no.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Quoted and unquoted bonds and debentures		Corporate and sovereign bonds		Residential mortgage-backed securities		Commercial mortgage-backed securities/asset- backed securities		Bond mutual funds		Total	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
1	BSCR rating 0										
2	BSCR rating 1										
3	BSCR rating 2										
4	BSCR rating 3										
5	BSCR rating 4										
6	BSCR rating 5										
7	BSCR rating 6										
8	BSCR rating 7										
9	BSCR rating 8										
10	Total										
Quoted and unquoted equities		Common stock		Preferred stock		Equity mutual funds		Other investments		Total	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
11	BSCR rating 1										
12	BSCR rating 2										
13	BSCR rating 3										
14	BSCR rating 4										
15	BSCR rating 5										
16	BSCR rating 6										
17	BSCR rating 7										
18	BSCR rating 8										

19	Infrastructure										
20	Listed Equity Securities										
21	Other Equities										
22	Duration Based										
23	Total										
Cash & Cash Equivalents and Mortgage Loans		Cash and Cash Equivalents		Mortgage loans							
		20xx (000)	20xx (000)	20xx (000)	20xx (000)						
24	Insured/ guaranteed mortgages										
25	Other commercial and farm mortgages										
26	Other residential mortgages										
27	Mortgages not in good standing										
28	Cash and Cash Equivalents										
29	Sub-Total										
30	Total Funds Held by Ceding Reinsurers in Segregated Accounts / Trusts (Lines 10, 23 and 29)										
Technical Provisions with Equity Features		Common Stock	Preferred Stock	Equity Mutual Funds	Other Investment					Total	
31	BSCR Rating 1										
32	BSCR Rating 2										
33	BSCR Rating 3										
34	BSCR Rating 4										
35	BSCR Rating 5										

36	BSCR Rating 6							
37	BSCR Rating 7							
38	BSCR Rating 8							
39	Infrastructure							
40	Listed Equity Securities							
41	Other Equities							
42	Duration Based							
43	Total							

INSTRUCTIONS AFFECTING SCHEDULE IIC:

(a) All funds held by ceding reinsurers (as reflected in Form 1EBS, Line 12(c)) in segregated accounts/trusts with identifiable assets, such as fixed income investments, equity investments, mortgage loans, and cash and cash and cash equivalents, shall be included here;

(b) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities/asset-backed securities, and bond mutual funds and classified by BSCR rating;

(c) equity investments, both quoted and unquoted, shall be categorized into common stock, preferred stock, equity mutual funds and other investments and classified by infrastructure, listed equity securities, and other equity investments;

(d) preferred stock shall be classified by BSCR rating;

(e) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;

(f) where the ratings of a security by different rating agencies differ, the insurer shall classify the security according to the most conservative rating;

(g) unrated securities shall be assigned a BSCR rating of 8;

(h) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds shall be classified in a similar manner as corporate bonds;

(i) debt issued by government-owned and related entities that were explicitly guaranteed by that government, with the exception of mortgage-backed securities, shall be assigned a BSCR rating of 0;

(j) bond mutual funds shall be classified based on the underlying bond ratings as advised by the fund managers; equity mutual funds shall be classified in a similar manner as direct equity investments while money market funds shall be treated as cash and cash equivalents;

(k) infrastructure shall include equity investments in qualifying infrastructure investments that are non-affiliate holdings. Qualifying infrastructure investments are defined as investment in an infrastructure project entity that meets the following criteria:

1. The infrastructure project entity can meet its financial obligations under sustained stresses that are relevant for the risk of the project.
2. The cash flows that the infrastructure project entity generates for equity investors are predictable.
3. The infrastructure assets and infrastructure project entity are governed by a contractual framework that provides equity investors with a high degree of protection.
4. The infrastructure assets and infrastructure project entity are located in Bermuda or in the OECD.
5. Where the infrastructure project entity is in the construction phase the following criteria shall be fulfilled by the equity investor, or where there is more than one equity investor, the following criteria shall be fulfilled by a group of equity investors as a whole:
    a) The equity investors have a history of successfully overseeing infrastructure projects and the relevant expertise.
    b) The equity investors have a low risk of default, or there is a low risk of material losses for the infrastructure project entity as a result of their default.
    c) The equity investors are incentivized to protect the interests of investors.
6. The infrastructure project entity has established safeguards to ensure completion of the project according to the agreed specification, budget or completion date.
7. Where operating risks are material, they are properly managed.
8. The infrastructure project entity uses tested technology and design.
9. The capital structure of the infrastructure project entity allows it to service its debt.
10. The refinancing risk for the infrastructure project entity is low.
11. The infrastructure project entity uses derivatives only for risk-mitigation purposes.

"Infrastructure project entity" means an entity which is not permitted to perform any other function than owning, financing, developing or operating infrastructure assets, where the primary source of payments to debt providers and equity investors is the income generated by the assets being financed.

"Infrastructure assets" means physical structures or facilities, systems and networks that provide or support essential public services.

(l) listed equity securities shall include amounts in quoted equity investments that are traded on a Bermuda approved listed stock exchange as per paragraph (n) and also in selected mutual funds defined as units or shares of alternative investment funds authorised as European Long-term Investment Funds in accordance with Regulation (EU) 2015/760, of 29th April 2015, or units or shares of collective investment undertakings which are qualifying social entrepreneurship funds in accordance with article 3(b) of Regulation (EU) 346/2013, of 17th April 2013 or units or shares of collective investment undertakings which are qualifying venture capital funds as referred to in Article 3(b) of Regulation 345/2013 of 17th April 2013, and units or shares of closed-ended and unleveraged alternative investment funds where those alternative investment funds are established in the European Union or, if they are not established in the European Union, they are marketed in the European Union according to Articles 35 or 40 of Directive 2011/61/EU of 8th June 2011, as well as other similarly purposed investment funds as established in Guidance issued by the Authority.

(m) other equities shall include amounts in quoted and unquoted equity investments that are not reported on paragraph (l) above, namely equities not listed in stock exchanges of developed markets, equities which are not listed, hedge funds, commodities, other alternative investments and sundry assets;;

(n) for the purposes of Schedule IIC, Bermuda approved listed stock exchange shall refer to approved stock exchanges in Bermuda, Organisation for Economic Co-operation and Development (OECD), European Economic Area (EEA), Hong-Kong, Singapore or in other developed markets. A full listing of the Bermuda listed stock exchanges is available in the Authority's Guidance Note for Statutory Reporting;

(o) technical provisions that are subject to revaluation for equity securities shocks are to be included on lines 31 to 42; and

(p) amounts are to be reported both on an EBS Valuation and unconsolidated basis.

BSCR Rating	Standard & Poor's	Moody's	AM Best	Fitch
1	AAA	Aaa	A++	AAA
2	AA+ to AA-	Aa1 to Aa3	A+	AA+ to AA-
3	A+ to A-	A1 to A3	A	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	A-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	B++ to B	BB+ to BB-
6	B+ to B-	B1 to B3	B- to C+	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	C, C-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below C-	Below CCC-

SCHEDULE IV (Paragraph 6)

SCHEDULE OF UNCONSOLIDATED PREMIUMS WRITTEN BY LINE OF BUSINESS OF GENERAL BUSINESS

[blank] name of Parent

As at [blank] (day/month/year)

All amounts expressed in .... (currency used)

Schedule Line no		**Gross Premiums Written**						**Net Premiums Written**	
		Unrelated		**Related**		**Total**			
						Form 2SFS, Line 1(c)		**Form 2SFS, Line 3**	
		20XX	**20XX**	**20XX**	**20XX**	**20XX**	**20XX**	**20XX**	**20XX**
1.	Property catastrophe	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2.	Property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3.	Property non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4.	Personal accident	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5.	Personal accident non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6.	Aviation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7.	Aviation non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8.	Credit / surety	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9.	Credit / surety non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10.	Energy offshore /marine	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11.	Energy offshore / marine non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12.	US casualty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13.	US casualty non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
14.	US professional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15.	US professional non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16.	US specialty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
17.	US specialty non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
18.	International motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19.	International motor non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20.	International casualty non-motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
21.	International casualty non-motor non-	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22.	Retro property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
23.	Structured / finite reinsurance	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
24.	Health	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
25	Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE IVD (Paragraph 6)
SCHEDULE OF CONSOLIDATED PREMIUMS WRITTEN BY LINE OF BUSINESS OF GENERAL BUSINESS

[blank] name of Parent
As at [blank] (day/month/year)
All amounts expressed in .... (currency used)

	Schedule Line no	(A) Net Premiums Written **20XX**	(B) Est. of Net Earned Premiums for Next 12 Months **20XX**	(C) Net Base Exposure **20XX**	(D) Net FP (Existing) **20XX**	(E) Net FP (Future) **20XX**	(F) Net Premium Exposure Measure **20XX**	(G) Gross Premium Exposure Measure **20XX**	(H) Geo Net Exposure **20XX**
1.	Property catastrophe	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2.	Property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3.	Property non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4.	Personal accident	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5.	Personal accident non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6.	Aviation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7.	Aviation non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8.	Credit / surety	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9.	Credit / surety non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10.	Energy offshore /marine	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11.	Energy offshore / marine non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12.	US casualty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13.	US casualty non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
14.	US professional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15.	US professional non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16.	US specialty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
17.	US specialty non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
18.	International motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19.	International motor non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20.	International casualty non-motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
21.	International casualty non-motor non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22.	Retro property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
23.	Structured / finite reinsurance	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
24.	Health	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
25	Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

INSTRUCTIONS AFFECTING SCHEDULE IVD:

(a) Net Premiums Written shall reflect the consolidated net premiums written for the reporting period;

(b) Estimate of Net Earned Premiums for the Next 12 months shall include the estimated net premiums earned for the next 12 months including exposures to bound but not incepted premiums;

(c) Net Base Base Exposure shall be greater for each line of business of (a) and (b) above;

(d) Net FP (exisiting) shall include the expected present value of net premiums to be earned by the insurer after the next 12 months reporting period for existing contracts;

(e) Net FP (future) - the expected present value of net premiums to be earned by the insurer where the initial recognition date falls in the following 12 months but excluding amounts reported in (d) above;

(f) Net premium exposure measure shall refer to the sum of of (c), (d) and (e) above;

(g) Gross premium exposure measure shall refer to amount in (f) above gross of reinsurance;

(h) Geographic Net Premium Exposure Measure shall refer to the total shown on Schedule IVE; and

(i) Amounts shall be reported on a consolidated basis only.

SCHEDULE IVE (Paragraph 6)
SCHEDULE OF GEOGRAPHIC DIVERSIFICATION OF NET PREMIUM EXPOSURE MEASURE ON A CONSOLIDATED BASIS

[blank] name of Parent

As at [blank] (day/month/year)

All amounts expressed in .... (currency used)

		GEO Net Exp	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11	Zone 12	Zone 13	Zone 14	Zone 15	Zone 16	Zone 17	Zone 18
1.	Property catastrophe		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2.	Property	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
3.	Property non-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
4.	Personal accident	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
5.	Personal accident	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
6.	Aviation	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
7.	Aviation non-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
8.	Credit / surety	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
9.	Credit / surety non-proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
10.	Energy offshore	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
11.	Energy offshore / marine non-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
12.	US casualty	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
13.	US casualty non-proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
14.	US professional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
15.	US professional non-proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
16.	US specialty	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
17.	US specialty non-proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
18.	International motor	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
19.	International motor non-proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
20.	International casualty non-motor	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
21.	International casualty non-motor	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
22.	Retro property	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
23.	Structured / finite	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

24.	Health	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
	Total	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

INSTRUCTIONS AFFECTING SCHEDULE IVE:

(b) For each line of business, the net premium exposure measure stated in Schedule IVD may be split between the 18 geographic zones set out in Table 6D. If included, the total of amounts in zones 1-18 for a given line of business shall equal the corresponding amount of net premiums exposure measure shown in Schedule IVD;

(c) GEO net premium exposure measure for a line of business shall be set as the amount $geolineprem_i$ in line with sub-paragraph (c) of the Instructions affecting Table 6C;

(d) Amounts shall be reported on a consolidated basis only.

Schedule XXA - Schedule of Currency Risk

[blank] name of Company
As at [blank] (day/month/year)
All amounts expressed in .... (currency used)

Currency	$GrossCurrast_i$ (A)	$Currast_i$ (B)	$GrossCurrliab_i$ (C)	$Currliab_i$ (D)
United States Dollars				
Bermuda Dollars				
Qatari Riyals				
Hong Kong				
Euro				
Danish Krones				
Bulgarian Levs				
West African CFA Francs				
Central African CFA Francs				
Comorian Francs				
United Kingdom Pounds				
Canada Dollars				
Japan Yen				
Other currency 1				
Other currency 2				
Other currency 3				
Other currency 4				
Other currency 5				
Other currency 6				
Other currency 7				
Other currency 8				
Other currency 9				

Other currency 10				
Financial Year	**Liabilities**	**ECR Charge**		
	Form 1EBS, Line 39	Summary Schedule		
XXX-1				
XXX-2				
XXX-3				

INSTRUCTIONS AFFECTING SCHEDULE XXA:

(i) Insurers are to report currencies representing at least 95% of their economic balance sheet liabilities

(ii) $GrossCurrast_i$ and $GrossCurrliab_i$ shall be valued in line with the Economic Balance Sheet principles set out in Schedule XIV;

(iii) where an insurer uses currency hedging arrangements to manage its currency risk, then $Currast_i$ and $Currliab_i$ may be adjusted to reflect the impact of those arrangements on $GrossCurrast_i$ and $GrossCurrliab_i$ of a 25% adverse movement in foreign exchange rates, otherwise the amounts $GrossCurrast_i$ and $GrossCurrliab_i$ shall apply;

(iv) a ‘currency hedging arrangement’ means derivative or other risk mitigation arrangements designed to reduce losses due to foreign currency exchange movements, and which meet the Authority’s requirements to be classed as such”; and

(v) amounts shall be reported on both an EBS Valuation and unconsolidated basis.

Schedule XXIA - Schedule of Concentration Risk

(Paragraph 6)

[blank] name of Company
As at [blank] (day/month/year)

All amounts expressed in .... (currency used)

Name of Exposure	Asset Type (A)	Asset sub-type (B)	BSCR Rating (C)	Asset Value (D)

INSTRUCTIONS AFFECTING SCHEDULE XXIA:

(i) Disclosure of an insurer's 10 largest exposures to single counterparty risk by reporting the name, the exposure and allocation by asset type, bond / mortgage type (if applicable), BSCR Rating (if applicable) and asset value consistent with Form 1EBS.

(ii) a counterparty shall include all related/connected counterparties defined as:

(A) Control relationship: if the counterparty, directly or indirectly, has control over the other(s); or

(B) Economic interdependence: if one of the counterparties were to experience financial problems, in particular funding or repayment difficulties, the other(s) as a result, would also be likely to encounter funding or repayment difficulties.

(iii) Asset Type (Column A) shall be one of the following lines:

(A) Cash and cash equivalents (Schedule XIX Column B)
(B) Quoted and Unquoted Investments (Schedule IIB and Schedule IIC Column (9), Line 10)
(C) Preferred Shares (Schedule IIB and Schedule IIC Column (3), Line 23)
(D) Investments in Mortgage Loans on Real estate (Schedule IIB and Schedule IIC Column (3), Line 30)
(E) Infrastructure (Schedule IIB Column (9), Line 19 and Schedule IIC Column (9), Line 19)
(F) Listed Equity Securities in Developed Markets (Schedule IIB and Schedule IIC Column (9), Line 9)
(G) Other Equities (Schedule IIB and Schedule IIC Column (9), Line 21)
(H) Strategic Holdings (Schedule IIB Column (1), Lines 28 & 29)
(I) Advances to Affiliates (Form 1EBS, Line 4(g))
(J) Policy Loans (Form 1EBS, Line 6)
(K) Real Estate 1 (Form 1EBS, Line 7(a))
(L) Real Estate 2 (Form 1EBS, Line 7(b))
(M) Collateral Loans (Form 1EBS, Line 8)

(iv) Asset sub-type (Column B) shall provide further details of the type of asset as included in Table 1, Table 2 or Table 8 as appropriate;

(v) BSCR Rating (Column C) shall be the BSCR rating that was allocated to the asset when it was included in Table 1, Table 2 or Table 8 as appropriate;

(vi) Asset Value (Column D) shall be the value of the asset as required by the Economic Balance Sheet valuation principles as set out in Schedule XIV; and

(vii) Amounts shall be reported on both an EBS Valuation and unconsolidated basis.