In paragraph 1, repeal the BSCR formula and insert:

$$BSCR = \sqrt{C_f^2 + C_{eq}^2 + C_{LT\,int}^2 + C_{cur}^2 + C_{conc}^2 + \left[C_{LTmort} + C_{LTsl} + C_{LTr}\right]^2 C_{LTmort}^2 + C_{LTlong}^2 - .5 \times \left(\left(C_{LTmort} + C_{LTsl} + C_{LTr}\right) \times C_{LTlong}\right)}$$

$$\boxed{cont'd \sqrt{+C_{LTVA}^2 + C_{LTother}^2} + C_{op} + C_{adj} + \left(BSCR_{Corr} - \left(\sqrt{C_f^2 + C_{eq}^2 + C_{LT\,int}^2 + C_{cur}^2 + C_{conc}^2 + \left[C_{LTmort} + C_{LTsl} + C_{LTr}\right]^2 +}\right)\right)}$$

$$\boxed{cont'd \left(\left(\sqrt{C_{LTmort}^2 + C_{LTlong}^2 - .5 \times \left(\left(C_{LTmort} + C_{LTsl} + C_{LTr}\right) \times C_{LTlong}\right) + C_{LTVA}^2 + C_{LTother}^2} + C_{op} + C_{adj}\right) \times TransitionalFactor\right)}$$

insert after " C_{adj} " the following words

$BSCR_{Corr}$ = $BSCR_{Corr}$ as calculated in accordance with paragraph 17;

$TransitionalFactor$ = 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 16 as follows:

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

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

where-

$Basic\ BSCR$ = Basic BSCR risk module charge as calculated in accordance with paragraph 17a;

$C_{operational}$ = operational risk charge as calculated in accordance with paragraph 32; and

$C_{regulatoryadj}$ = regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraph 32; and

$C_{otheradj}$ = other capital adjustment risk charge as calculated in accordance with paragraph 33.

17a. The Basic BSCR risk module charge calculation shall be determined in accordance with the following formula-

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

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}, $C_{LTInsurance}$;

C_{Market} = market risk module charge as calculated in accordance with paragraph 17b;

$C_{LTInsurance}$ = Long-Term risk module charge as calculated in accordance with paragraph 17c; and

C_{Credit} = credit risk module charge as calculated in accordance with paragraph 23.

Table A – Basic BSCR Correlation Matrix

$CorrBBSCR_{i,j}$	C_{Market}	C_{Credit}	$C_{LTInsurance}$
C_{Market}	1		
C_{Credit}	0.25	1	
$C_{LTInsurance}$	0.25	0.25	1

17b. 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}, $C_{LTinterest}$, $C_{currency}$, $C_{concentration}$;

$C_{fixedIncome}$ = fixed income investment risk charge as calculated in accordance with paragraph 18;

C_{equity} = equity investment risk charge as calculated in accordance with paragraph 19;

$C_{LTinterest}$ = interest rate / liquidity risk charge as calculated in accordance with paragraph 20;

$C_{currency}$ = currency risk charge as calculated in accordance with paragraph 21; and

$C_{concentration}$ = concentration risk charge as calculated in accordance with paragraph 22.

Table B – Market Risk Module Correlation Matrix

$CorrMarket_{i,j}$	$C_{fixedIncome}$	C_{equity}	$C_{LTinterest}$	$C_{currency}$	$C_{concentration}$
$C_{fixedIncome}$	1				
C_{equity}	0.50	1			
$C_{LTinterest}$	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

17c. The Long-Term risk module charge calculation shall be determined in accordance with the following formula-

$$\boxed{C_{LTInsurance} = \sqrt{\sum_{i,j} CorrLTnsurance_{i,j} \times C_i \times C_j}}$$

where-

$CorrLTInsurance_{i,j}$ = the correlation factors of the Long-Term 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:

$C_{LTmortality}$, $C_{LTstoploss}$, $C_{LTrider}$, $C_{LTmorbidity}$, $C_{LTlongevity}$, $C_{LTVariableAnnuity}$, $C_{LTotherrisk}$;

$C_{LTmortality}$ = long-term insurance risk - mortality capital as calculated in accordance with paragraph 24;

$C_{LTstoploss}$ = long-term insurance risk - stop loss capital as calculated in accordance with paragraph 25;

$C_{LTrider}$ = long-term insurance risk - riders capital as calculated in accordance with paragraph 26;

$C_{LTmorbidity}$ = long-term insurance risk - morbidity and disability capital as calculated in accordance with paragraph 27;

$C_{LTlongevity}$ = long-term, insurance risk - longevity capital as calculated in accordance with paragraph 28;

$C_{LTVariableAnnuity}$ = long-term variable annuity guarantee risk capital as calculated in accordance with paragraph 29;

$C_{LTotherrisk}$ = long-term other insurance risk capital as calculated in accordance with paragraph 30;

Table D – Long-Term Insurance Risk Module Correlation Matrix

$CorrLTInsurance_{i,j}$	$C_{LTmortality}$	$C_{LTstoploss}$	$C_{LTrider}$	$C_{LTmorbidity}$	$C_{LTlongevity}$	$C_{LTVariableAnnuity}$	$C_{LTotherrisk}$
$C_{LTmortality}$	1						
$C_{LTstoploss}$	0.75	1					
$C_{LTrider}$	0.75	0.75	1				
$C_{LTmorbidity}$	0.25	0.00	0.00	1			
$C_{LTlongevity}$	-0.50	-0.50	-0.50	0.00	1		
$C_{LTVariableAnnuity}$	0.00	0.00	0.00	0.00	0.00	1	
$C_{LTotherrisk}$	0.25	0.25	0.25	0.25	0.25	0.25	1

18. 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 4EBS, 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.

19. 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 2B;

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 19a;

C_{Type2} = *Type2* equity risk charge as calculated in accordance with paragraph 19a;

C_{Type3} = *Type3* equity risk charge as calculated in accordance with paragraph 19a;

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

19a. 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 $Eqastclass_i$

Equity investments $Eclass_i$	**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 2	Schedule IIB & IIC, Line 21, Column (9) Less Schedule IIB & IIC, Line 41, Column (9)	45.0%
Duration Based	Type 1	Schedule IIB & IIC, Line 22, Column (9) Less Schedule IIB & IIC, Line 42, Column (9)	20.0%
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 4EBS, Line 7(a) Less Schedule IIB, Line 43, Column (9)	10.0%
Equity Real Estate 2	Type 2	Form 4EBS, Line 7(b) Less Schedule IIB, Line 44, Column (9)	20.0%
Letters of Credit	Type 2	Form 4EBS, Line (14d)	20.0%

INSTRUCTIONS AFFECTING TABLE 2B: 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.

20. The long-term interest rate and liquidity risk charge calculation shall be established in accordance with the following formula-

$$C_{LT\,\text{interest}} = (duration1 \times rateshock \times reserveshare \times assets \times 100\% - ALMCredit) + (duration2 \times rateshock \times (1 - reserveshare) \times assets)$$ where

$duration1$ applies for business where the duration of assets and liabilities is known. $duration1$ = the higher of
(a) 1; or
(b) the insurer's weighted average of the difference in asset duration and liability duration;
(c) The statement source for the weighted average of the difference in asset duration and liability duration is Schedule V paragraph (f) of these Rules;

$duration2$ applies for business where the duration of assets and liabilities is not known. duration2 is equal to 2;

$rateshock$ = assumed interest rate adjustment prescribed in Table 3A;

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

$reserveshare$ is the amount of reserves with known duration divided by the total reserves. The statement source for $reserveshare$ is Schedule V paragraph (h) of these Rules; and

$AMLCredit$ = the total factor determined in accordance with Table 4A.

Table 3A – Interest rate adjustment for $assets$

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

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

(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 Valaution basis.

Table 4A - Asset Liability Management ("ALM") Credit

Criterion	**Implemented**	**Score for yes answers**
Has the insurer implemented policies on ALM, including tolerances for deviation?	If yes, the answers to remaining questions are used, If no, the ALM Credit is zero	
Have clear roles and responsibilities for the execution of the ALM program been assigned?		10%
Are ALM positions / tolerances communicated to the investment function, senior management and the board on a timely basis?		10%
Have systems and procedures been established to identify, report and promptly address ALM deficiencies?		10%
Are the ALM policies and procedures reviewed and reapproved or revised at least annually?		10%
Is the insurer's current ALM position in compliance with the insurer's policies?		10%
Total		XX%

21. 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 5A 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 4EBS

$GrossCurrast_i$ = value of assets corresponding to $Currency_i$ as reported on Form 4EBS Line 15

$Currast_i$ = value of assets corresponding to $Currency_i$ as reported on Form 4EBS Form 4EBS Line 15 adjusted to allow for currency hedging arrangements

$GrossCurrliab_i$ = value of liabilities corresponding to $Currency_i$ as reported on Form 4EBS Line 39 .

$Currliab_i$ = value of liabilities corresponding to $Currency_i$ as reported on Form 4EBS 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 4EBS 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 5A – 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: Otherwis 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 5A: 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.

22. 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 6A for each type $Concastclass_i$ of and

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

Table 6A – 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 6A: 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 6A 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.

23. 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 7A; 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 7A – 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 4EBS, Line 10(a)	5.0%

Deferred - Not Yet Due	Form 1SFS, Line (10b)	5.0%
Receivables from retrocessional contracts less: collateralized balances	Form 4EBS, Line 10(c) and instruction (c) below	10.0%
All Other Receivables		
Accrued investment income	Form 4EBS, Line 9	2.5%
Advances to affiliates	Form 4EBS, Line 4(g)	5.0%
Policy loans	Form 1EBS, Line 6	0.0%
Balances receivable on sale of investments	Form 4EBS, Line (13f)	2.5%
Particulars of reinsurance balances		
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%

INSTRUCTIONS AFFECTING TABLE 7A: 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) 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;

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

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

(g) the diversification adjustment in instruction (f) 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; and

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

24. The long-term insurance risk - mortality capital calculation shall be established in accordance with the following formula –

$$C_{LTmortality} = \left[\sum_{i>1} \alpha 1_i \times NAAR1_i\right] + \left[\sum_{i>1} \alpha 2_i \times NAAR2_i\right]$$ Where

$\alpha1_i$ = capital factor for adjustable life insurance business as prescribed in Table 8A;

$NAAR1_i$ = the Net Amount at Risk of all adjustable life insurance business. The statement source is Schedule VII, Column (9), Line 1 of these Rules;

$\alpha2_i$ = capital factor for non-adjustable business as prescribed in Table 9A; and

$NAAR2_i$ = the Net Amount at Risk of all non-adjustable life insurance business. The statement source is Schedule VII, Column (10), Line 1 of these Rules;

Table 8A – Capital charge factors for long-term insurance risk -mortality

Net Amount at Risk $NAAR1_i$ **or** $NAAR2_i$	**Capital Factor** $\alpha1_i$	**Capital Factor** $\alpha2_i$
First $1 billion	0.00199	0.00397
Next $4 billion	0.00090	0.00180
Next $5 billion	0.00072	0.00144
Next $40 billion	0.00065	0.00129
Excess over $50 billion	0.00057	0.00113

25. The long-term insurance risk – stop loss capital calculation shall be established in accordance with the following formula –

$C_{LTstoploss}$ = 50% x Net Annual Premium for stop loss covers as prescribed in Schedule VII, Column (11), Line 14 of these Rules.

26. The long-term insurance risk – rider charge calculation for long-term business shall be established in accordance with the following formula –

$C_{LTriders}$ = 25% x Net Annual Premium for insurance product riders not included elsewhere as prescribed in Schedule VII, Column (11), Line 15 of these Rules.

27. The long-term insurance risk – morbidity and disability capital calculation shall be established in accordance with the following formula –

$C_{LTmorbidity} = (a) + (b) + (c) + (d) + (e)$ Where:

$C_{LTmorbidity}$ = (a) 7.00% x BSCR adjusted reserves for disability income claims in payment on waiver of premium and long-term care as prescribed in Schedule VII, Column (7), Line 9 of these Rules

plus

(b) 10% x BSCR adjusted reserves for disability income claims in payment on other accident and sickness products as prescribed in Schedule VII, Column (7), Line 10 of these Rules;

plus

$$(c) = \left[\sum_{i>1} \alpha_i \times NAP_i\right]$$

Where –

α_i = capital charge factor as prescribed in Table 9A ;and

NAP_i = the Net Annual Premium for disability income business – active lives as described in Table 10A;

Table 9A – Capital charge factors for NAP_i

Net Annual Premium NAP_i	**Statement Source** These Rules	**Capital Factor** $\alpha 1_i$
Benefit period less than or equal to two years, premium guarantee less than or equal to 1 year	Schedule VII, Column (9), Line 7(a)	9.0%
Benefit period less than or equal to two years, premium guarantee of more than 1 year but less than or equal to 5 years	Schedule VII, Column (9), Line 7(b)	15.0%
Benefit period less than or equal to two years, premium guarantee of more than 5 years	Schedule VII, Column (9), Line 7(c)	22.5%
Benefit period less than or equal to two years, premium guarantee less than or equal to 1 year	Schedule VII, Column (10), Line 7(a)	12.0%
Benefit period less than or equal to two years, premium guarantee of more than 1 year but less than or equal to 5 years	Schedule VII, Column (10), Line 7(b)	20.0%
Benefit period less than or equal to two years, premium guarantee of more than 5 years	Schedule VII, Column (10), Line 7(c)	30.0%

(d) 12% x net annual premiums for disability income - active lives for other accident and sickness products as prescribed in Schedule VII, Column (11), Line 8; and

plus

$$(e) = \left[\sum_{i>1} \alpha 1_i \times NAAR1_i\right] + \left[\sum_{i>1} \alpha 2_i \times NAAR2_i\right]$$

Where –

$\alpha 1_i$ = capital factor as prescribed in Table 10A;

$NAAR1_i$ = the Net Amount at Risk of all adjustable critical illness insurance business in force as in Schedule VII, Column (9), Line 2;

$\alpha 2_i$ = capital factor as prescribed in Table 10A;

$NAAR2_i$ = the Net Amount at Risk of all non-adjustable critical illness insurance business in force as in Schedule VII, Column (10), Line 2.

Table 10A – Capital charge factors for $NAAR1_i$ or $NAAR2_i$

Net Amount at Risk $NAAR1_i$ **Or** $NAAR2_i$	**Capital Factor** $\alpha 1_i$	**Capital Factor** $\alpha 2_i$
First $1 billion	0.00596	0.01191
Next $4 billion	0.00270	0.00540

Next $5 billion	0.00216	0.00432
Next $40 billion	0.00194	0.00387
Excess over $50 billion	0.00170	0.00339

28. The long-term insurance risk – longevity capital calculation shall be established in accordance with the following formula –

$$C_{LTlongevity} = \sum_{i>1} \alpha_i \times BAR_i$$ Where:

α_i = capital charge factor as prescribed in Table 11A; and

BAR_i = the BSCR adjusted reserves for longevity risk as described in Table 11A.

Table 11A – Capital charge factors for BAR_i

BSCR adjusted reserves BAR_i	**Statement Source** These Rules	**Capital Factor** α_i
Longevity (*immediate pay-out annuities, contingent annuities, pension blocks*) – Attained age of annuitant:		
0-55 years	Schedule VII, Column (7), Line 3(a)	2.0%
56-65 years	Schedule VII, Column (7), Line 3(b)	3.0%
66-70 years	Schedule VII, Column (7), Line 3(c)	4.0%
71-80 years	Schedule VII, Column (7), Line 3(d)	5.0%
81+ years	Schedule VII, Column (7), Line 3(e)	6.0%
Longevity (deferred pay-out annuities, future contingent annuities, future pension pay-outs) – Age at which annuity benefits commence:		
0-55 years	Schedule VII, Column (7), Line 4(a)	2.0%
56-60 years	Schedule VII, Column (7), Line 4(b)	3.0%
61-65 years	Schedule VII, Column (7), Line 4(c)	4.0%
66-70 years	Schedule VII, Column (7), Line 4(d)	5.0%
71-75 years	Schedule VII, Column (7), Line 4(e)	6.0%
76+ years	Schedule VII, Column (7), Line 4(e)	7.0%

INSTRUCTIONS AFFECTING TABLE 11A: Capital charge factors for BAR_i

For joint and survivor annuities, the youngest age should be used.

29. The long-term variable annuity guarantee risk capital calculation shall be established in accordance with the following formula –

$$C_{LTVariableAnnuity} = either \sum_{i>1} \left(TotalBS\,\mathrm{Re}\,q_i - TotalBAR - TotalGMB_{adj} \right) or \left(IMC\,\mathrm{Re}\,q_{LTVA} \right)$$

Wherein:

(i) $TotalBS\,\mathrm{Re}\,q_i$ = higher of (a) $\left(\alpha 1_i \times GV1_i + \alpha 2_i \times GV2_i + \alpha 3_i \times GV3_i\right)$ and

(b) $\left(\alpha 4_i \times NAR1_i + \alpha 5_i \times NAR2_i + \alpha 6_i \times NAR3_i\right)$;

(ii) $TotalBAR$ = the total BSCR adjusted reserves for variable annuity guarantee risk. The statement source for $TotalBAR$ is Schedule VII, line 17, column (7) of these Rules;

(iii) $TotalGMDB_{adj}$ = the capital requirement charged on guaranteed minimum death benefit (GMDB) policies multiplied by the percentage of GMDB with multiple guarantees. The statement source for the percentage of GMDB with multiple guarantees is Schedule VIII, line 32, column (4) of these Rules;

(iv) $IMC\,\mathrm{Re}\,q_{LTVA}$ = the capital requirement for variable annuity guarantee risk determined in accordance with an insurance group's internal capital model, if applicable. The statement source for $IMC\,\mathrm{Re}\,q_{LTVA}$ is Schedule VIIIA, line 1, column (7) of these Rules;

(v) $\left(GV1_i, GV2_i, GV3_i, NAR1_i, NAR2_i, NAR3_i\right)$ have the statement source identified in Table 12A; and

(vi) $\left(\alpha 1_i, \alpha 2_i, \alpha 3_i, \alpha 4_i, \alpha 5_i, \alpha 6_i\right)$ are the capital factors as prescribed in Table 13A.

Table 12A – Capital charge factors for $(GV1_i, GV2_i, GV3_i, NAR1_i, NAR2_i, NAR3_i)$

Variable Annuity Benefit Type	**Statement Source These Rules** $GV1_i$	**Statement Source These Rules** $GV2_i$	**Statement Source These Rules** $GV3_i$	**Statement Source These Rules** $Nar1_i$	**Statement Source These Rules** $Nar2_i$	**Statement Source These Rules** $Nar3_i$
Guaranteed minimum death benefit: Return of premium, ratchet and reset	Schedule VIII, lines 1 and 16, column (2)	Schedule VIII, lines 1 and 16, column (3)	Schedule VIII, lines 1 and 16, column (4)	Schedule VIII, lines 1, column (5)	Schedule VIII, lines 1, column (6)	Schedule VIII, lines 1, column (7)
Guaranteed minimum death benefit: Enhanced benefits (roll up)	Schedule VIII, Lines 2 and 17, column (2)	Schedule VIII, Lines 2 and 17, column (3)	Schedule VIII, Lines 2 and 17, column (4)	Schedule VIII, Lines 2, column (5)	Schedule VIII, Lines 2, column (6)	Schedule VIII, Lines 2, column (7)
Guaranteed minimum income benefit	Schedule VIII, Lines 3 and 18, column (2)	Schedule VIII, Lines 3 and 18, column (3)	Schedule VIII, Lines 3 and 18, column (4)	Schedule VIII, Lines 3, column (5)	Schedule VIII, Lines 3, column (6)	Schedule VIII, Lines 3, column (7)
Guaranteed minimum withdrawal benefit	Schedule VIII, Lines 4 and 19, column (2)	Schedule VIII, Lines 4 and 19, column (3)	Schedule VIII, Lines 4 and 19, column (4)	Schedule VIII, Lines 4, column (5)	Schedule VIII, Lines 4, column (6)	Schedule VIII, Lines 4, column (7)
Guaranteed enhanced earnings benefit	Schedule VIII, Lines 5 and 20, column (2)	Schedule VIII, Lines 5 and 20, column (3)	Schedule VIII, Lines 5 and 20, column (4)	Schedule VIII, Lines 5, column (5)	Schedule VIII, Lines 5, column (6)	Schedule VIII, Lines 5, column (7)
Guaranteed minimum accumulation benefit with 1 year or less to maturity	Schedule VIII, Lines 6 and 21, column (2)	Schedule VIII, Lines 6 and 21, column (3)	Schedule VIII, Lines 6 and 21, column (4)	Schedule VIII, Lines 6, column (5)	Schedule VIII, Lines 6, column (6)	Schedule VIII, Lines 6, column (7)
Guaranteed minimum accumulation benefit with more than 1 year but less than or equal to 2 years to maturity	Schedule VIII, Lines 7 and 22, column (2)	Schedule VIII, Lines 7 and 22, column (3)	Schedule VIII, Lines 7 and 22, column (4)	Schedule VIII, Lines 7, column (5)	Schedule VIII, Lines 7, column (6)	Schedule VIII, Lines 7, column (7)
Guaranteed minimum accumulation benefit with more than 2 years but less than or equal to 3 years to maturity	Schedule VIII, Lines 8 and 23, column (2)	Schedule VIII, Lines 8 and 23, column (3)	Schedule VIII, Lines 8 and 23, column (4)	Schedule VIII, Lines 8, column (5)	Schedule VIII, Lines 8, column (6)	Schedule VIII, Lines 8, column (7)
Guaranteed minimum accumulation benefit with more than 3 years but less than or equal to 4 years to maturity	Schedule VIII, Lines 9 and 24, column (2)	Schedule VIII, Lines 9 and 24, column (3)	Schedule VIII, Lines 9 and 24, column (4)	Schedule VIII, Lines 9, column (5)	Schedule VIII, Lines 9, column (6)	Schedule VIII, Lines 9, column (7)
Guaranteed minimum accumulation benefit with more than 4 years but less than or equal to 5 years to maturity	Schedule VIII, Lines 10 and 25, column (2)	Schedule VIII, Lines 10 and 25, column (3)	Schedule VIII, Lines 10 and 25, column (4)	Schedule VIII, Lines 10, column (5)	Schedule VIII, Lines 10, column (6)	Schedule VIII, Lines 10, column (7)
Guaranteed minimum accumulation benefit with more than 5 years but less than or equal to 6 years to maturity	Schedule VIII, Lines 11 and 26, column (2)	Schedule VIII, Lines 11 and 26, column (3)	Schedule VIII, Lines 11 and 26, column (4)	Schedule VIII, Lines 11, column (5)	Schedule VIII, Lines 11, column (6)	Schedule VIII, Lines 11, column (7)
Guaranteed minimum accumulation benefit with more than 6 years but less than or equal to 7 years to maturity	Schedule VIII, Lines 12 and	Schedule VIII, Lines 12 and	Schedule VIII, Lines 12 and	Schedule VIII, Lines	Schedule VIII, Lines	Schedule VIII, Lines 12,

	27, column (2)	27, column (3)	27, column (4)	12, column (5)	12, column (6)	column (7)
Guaranteed minimum accumulation benefit with more than 7 years but less than or equal to 8 years to maturity	Schedule VIII, Lines 13 and 28, column (2)	Schedule VIII, Lines 13 and 28, column (3)	Schedule VIII, Lines 13 and 28, column (4)	Schedule VIII, Lines 13, column (5)	Schedule VIII, Lines 13, column (6)	Schedule VIII, Lines 13, column (7)
Guaranteed minimum accumulation benefit with more than 8 years but less than or equal to 9 years to maturity	Schedule VIII, Lines 14 and 29, column (2)	Schedule VIII, Lines 14 and 29, column (3)	Schedule VIII, Lines 14 and 29, column (4)	Schedule VIII, Lines 14, column (5)	Schedule VIII, Lines 14, column (6)	Schedule VIII, Lines 14, column (7)
Guaranteed minimum accumulation benefit with more than 9 years to maturity	Schedule VIII, Lines 15 and 30, column (2)	Schedule VIII, Lines 15 and 30, column (3)	Schedule VIII, Lines 15 and 30, column (4)	Schedule VIII, Lines 15, column (5)	Schedule VIII, Lines 15, column (6)	Schedule VIII, Lines 15, column (7)

Table 13A – Capital charge factors for $(\alpha 1_i, \alpha 2_i, \alpha 3_i, \alpha 4_i, \alpha 5_i, \alpha 6_i)$

Variable Annuity Benefit Type	**Capital Charge** $\alpha 1$	**Capital Charge** $\alpha 2$	**Capital Charge** $\alpha 3$	**Capital Charge** $\alpha 4$	**Capital Charge** $\alpha 5$	**Capital Charge** $\alpha 6$
Guaranteed minimum death benefit: Return of premium, ratchet and reset	0.25%	0.50%	0.75%	4.00%	8.50%	13.00%
Guaranteed minimum death benefit: Enhanced benefits (roll up)	0.75%	1.00%	1.25%	12.00%	16.50%	21.00%
Guaranteed minimum income benefit	5.00%	6.50%	8.00%	100.00%	130.00%	160.00%
Guaranteed minimum withdrawal benefit	3.25%	4.25%	5.00%	60.00%	75.00%	90.00%
Guaranteed enhanced earnings benefit	0.00%	0.50%	1.00%	1.00%	9.00%	17.00%
Guaranteed minimum accumulation benefit with 1 year or less to maturity	3.20%	5.00%	9.00%	90.00%	130.00%	250.00%
Guaranteed minimum accumulation benefit with more than 1 year but less than or equal to 2 years to maturity	3.00%	5.00%	8.90%	80.00%	115.00%	200.00%
Guaranteed minimum accumulation benefit with more than 2 years but less than or equal to 3 years to maturity	3.00%	5.00%	8.90%	70.00%	105.00%	160.00%
Guaranteed minimum accumulation benefit with more than 3 years but less than or equal to 4 years to maturity	2.80%	5.00%	8.80%	60.00%	95.00%	135.00%
Guaranteed minimum accumulation benefit with more than 4 years but less than or equal to 5 years to maturity	2.40%	4.30%	8.00%	55.00%	85.00%	115.00%
Guaranteed minimum accumulation benefit with more than 5 years but less than or equal to 6 years to maturity	2.00%	3.50%	6.80%	50.00%	75.00%	100.00%
Guaranteed minimum accumulation benefit with more than 6 years but less than or equal to 7 years to maturity	1.70%	2.80%	5.90%	45.00%	65.00%	90.00%
Guaranteed minimum accumulation benefit with more than 7 years but less than or equal to 8 years to maturity	1.40%	2.10%	4.90%	40.00%	55.00%	80.00%
Guaranteed minimum accumulation benefit with more than 8 years but less than or equal to 9 years to maturity	1.10%	1.70%	4.30%	35.00%	50.00%	70.00%
Guaranteed minimum accumulation benefit with more than 9 years to maturity	1.00%	1.40%	3.90%	30.00%	45.00%	60.00%

30. The long-term other insurance risk capital calculation shall be established in accordance with the following formula –

$$C_{LTotherrisk} = \sum_{i>1} \alpha_i \times NetBAR_i$$ Where:

α_i = capital charge factor as prescribed in Table 14A; and

BAR_i = the BSCR adjusted reserves as described in Table 14A.

Table 14A – Capital charge factors for BAR_i

BSCR adjusted reserves BAR_i	**Statement Source** These Rules	**Capital Factor** α_i
Mortality (term insurance, whole life, universal life)	Schedule VII, Column (7), Line 1	2.0%
Critical illness (including accelerated critical illness products)	Schedule VII, Column (7), Line 2	2.0%
Longevity (immediate pay-out annuities, contingent annuities, pension pay-outs)	Schedule VII, Column (7), Line 3(f)	0.5%
Longevity (deferred pay-out annuities, future contingent annuities, future pension pay- outs)	Schedule VII, Column (7), Line 4(g)	0.5%
Annuities certain only	Schedule VII, Column (7), Line 5	0.5%
Deferred accumulation annuities	Schedule VII, Column (7), Line 6	0.5%
Disability income: active lives – including waiver of premium and long-term care	Schedule VII, Column (7), Line 7(d)	2.0%
Disability income: active lives – other accident and sickness	Schedule VII, Column (7), Line 8	2.0%
Disability income: claims in payment – including waiver of premium and long-term care	Schedule VII, Column (7), Line 9	0.5%
Disability income: claims in payment – other accident and sickness	Schedule VII, Column (7), Line 10	0.5%
Group life	Schedule VII, Column (7), Line 11	0.5%
Group disability	Schedule VII, Column (7), Line 12	0.5%
Group health	Schedule VII, Column (7), Line 13	0.5%
Stop loss	Schedule VII, Column (7), Line 14	2.0%
Rider (other product riders not included above)	Schedule VII, Column (7), Line 15	2.0%

31. 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 30; and

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

Table 15G – 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 15G

In this table, "overall score" means an amount equal to the sum of the aggregate score derived from each of tables 15H, 15I, 15J, 15K, 15L, and 15M.

TABLE 15H

Corporate Governance Score Table

Criterion	Implemented	Score
Board sets risk policies, practices and tolerance limits for all material foreseeable operational risks at least annually and 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 15H

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

TABLE 15I

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		150
RMF is entrenched in strategic planning, decision making and the budgeting process		150
RMF ensures that the risk management procedures and policies are well documented and approved by the Board of Directors		150
RMF ensures that the risk management policies and procedures are communicated throughout the organization		150
RMF ensures that operational risk management processes and procedures are reviewed at least annually		150
RMF ensures that loss events arising from operational risks are documented and loss event data is integrated into the risk management strategy		150
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		150
Total		**XX**

Comments

INSTRUCTIONS AFFECTING TABLE 15I

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

TABLE 15J
Risk Identification Processes ('RIP') Score Table

Progression		**Criterion**	**Operational Risk Areas**							
Stage	Scoring		Fraud	HR	Outsourcing	Distribution Channels	Business Processes	Business Continuity	IT	Compliance
1	50	RIP are ad hoc								
2	100	RIP have been implemented but not standardized across the organization								
3	150	RIP have been implemented, well documented and understood by relevant staff, and standardized across the entire organization								
4	200	In addition to Stage 3, RIP are reviewed at least annually with the view to assessing effectiveness and introducing improvements								
		Total	XX	XX	XX	XX	XX	XX	XX	**XX**

Comments

INSTRUCTIONS AFFECTING TABLE 15J

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurer's implementation in respect of its RIP;

(b) where the insurer's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurer shall be deemed to have met the criterion of the lower stage; and

(c) where an operational risk area is not applicable to the insurer's operations, the insurer shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

TABLE 15K

Risk Measurement Processes ('RMP') Score Table

Progression		**Criterion**	**Operational Risk Areas**							
Stage	Scoring		Fraud	HR	Outsourcing	Distribution Channels	Business Processes	Business Continuity	IT	Compliance
1	50	RMP are ad hoc								
2	100	RMP have been implemented but not standardized across the organization								
3	150	RMP have been implemented, well documented and understood by relevant staff, and standardized across the entire organization								
4	200	In addition to Stage 3, RMP are reviewed at least annually with the view to assessing effectiveness and introducing improvements								
		Total	XX	XX	XX	XX	XX	XX	XX	**XX**

Comments

INSTRUCTIONS AFFECTING TABLE 15K

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurer's implementation in respect of its RMP;

(b) where the insurer's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurer shall be deemed to have met the criterion of the lower stage; and

(c) where an operational risk area is not applicable to the insurer's operations, the insurer shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

TABLE 15L
Risk Response Processes ('RRP') Score Table

Progression		**Criterion**	**Operational Risk Areas**							
Stage	Scoring		Fraud	HR	Outsourcing	Distribution Channels	Business Processes	Business Continuity	IT	Compliance
1	50	RRP are ad hoc								
2	100	RRP have been implemented but not standardized across the organization								
3	150	RRP have been implemented, well documented and understood by relevant staff, and standardized across the entire organization								
4	200	In addition to Stage 3, RRP are reviewed at least annually with the view to assessing effectiveness and introducing improvements								
		Total	XX	XX	XX	XX	XX	XX	XX	**XX**

Comments

INSTRUCTIONS AFFECTING TABLE 15L

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurer's implementation in respect of its RRP;

(b) where the insurer's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurer shall be deemed to have met the criterion of the lower stage; and

(c) where an operational risk area is not applicable to the insurer's operations, the insurer shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

TABLE 15M

Risk Monitoring and Reporting Processes ('RMRP') Score Table

Progression		**Criterion**	**Operational Risk Areas**							
Stage	Scoring		Fraud	HR	Outsourcing	Distribution Channels	Business Processes	Business Continuity	IT	Compliance
1	50	RMRP are ad hoc								
2	100	RMRP have been implemented but not standardized across the organization								
3	150	RMRP have been implemented, well documented and understood by relevant staff, and standardized across the entire organization								
4	200	In addition to Stage 3, RMRP are reviewed at least annually with the view to assessing effectiveness and introducing improvements								
		Total	XX	XX	XX	XX	XX	XX	XX	**XX**

Comments

INSTRUCTIONS AFFECTING TABLE 15M

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurer's implementation in respect of its RMRP;

(b) where the insurer's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurer shall be deemed to have met the criterion of the lower stage; and

(c) where an operational risk area is not applicable to the insurer's operations, the insurer shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

32. 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.-

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

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

where-

Basic BSCR	= Basic BSCR risk module charge as calculated in accordance with paragraph 17a;
$C_{operational}$	= operational risk charge as calculated in accordance with paragraph 31; and
$C_{regulatoryadj}$	= regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraph 32;
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 4EBS Line 18 x t ;

Insert in numerical order Schedules IIB, IIC, 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 4EBS, 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, 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 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 4EBS, 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 4EBS.

(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 4EBS, Line 6)
(K) Real Estate 1 (Form 4EBS, Line 7(a))
(L) Real Estate 2 (Form 4EBS, Line 7(b))
(M) Collateral Loans (Form 4EBS, 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.