



1<sup>st</sup> July 2013

## NOTICE

### **Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011 (the “Rules”)**

1. The Bermuda Monetary Authority (the “Authority”) proposes that amendments be made to the Rules to reflect the new Schedule added as “Schedule IIA— Schedule of Funds Held by Ceding Reinsurers in Segregated Accounts/Trusts”.
2. In connection with the matters set out under paragraph 1, the Authority proposes that the Schedules to the Rules (“Schedules”) be revoked and replaced for ease of review and interpretation by stakeholders. Such Schedules have been amended in line with revised BSCR reporting requirements relating to Long-Term Insurers to ensure that there is continuity in the manner in which certain capital and solvency reporting requirements are submitted to the Authority by all commercial insurers.
3. Highlights of the amendments made to the Schedules are:
  - a. Schedule I to the Rules are amended in—
    - i. paragraphs 2 and 3, relating to fixed income investment risk and equity investment risk to provide a more refined breakdown of the level of investment risk through a new prescribed set of ratings (i.e. the “BSCR ratings”);
    - ii. paragraph 7 relating to the credit risk charge calculation, to prescribe a new set of BSCR ratings to reflect the credit rating of the reinsurer as basis for the capital calculation; and
    - iii. paragraph 8, for the catastrophe risk charge calculation to recognise fully funded Special Purpose Insurers, catastrophe bonds and other collateral arrangements as well as reducing the credit risk charge associated with reinsurance recoveries of ceded catastrophe losses from 12.2% to 10.0%;

- b. Schedule II requirements have been aligned with the proposed amendments in Paragraphs 2 and 3 of Schedule I to the Rules;
  - c. New Schedule IIA shall capture the underlying assets of an insurer's funds held by ceding reinsurers in segregated accounts/trusts for which the insurer shall bear the corresponding market risk; and
  - d. Schedule V shall include additional disclosure requirements, including the proposed amendments in Paragraphs 7 and 8 of Schedule I to the Rules, with consequential amendments to the "Instructions Affecting Schedule V" which will enable the Authority to obtain greater understanding of an insurer's business and risk.
4. Comments on the Schedules are invited by 6<sup>th</sup> September 2013 and should be sent to email address: [policy@bma.bm](mailto:policy@bma.bm).
5. It is proposed that all amendments will become effective as of 1<sup>st</sup> January 2014.

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**BERMUDA**

**INSURANCE (PRUDENTIAL STANDARDS) (CLASS 3A SOLVENCY  
REQUIREMENT) AMENDMENT RULES 2013**

**BR / 2013**

**TABLE OF CONTENTS**

1. Citation and commencement
2. Paragraph 6 amended
3. Revokes and replaces Schedules I through XII

The Bermuda Monetary Authority, in exercise of the powers conferred by section 6A of the Insurance Act 1978, makes the following Rules:

**Citation and commencement**

1. These Rules which amend the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules (the “principal Rules”) may be cited as the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2013 and shall come into operation on January 1, 2014.

**Paragraph 6 amended**

2. Paragraph 6 of the principal Rules are amended by inserting “IIA,” after “II” where it occurs.

**Revokes and replaces Schedules I through XII**

3. The Schedule to these Rules revokes and replaces Schedules I through XII to the principal Rules.

Made this                      day of                      2013

Gerald Simons  
Chairman  
Bermuda Monetary Authority

**SCHEDULE I (paragraph 4)**

**BERMUDA SOLVENCY CAPITAL REQUIREMENT - SMALL AND MEDIUM-SIZED ENTITIES (BSCR-SME)**

1. The BSCR-SME shall be established in accordance with the following formula—

$$BSCR-SME = \sqrt{C_{fi}^2 + C_{eq}^2 + C_{int}^2 + C_{prem}^2 + \left(\frac{1}{2}C_{cred} + C_{rsvs}\right)^2 + \left(\frac{1}{2}C_{cred}\right)^2 + C_{cat}^2} + C_{op}$$

where—

- $C_{fi}$  = fixed income investment risk charge as calculated in accordance with paragraph 2;
- $C_{eq}$  = equity investment risk charge as calculated in accordance with paragraph 3;
- $C_{int}$  = interest rate / liquidity risk charge as calculated in accordance with paragraph 4;
- $C_{prem}$  = premium risk charge as calculated in accordance with paragraph 5;
- $C_{rsvs}$  = reserve risk charge as calculated in accordance with paragraph 6;
- $C_{cred}$  = credit risk charge as calculated in accordance with paragraph 7;
- $C_{cat}$  = catastrophe risk charge as calculated in accordance with paragraph 8; and
- $C_{op}$  = operational risk charge as calculated in accordance with paragraph 9.

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

$$C_{fi} = \sum_i \chi_i \times FIastclass_i, \text{ where—}$$

$\chi_i$  = the capital charge factors prescribed in Table 1 for each type of  $FIastclass_i$ ; and

$FIastclass_i$  = value of investment in corresponding asset Class  $i$ .

**Table 1 – Capital charge factors for  $FI_{astclass_i}$**

| <b>Type of fixed income investments</b><br>$FI_{astclass_i}$ | <b>Statement Source</b><br>The Insurance Accounts Regulations 1980 or These Rules | <b>Capital Factor</b><br>$\chi_i$ |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------|
| <i>Corporate and Sovereign Bonds</i>                         |                                                                                   |                                   |
| BSCR rating 0                                                | Schedule II & IIA, Line 1, Column (1)                                             | 0.0%                              |
| BSCR rating 1                                                | Schedule II & IIA, Line 2, Column (1)                                             | 0.4%                              |
| BSCR rating 2                                                | Schedule II & IIA, Line 3, Column (1)                                             | 0.8%                              |
| BSCR rating 3                                                | Schedule II & IIA, Line 4, Column (1)                                             | 1.5%                              |
| BSCR rating 4                                                | Schedule II & IIA, Line 5, Column (1)                                             | 3.0%                              |
| BSCR rating 5                                                | Schedule II & IIA, Line 6, Column (1)                                             | 8.0%                              |
| BSCR rating 6                                                | Schedule II & IIA, Line 7, Column (1)                                             | 15.0%                             |
| BSCR rating 7                                                | Schedule II & IIA, Line 8, Column (1)                                             | 26.3%                             |
| BSCR rating 8                                                | Schedule II & IIA, Line 9, Column (1)                                             | 35.0%                             |
| <i>Residential Mortgage-Backed Securities</i>                |                                                                                   |                                   |
| BSCR rating 1                                                | Schedule II & IIA, Line 2, Column (3)                                             | 0.6%                              |
| BSCR rating 2                                                | Schedule II & IIA, Line 3,                                                        | 1.2%                              |

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|                                                                      |                                          |       |
|----------------------------------------------------------------------|------------------------------------------|-------|
|                                                                      | Column (3)                               |       |
| BSCR rating 3                                                        | Schedule II & IIA, Line 4,<br>Column (3) | 2.0%  |
| BSCR rating 4                                                        | Schedule II & IIA, Line 5,<br>Column (3) | 4.0%  |
| BSCR rating 5                                                        | Schedule II & IIA, Line 6,<br>Column (3) | 11.0% |
| BSCR rating 6                                                        | Schedule II & IIA, Line 7,<br>Column (3) | 25.0% |
| BSCR rating 7                                                        | Schedule II & IIA, Line 8,<br>Column (3) | 35.0% |
| BSCR rating 8                                                        | Schedule II & IIA, Line 9,<br>Column (3) | 35.0% |
| <i>Commercial Mortgage-Backed Securities/Asset-Backed Securities</i> |                                          |       |
| BSCR rating 1                                                        | Schedule II & IIA, Line 2,<br>Column (5) | 0.5%  |
| BSCR rating 2                                                        | Schedule II & IIA, Line 3,<br>Column (5) | 1.0%  |
| BSCR rating 3                                                        | Schedule II & IIA, Line 4,<br>Column (5) | 1.8%  |
| BSCR rating 4                                                        | Schedule II & IIA, Line 5,<br>Column (5) | 3.5%  |
| BSCR rating 5                                                        | Schedule II & IIA, Line 6,<br>Column (5) | 10.0% |
| BSCR rating 6                                                        | Schedule II & IIA, Line 7,<br>Column (5) | 20.0% |
| BSCR rating 7                                                        | Schedule II & IIA, Line 8,<br>Column (5) | 30.0% |

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|                                     |                                           |       |
|-------------------------------------|-------------------------------------------|-------|
| BSCR rating 8                       | Schedule II & IIA, Line 9,<br>Column (5)  | 35.0% |
| <i>Bond Mutual Funds</i>            |                                           |       |
| BSCR rating 0                       | Schedule II & IIA, Line 1,<br>Column (7)  | 0.0%  |
| BSCR rating 1                       | Schedule II & IIA, Line 2,<br>Column (7)  | 0.4%  |
| BSCR rating 2                       | Schedule II & IIA, Line 3,<br>Column (7)  | 0.8%  |
| BSCR rating 3                       | Schedule II & IIA, Line 4,<br>Column (7)  | 1.5%  |
| BSCR rating 4                       | Schedule II & IIA, Line 5,<br>Column (7)  | 3.0%  |
| BSCR rating 5                       | Schedule II & IIA, Line 6,<br>Column (7)  | 8.0%  |
| BSCR rating 6                       | Schedule II & IIA, Line 7,<br>Column (7)  | 15.0% |
| BSCR rating 7                       | Schedule II & IIA, Line 8,<br>Column (7)  | 26.3% |
| BSCR rating 8                       | Schedule II & IIA, Line 9,<br>Column (7)  | 35.0% |
| <i>Mortgage Loans</i>               |                                           |       |
| Insured/guaranteed mortgages        | Schedule II & IIA, Line 22,<br>Column (1) | 0.3%  |
| Other commercial and farm mortgages | Schedule II & IIA, Line 23,<br>Column (1) | 5.0%  |
| Other residential mortgages         | Schedule II & IIA, Line 24,               | 1.5%  |

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|                                       |                                                        |       |
|---------------------------------------|--------------------------------------------------------|-------|
|                                       | Column (1)                                             |       |
| Mortgages not in good standing        | Schedule II & IIA, Line 25,<br>Column (1)              | 35.0% |
| <i>Other Fixed Income Investments</i> |                                                        |       |
| Other loans                           | Form 1A, Line 8                                        | 5.0%  |
| Cash and time deposits                | Form 1A, Line 1 & Schedule IIA,<br>Line 27, Column (1) | 0.3%  |

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

- (a) all assets comprising 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; and
- (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.

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

$$C_{eq} = \sum_i \chi_i \times Eqastclass_i ,$$

where—

$\chi_i$  = the capital charge factors prescribed in Table 2 for each type of  $Eqastclass_i$  ;

and

$Eqastclass_i$  = value of investment in corresponding asset Class  $i$ .

**Table 2 – Capital charge factors for  $Eqstclass_i$**

| <b>Type of equity investments</b><br><br>$Eqstclass_i$ | <b>Statement Source</b><br><br>The Insurance Accounts Regulations 1980 or these Rules | <b>Capital Factor</b><br><br>$\chi_i$ |
|--------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------|
| <i>Common stocks</i>                                   |                                                                                       |                                       |
| Non-affiliated (quoted) common stock                   | Schedule II & IIA, Line 19, Column (1)                                                | 14.4%                                 |
| Non-affiliated (unquoted) common stock                 | Schedule II & IIA, Line 20, Column (1)                                                | 14.4%                                 |
| Mutual funds included in common stock portfolio        | Schedule II & IIA, Line 21, Column (5)                                                | 14.4%                                 |
| <i>Preferred stocks</i>                                |                                                                                       |                                       |
| BSCR rating 1                                          | Schedule II & IIA, Line 11, Column (3)                                                | 0.6%                                  |
| BSCR rating 2                                          | Schedule II & IIA, Line 12, Column (3)                                                | 1.2%                                  |
| BSCR rating 3                                          | Schedule II & IIA, Line 13, Column (3)                                                | 2.0%                                  |
| BSCR rating 4                                          | Schedule II & IIA, Line 14, Column (3)                                                | 4.0%                                  |
| BSCR rating 5                                          | Schedule II & IIA, Line 15, Column (3)                                                | 11.0%                                 |
| BSCR rating 6                                          | Schedule II & IIA, Line 16, Column (3)                                                | 25.0%                                 |
| BSCR rating 7                                          | Schedule II & IIA, Line 17, Column (3)                                                | 35.0%                                 |

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|                                                             |                                              |       |
|-------------------------------------------------------------|----------------------------------------------|-------|
| BSCR rating 8                                               | Schedule II & IIA, Line 18, Column (3)       | 35.0% |
| <i>Other equity investments</i>                             |                                              |       |
| Company-occupied real estate less: encumbrances             | Form 1A, Line 7(a)                           | 10.0% |
| Real estate investments less: encumbrances                  | Form 1A, Line 7(b)                           | 20.0% |
| Other equity investments                                    | Form 1A, Lines 2(e) & 3(e)                   | 20.0% |
| Other tangible assets – net of segregated account companies | Form 1A, Lines 13(e) & 14(d) Less Line 13(b) | 20.0% |
| <i>Investments in affiliates</i>                            |                                              |       |
| Unregulated entities that conduct ancillary services        | Form 1A, Line 4(a)                           | 5.0%  |
| Unregulated non-financial operating entities                | Form 1A, Line 4(b)                           | 5.0%  |
| Unregulated financial operating entities                    | Form 1A, Line 4(c)                           | 5.0%  |
| Regulated non-insurance financial operating entities        | Form 1A, Line 4(d)                           | 5.0%  |
| Regulated insurance financial operating entities            | Form 1A, Line 4(e)                           | 5.0%  |

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

- (a) all assets comprising of common stock, preferred stock, real estate, and other miscellaneous investments that are subject to capital charges within the equity investment risk charge shall be included;
  - (b) all non-affiliated quoted and unquoted common and preferred stock shall be included in the equity investment risk charge; and
  - (c) all common and preferred stock, real estate, and other miscellaneous investments shall be reported on a basis consistent with that used for purposes of statutory financial reporting.
4. The interest rate / liquidity risk charge calculation shall be established in accordance with the following formula—

$$C_{int} = bonds \times duration \times marketdecline, \text{ where—}$$

*bonds* = quoted and unquoted value of other 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 the 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 3.

**Table 3 – Interest rate adjustment for bonds**

| <b>Type of investments</b> | <b>Statement Source</b>                 | <b>Estimated duration</b> | 200 basis point interest rate increase<br><br><i>marketdecline</i> |
|----------------------------|-----------------------------------------|---------------------------|--------------------------------------------------------------------|
| <i>bonds</i>               | The Insurance Accounts Regulations 1980 |                           |                                                                    |
| Other bonds and debentures | Form 1A, Lines 2(a)(ii) and 3(a)(ii)    | <i>duration</i>           | 2.0%                                                               |
| Preferred stock            | Form 1A, Lines 2(c)(ii) and 3(c)(ii)    | <i>duration</i>           | 2.0%                                                               |
| Mortgage loans             | Form 1A, Line 5(c)                      | <i>duration</i>           | 2.0%                                                               |

**INSTRUCTIONS AFFECTING TABLE 3: Interest rate adjustment for bonds**

- (a) all assets comprising other 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 other bonds and debentures and preferred stock shall be included in the interest rate/liquidity risk charge; and
  - (c) all other 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.
5. The premium risk charge calculation shall be established in accordance with the following formula—

$$C_{prem} = \sum [\alpha_i \times lineprem_i] \times \left[ \sum \left( \frac{lineprem_i}{totalprem} \right)^2 \times \mu + \vartheta \right] - [\varepsilon \times \mu]$$

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where—

$\alpha_i$  = individual  $lineprem_i$  risk capital charge factor as prescribed in this Schedule;

$lineprem_i$  = premium measure for line of business  $i$  prescribed in Table 4;

$totalprem$  = total premium measure over all lines of business (except Property Catastrophe), i.e.  $\sum_{i>1} lineprem_i$  ;

$\mu$  = additional concentration adjustment factor taking into consideration an insurer's diversified lines of business equal to 40%;

$\theta$  = minimum concentration adjustment factor is equal to 60%; and

$\varepsilon$  = CISSA risk mitigation factor.

**Table 4 – Capital charge factors for  $lineprem_i$**

| Line of business<br>$lineprem_i$   | Statement Source<br>These Rules | Capital Factor<br>$\alpha_i$ |
|------------------------------------|---------------------------------|------------------------------|
| Property catastrophe               | Schedule IV, Line 1             | 0.0%                         |
| Property                           | Schedule IV, Line 2             | 49.7%                        |
| Property non-proportional          | Schedule IV, Line 3             | 51.6%                        |
| Personal accident                  | Schedule IV, Line 4             | 34.1%                        |
| Personal accident non-proportional | Schedule IV, Line 5             | 41.2%                        |
| Aviation                           | Schedule IV, Line 6             | 48.2%                        |
| Aviation non-proportional          | Schedule IV, Line 7             | 48.2%                        |
| Credit / surety                    | Schedule IV, Line 8             | 39.8%                        |

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|                                                   |                      |       |
|---------------------------------------------------|----------------------|-------|
| Credit / surety non-proportional                  | Schedule IV, Line 9  | 45.4% |
| Energy offshore / marine                          | Schedule IV, Line 10 | 42.1% |
| Energy offshore / marine non-proportional         | Schedule IV, Line 11 | 47.0% |
| US casualty                                       | Schedule IV, Line 12 | 50.3% |
| US casualty non-proportional                      | Schedule IV, Line 13 | 55.6% |
| US professional                                   | Schedule IV, Line 14 | 51.2% |
| US professional non-proportional                  | Schedule IV, Line 15 | 53.8% |
| US specialty                                      | Schedule IV, Line 16 | 51.4% |
| US specialty non-proportional                     | Schedule IV, Line 17 | 52.7% |
| International motor                               | Schedule IV, Line 18 | 42.2% |
| International motor non-proportional              | Schedule IV, Line 19 | 48.2% |
| International casualty non-motor                  | Schedule IV, Line 20 | 50.0% |
| International casualty non-motor non-proportional | Schedule IV, Line 21 | 53.6% |
| Retro property                                    | Schedule IV, Line 22 | 50.8% |
| Structured / finite reinsurance                   | Schedule IV, Line 23 | 27.2% |

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|        |                      |       |
|--------|----------------------|-------|
| Health | Schedule IV, Line 24 | 15.0% |
|--------|----------------------|-------|

**INSTRUCTIONS AFFECTING TABLE 4: Capital charge factors for  $lineprem_i$**

- (a) all reported net premiums written for the relevant year by statutory line of business as prescribed in this Schedule that are subject to capital charges within the premium risk charge shall be included; and
- (b) all net premiums written by statutory line of business shall be reported on a basis consistent with that used for purposes of statutory financial reporting.

6. The reserve risk charge calculation shall be established in accordance with the following formula—

$$C_{rsvs} = \sum [\beta_i \times linersvs_i] \times \left[ \left[ \sum \left( \frac{linersvs_i}{totalrsvs} \right)^2 \times \mu + \mathcal{G} \right] - [\mathcal{E} \times \mu] \right]$$

$\beta_i$  = individual  $linersvs_i$  risk capital charge factor as prescribed in Table 5;

$totalrsvs$  = total reserves over all lines of business, i.e.  $\sum_i linersvs_i$  ;

$linersvs_i$  = reserves for individual line of business  $i$ ;

$\mu$  = additional concentration adjustment factor taking into consideration an insurer's diversified lines of business equal to 40%;

$\mathcal{G}$  = minimum concentration adjustment factor is equal to 60%; and

$\mathcal{E}$  = CISSA risk mitigation factor.

**Table 5 – Capital charge factors for  $linersvs_i$**

| Line of business<br><br>$linersvs_i$ | Statement Source<br><br>These Rules | Capital Factor<br><br>$\beta_i$ |
|--------------------------------------|-------------------------------------|---------------------------------|
| Property catastrophe                 | Schedule III, Line 1                | 46.2%                           |
| Property                             | Schedule III, Line 2                | 43.8%                           |

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|                                           |                       |       |
|-------------------------------------------|-----------------------|-------|
| 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% |

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|                                                   |                       |       |
|---------------------------------------------------|-----------------------|-------|
| 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 5: Capital charge factors for  $linervsvs_i$**

- (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; and
- (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.

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

$$C_{cred} = \sum_i \delta_i \times debtor_i \times \mu_r, \quad \text{where—}$$

$\delta_i$  = the credit risk capital charge factor for type of  $debtor_i$  as prescribed in Table 6;

$debtor_i$  = receivable amount from debtor  $i$  as prescribed in Table 6; and

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

**Table 6 – Capital charge factors for  $debtor_i$**

| <b>Type of debtor</b>                                                            | <b>Statement Source</b>                          | <b>Capital Factor</b> |
|----------------------------------------------------------------------------------|--------------------------------------------------|-----------------------|
| $debtor_i$                                                                       | The Insurance Accounts<br>1980 or these Rules    | $\delta_i$            |
| <i>Accounts and Premiums Receivable</i>                                          |                                                  |                       |
| In course of collection                                                          | Form 1A, Line 10(a)                              | 5.0%                  |
| Deferred – not yet due                                                           | Form 1A, Line 10(b)                              | 5.0%                  |
| Receivables from<br>retrocessional contracts<br>less: collateralized<br>balances | Form 1A, Line 10(c) and<br>instruction (c) below | 10.0%                 |
| <i>Particulars of Reinsurance Balances</i>                                       |                                                  |                       |
| BSCR rating 0                                                                    | Schedule V paragraph (c)                         | 0.0%                  |
| BSCR rating 1                                                                    | Schedule V paragraph (c)                         | 0.7%                  |
| BSCR rating 2                                                                    | Schedule V paragraph (c)                         | 1.5%                  |
| BSCR rating 3                                                                    | Schedule V paragraph (c)                         | 3.5%                  |
| BSCR rating 4                                                                    | Schedule V paragraph (c)                         | 7.0%                  |
| BSCR rating 5                                                                    | Schedule V paragraph (c)                         | 12.0%                 |
| BSCR rating 6                                                                    | Schedule V paragraph (c)                         | 20.0%                 |
| BSCR rating 7                                                                    | Schedule V paragraph (c)                         | 27.0%                 |
| BSCR rating 8                                                                    | Schedule V paragraph (c)                         | 35.0%                 |
| Single consolidated<br>reinsurance exposure                                      | Schedule V paragraph (c)                         | 35.0%                 |
| Less: Diversification                                                            | Schedule V paragraph (c)                         | 40.0%                 |

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|                              |                    |      |
|------------------------------|--------------------|------|
| adjustment                   |                    |      |
| <i>All Other Receivables</i> |                    |      |
| Accrued investment income    | Form 1A, Line 9    | 2.5% |
| Advances to affiliates       | Form 1A, Line 4(g) | 5.0% |

**INSTRUCTIONS AFFECTING TABLE 6: Capital charge factors for *debtor<sub>i</sub>***

- (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 all collaterals issued in favour of the insurer relating to accounts and premiums receivable;
  - (d) the net reinsurance exposure comprising of reinsurance balances receivable and reinsurance recoverable balances offset against the corresponding reinsurance balances payable and any amount of collateral placed in favour of the insurer relating to the reinsurance balances shall be included and shall be classified under the appropriate BSCR ratings;
  - (e) the amount of collateral in instruction (d) shall be reduced by 2% to account for the market risk associated with the underlying collateral assets;
  - (f) the net reinsurance exposure in instruction (d) shall be subject to the prescribed credit risk capital factor;
  - (g) the total capital requirement relating to the reinsurance balances shall be reduced by a diversification adjustment of up to a maximum of 40%; and
  - (h) the diversification adjustment in instruction (g) is determined as 40% multiplied by 1 minus the ratio of the largest net reinsurance exposure to total net reinsurance exposure.
8. The catastrophe risk charge calculation shall be established in accordance with the following formula—

$$C_{cat} = NetPML - Netcatprem + CR_{PML}, \quad \text{where—}$$

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

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

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

- (a) all reported net probable maximum loss, gross probable maximum loss, average annual loss, 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.

9. The operational risk capital calculation shall be established in accordance with the following formula—

$$C_{op} = \rho * ACov, \text{ where—}$$

$\rho$  = an amount between 1% and 10% as determined by the Authority in accordance with Table 7; and

$ACov$  = BSCR-SME After Covariance amount or an amount approved by the Authority.

**Table 7 — Operational Risk Charge for  $\rho$**

| Overall Score        | Applicable Operational Risk Charge<br>$\rho$ |
|----------------------|----------------------------------------------|
| $\leq 800$           | 10%                                          |
| $> 800 \leq 1,200$   | 9%                                           |
| $> 1,200 \leq 1,400$ | 8%                                           |
| $> 1,400 \leq 1,600$ | 7%                                           |
| $> 1,600 \leq 1,800$ | 6%                                           |
| $> 1,800 \leq 2,000$ | 5%                                           |
| $> 2,000 \leq 2,200$ | 4%                                           |
| $> 2,200 \leq 2,400$ | 3%                                           |
| $> 2,400 \leq 2,600$ | 2%                                           |
| $> 2,600$            | 1%                                           |

**INSTRUCTIONS AFFECTING TABLE 7:**

In this table, “overall score” means an amount equal to the sum of the aggregate score derived from each of tables 7A and 7B.

**Table 7A — Corporate Governance Score Table**

| <b>Criterion</b>                                                                                                                                                           | <b>Implemented</b> | <b>Score</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------|
| 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          |
| <b>Total</b>                                                                                                                                                               |                    | XX           |

**COMMENTS**

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**INSTRUCTIONS AFFECTING TABLE 7A:**

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

**Table 7B - Risk Management Function ('RMF') Score Table**

| <b>Criterion</b>                                                                                                                                                                                                                               | <b>Implemented</b> | <b>Score</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------|
| 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 managements policies and procedures are communicated throughout the organization                                                                                                                                     |                    | 200          |
| 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          |
| <b>Total</b>                                                                                                                                                                                                                                   |                    | XX           |

**COMMENTS**

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**INSTRUCTIONS AFFECTING TABLE 7B:**

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

**SCHEDULE II** (paragraph 6)

**SCHEDULE OF FIXED INCOME AND EQUITY INVESTMENT**

**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)          |
|----------|-------------------------------------------------|-------------------------------|---------------|----------------------------------------|---------------|---------------------------------------------------------------|---------------|-------------------|---------------|------------------------------------|---------------|
|          | <i>Quoted and unquoted bonds and debentures</i> | Corporate and sovereign bonds |               | Residential mortgage-backed securities |               | Commercial mortgage-backed securities/asset-backed securities |               | Bond mutual funds |               | Total (Form 1A, Lines 2(b) & 3(b)) |               |
|          |                                                 | 20xx<br>(000)                 | 20xx<br>(000) | 20xx<br>(000)                          | 20xx<br>(000) | 20xx<br>(000)                                                 | 20xx<br>(000) | 20xx<br>(000)     | 20xx<br>(000) | 20xx<br>(000)                      | 20xx<br>(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                                   |                               |               |                                        |               |                                                               |               |                   |               |                                    |               |

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|                                     |                       |                                        |               |                 |               |                     |               |  |  |                                       |               |  |  |
|-------------------------------------|-----------------------|----------------------------------------|---------------|-----------------|---------------|---------------------|---------------|--|--|---------------------------------------|---------------|--|--|
| 10                                  | Total                 |                                        |               |                 |               |                     |               |  |  |                                       |               |  |  |
| <i>Quoted and unquoted equities</i> |                       | Common stock                           |               | Preferred stock |               | Equity mutual funds |               |  |  | Total<br>(Form 1A, Lines 2(d) & 3(d)) |               |  |  |
|                                     |                       | 20xx<br>(000)                          | 20xx<br>(000) | 20xx<br>(000)   | 20xx<br>(000) | 20xx<br>(000)       | 20xx<br>(000) |  |  | 20xx<br>(000)                         | 20xx<br>(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                                  | Quoted equity funds   |                                        |               |                 |               |                     |               |  |  |                                       |               |  |  |
| 20                                  | Unquoted equity funds |                                        |               |                 |               |                     |               |  |  |                                       |               |  |  |
| 21                                  | Total                 |                                        |               |                 |               |                     |               |  |  |                                       |               |  |  |
| <i>Mortgage loans</i>               |                       | Mortgage loans<br>(Form 1A, Line 5(c)) |               |                 |               |                     |               |  |  |                                       |               |  |  |
|                                     |                       | 20xx                                   | 20xx          |                 |               |                     |               |  |  |                                       |               |  |  |

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|    |                                     | (000) | (000) |  |
|----|-------------------------------------|-------|-------|--|
| 22 | Insured/guaranteed mortgages        |       |       |  |
| 23 | Other commercial and farm mortgages |       |       |  |
| 24 | Other residential mortgages         |       |       |  |
| 25 | Mortgages not in good standing      |       |       |  |
| 26 | Total                               |       |       |  |

**INSTRUCTIONS AFFECTING SCHEDULE II:**

- (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 and equity mutual funds;
- (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;

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- (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; and
- (h) bond mutual funds shall be classified based on the underlying bond ratings as advised by the fund manager; equity mutual funds shall be classified in a similar manner as direct equity investments while money market funds shall be treated as cash and time deposits and assigned a BSCR rating of 0.

| 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 IIA** (paragraph 6)

**SCHEDULE OF FUNDS HELD BY CEDING REINSURERS IN SEGREGATED ACCOUNTS/TRUSTS**

**[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)          |
|-------------------------------------------------|---------------|-------------------------------|---------------|----------------------------------------|---------------|---------------------------------------------------------------|---------------|-------------------|---------------|---------------|---------------|
| <i>Quoted and unquoted bonds and debentures</i> |               | Corporate and sovereign bonds |               | Residential mortgage-backed securities |               | Commercial mortgage-backed securities/asset-backed securities |               | Bond mutual funds |               | Total         |               |
|                                                 |               | 20xx<br>(000)                 | 20xx<br>(000) | 20xx<br>(000)                          | 20xx<br>(000) | 20xx<br>(000)                                                 | 20xx<br>(000) | 20xx<br>(000)     | 20xx<br>(000) | 20xx<br>(000) | 20xx<br>(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 |                               |               |                                        |               |                                                               |               |                   |               |               |               |

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|                              |                              |                |               |                 |               |                     |               |  |               |               |  |
|------------------------------|------------------------------|----------------|---------------|-----------------|---------------|---------------------|---------------|--|---------------|---------------|--|
| 10                           | Total                        |                |               |                 |               |                     |               |  |               |               |  |
| Quoted and unquoted equities |                              | Common stock   |               | Preferred stock |               | Equity mutual funds |               |  | Total         |               |  |
|                              |                              | 20xx<br>(000)  | 20xx<br>(000) | 20xx<br>(000)   | 20xx<br>(000) | 20xx<br>(000)       | 20xx<br>(000) |  | 20xx<br>(000) | 20xx<br>(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                           | Quoted equity funds          |                |               |                 |               |                     |               |  |               |               |  |
| 20                           | Unquoted equity funds        |                |               |                 |               |                     |               |  |               |               |  |
| 21                           | Total                        |                |               |                 |               |                     |               |  |               |               |  |
| Mortgage loans               |                              | Mortgage loans |               |                 |               |                     |               |  |               |               |  |
|                              |                              | 20xx<br>(000)  | 20xx<br>(000) |                 |               |                     |               |  |               |               |  |
| 22                           | Insured/guaranteed mortgages |                |               |                 |               |                     |               |  |               |               |  |

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|                               |                                     |                        |               |  |
|-------------------------------|-------------------------------------|------------------------|---------------|--|
| 23                            | Other commercial and farm mortgages |                        |               |  |
| 24                            | Other residential mortgages         |                        |               |  |
| 25                            | Mortgages not in good standing      |                        |               |  |
| 26                            | Total                               |                        |               |  |
| <i>Cash and time deposits</i> |                                     | Cash and time deposits |               |  |
|                               |                                     | 20xx<br>(000)          | 20xx<br>(000) |  |
| 27                            | Cash and time deposits              |                        |               |  |
|                               |                                     |                        |               |  |

**INSTRUCTIONS AFFECTING SCHEDULE IIA:**

- (a) all funds held by ceding reinsurers (as reflected in Form 1A, Line 12(c)) in segregated accounts/trusts with identifiable assets, such as fixed income investments, equity investments, mortgage loans, and cash and time deposits, 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 and equity mutual funds;
- (d) preferred stock shall be classified by BSCR rating;

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- (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; and
- (i) bond mutual funds shall be classified based on the underlying bond ratings as advised by the fund manager; equity mutual funds shall be classified in a similar manner as direct equity investments while money market funds shall be treated as cash and time deposits and assigned a BSCR rating of 0.

| 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 III** (paragraph 6)

**SCHEDULE OF NET LOSS AND LOSS EXPENSE PROVISIONS BY LINE OF BUSINESS**

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

**Schedule**

**Line No.**

|                                                        | <b>General<br/>20XX</b> | <b>Business Reserves<br/>20XX</b> |
|--------------------------------------------------------|-------------------------|-----------------------------------|
| 1. Property Catastrophe                                | xxx                     | xxx                               |
| 2. Property                                            | xxx                     | xxx                               |
| 3. Property Non-Proportional                           | xxx                     | xxx                               |
| 4. Personal Accident                                   | xxx                     | xxx                               |
| 5. Personal Accident Non Proportional                  | xxx                     | xxx                               |
| 6. Aviation                                            | xxx                     | xxx                               |
| 7. Aviation Non-Proportional                           | xxx                     | xxx                               |
| 8. Credit / Surety                                     | xxx                     | xxx                               |
| 9. Credit / Surety Non- Proportional                   | xxx                     | xxx                               |
| 10. Energy Offshore / Marine                           | xxx                     | xxx                               |
| 11. Energy Offshore / Marine Non-Proportional          | xxx                     | xxx                               |
| 12. US Casualty                                        | xxx                     | xxx                               |
| 13. US Casualty Non- Proportional                      | xxx                     | xxx                               |
| 14. US Professional                                    | xxx                     | xxx                               |
| 15. US Professional Non- Proportional                  | xxx                     | xxx                               |
| 16. US Specialty                                       | xxx                     | xxx                               |
| 17. US Specialty Non- Proportional                     | xxx                     | xxx                               |
| 18. International Motor                                | xxx                     | xxx                               |
| 19. International Motor Non- Proportional              | xxx                     | xxx                               |
| 20. International Casualty Non-Motor                   | xxx                     | xxx                               |
| 21. International Casualty Non Motor Non- Proportional | xxx                     | xxx                               |
| 22. Retro Property                                     | xxx                     | xxx                               |
| 23. Structured / Finite Reinsurance                    | xxx                     | xxx                               |
| 24. Health                                             | xxx                     | xxx                               |
| 25. Total [Form 1A Line 17(d)]                         | xxx                     | xxx                               |

**INSTRUCTIONS AFFECTING SCHEDULE III:**

**The statutory lines of business shall be defined as follows:**

- (a) the same definition shall be used for both proportional and non-proportional statutory lines of business below;
- (b) where the BSCR-SME risk factor charges differ in (a), insurers shall make a distinction when completing the statutory filing and using the BSCR-SME model;
- (c) statutory lines of business shall be mutually exclusive (e.g. “Retro casualty” is only to be placed into “Retro property” as prescribed, and not any of the other “casualty” related statutory lines, etc.);
- (d) insurers may in good faith determine the allocation of the statutory lines;
- (e) where an insurance contract involves multiple lines, the insurer shall assign to the various lines in accordance with the proportions written;
- (f) where an insurer is unable to make this determination in (e), the business shall be allocated to the line with the highest proportion;
- (g) where the insurer is unable to make the determination in (f), then the business shall be assigned to the line with the highest capital risk charge; and
- (h) support and assumptions used by management shall be available for review by the Authority.

| <b>Statutory Lines of Business<br/>(Proportional and Non-Proportional)</b> | <b>Line of Business Mappings &amp; Definitions</b>                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property catastrophe                                                       | <b>Property catastrophe</b> – coverage of damage arising from a peril that triggers an event(s) that causes \$25 million or more in direct insured industry losses to property (or a loss value in accordance with the coverage provider’s stated policies) and that may affect a significant number of policyholders and insurers – peril could be hurricane, earthquake, tsunami, tornado, etc. |
| Property                                                                   | <b>US property</b> – coverage US risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses.                                                                                                                                                                                                                |
|                                                                            | <b>Crop / agriculture</b> – coverage of risks including on-shore/off-shore farms, livestock, agriculture and other food production related losses.                                                                                                                                                                                                                                                |
|                                                                            | <b>International property</b> – coverage of non-US risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses.                                                                                                                                                                                              |

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|                         |                                                                                                                                                                                                                                                                         |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Personal accident       | <b>Personal accident</b> – coverage of risks arising from an accident that causes loss of sight, loss of limb, other permanent disablement or death, including associated medical expenses, etc., and workers compensation.                                             |
| Aviation                | <b>Aviation</b> – coverage of risks arising from airport, fleet, or satellite property and operations related losses.                                                                                                                                                   |
| Credit/surety           | <b>Credit/surety</b> – coverage of risks arising from various types of guarantees, commercial surety bonds, contractor bonds and various credit related losses.                                                                                                         |
| Energy offshore/marine  | <b>Energy offshore/marine</b> – coverage of risks arising from offshore exploration and production, refining, power generation and/or cargo, hull and other marine related losses.                                                                                      |
| US casualty             | <b>US casualty motor</b> – coverage of US risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for motor related activities/ actions, including auto liability.                                   |
|                         | <b>US casualty – general</b> – coverage of US risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for non-motor related activities including theft, fraud, negligence, etc.                      |
|                         | <b>Terrorism</b> – coverage of risks arising from acts of both certified and uncertified acts of terrorism (e.g. the calculated use or threat of violence against civilians to achieve an objective(s)).                                                                |
|                         | <b>Other</b> – business that does not fit in any other category.                                                                                                                                                                                                        |
| US professional         | <b>US casualty – professional</b> - coverage of US risks arising from injuries to persons or and/or legal liability imposed upon the insured as a professional (e.g. director of a board, etc.) for negligent or fraudulent activities, etc.                            |
| US specialty            | <b>US casualty – medical malpractice</b> - coverage of US risks arising from injuries to persons or and/or legal liability imposed upon the insured as a medical professional for negligent (or other) medical related activities, etc.                                 |
| International motor     | <b>International casualty – motor</b> - coverage of non-US risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for motor related activities/actions, including auto liability.                   |
| International non-motor | <b>International casualty – non-motor</b> - coverage of non-US risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for non-motor related activities/actions, including professional and medical. |
| Retro property          | <b>Retro property</b> – retrocession cover for non-US risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses.                                                                 |

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|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | <b>Retro casualty</b> – retrocession cover for risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for motor and non-motor related activities including theft, fraud, negligence, etc.                                                                                                                                                                                                                                                |
| Structured/finite reinsurance | <b>Structured/finite reinsurance</b> – limited risk transfer contract comprising reinsurance cover where there is not both significant relative timing AND significant relative underwriting risk transfer – there may be either significant timing OR significant underwriting risk transfer – OR a significant relative economic loss may be possible but not probable (extremely remote) - not including certain catastrophe covers, like earthquake, where the probability of loss event is also remote. |
| Health                        | <b>Health</b> – Coverage of care, curative, or preventive medical treatment (or financial compensation) arising from illness, accident, disability, or frailty, including hospital, physician, dental, vision and extended benefits                                                                                                                                                                                                                                                                          |

**SCHEDULE IV** (paragraph 6)

**SCHEDULE OF PREMIUMS WRITTEN BY LINE OF BUSINESS**

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

| Schedule                                        | Gross Premiums Written |      |         |      | Net Premiums Written |      |      |      |
|-------------------------------------------------|------------------------|------|---------|------|----------------------|------|------|------|
| Line No.                                        | Unrelated              |      | Related |      | Total                |      |      |      |
|                                                 | Form A, Line 1(c)      |      |         |      | Form 2A, Line 3      |      |      |      |
|                                                 | 20XX                   | 20XX | 20XX    | 20XX | 20XX                 | 20XX | 20XX | 20XX |
| 1. Property Catastrophe                         | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 2. Property                                     | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 3. Property Non-Proportional                    | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 4. Personal Accident                            | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 5. Personal Accident Non-Proportional           | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 6. Aviation                                     | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 7. Aviation Non-Proportional                    | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 8. Credit / Surety                              | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 9. Credit / Surety Non- Proportional            | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 10. Energy Offshore/<br>Marine                  | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 11. Energy Offshore<br>/Marine Non-Proportional | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 12. US Casualty                                 | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 13. US Casualty<br>Non- Proportional            | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |
| 14. US Professional                             | XX                     | XX   | XX      | XX   | XX                   | XX   | XX   | XX   |

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|                                                       |    |    |    |    |    |    |    |    |
|-------------------------------------------------------|----|----|----|----|----|----|----|----|
| 15. US Professional Non-Proportional                  | XX | XX | XX | XX | XX | XX | XX | XX |
| 16. US Specialty                                      | XX | XX | XX | XX | XX | XX | XX | XX |
| 17. US Specialty Non-Proportional                     | XX | XX | XX | XX | XX | XX | XX | XX |
| 18. International Motor                               | XX | XX | XX | XX | XX | XX | XX | XX |
| 19. International Motor Non-Proportional              | XX | XX | XX | XX | XX | XX | XX | XX |
| 20. International Casualty Non-Motor                  | XX | XX | XX | XX | XX | XX | XX | XX |
| 21. International Casualty Non Motor Non-Proportional | XX | XX | XX | XX | XX | XX | XX | XX |
| 22. Retro Property                                    | XX | XX | XX | XX | XX | XX | XX | XX |
| 23. Structured / Finite Reinsurance                   | XX | XX | XX | XX | XX | XX | XX | XX |
| 24. Health                                            | XX | XX | XX | XX | XX | XX | XX | XX |
| 25. Total                                             | XX | XX | XX | XX | XX | XX | XX | XX |

**INSTRUCTIONS AFFECTING SCHEDULE IV:**

- (a) “gross premiums written” and “net premiums written” are defined in The Insurance Accounts Regulations 1980;
- (b) “group” means any two or more bodies, whether corporate or unincorporated, that are in association, and two bodies are deemed to be in association if one of them has control of the other or both are under the control of the same person or persons;
- (c) “related”, in relation to the insurer, means a body forming part of a group with that insurer; and
- (d) “unrelated”, in relation to the insurer, means any party that is not related.

**SCHEDULE V**

**SCHEDULE OF RISK MANAGEMENT** (paragraph 6)

The schedule of risk management shall disclose the Class 3A insurer's risk management program as follows—

- (a) governance and group structure;
- (b) ten largest exposures to counterparties and any other counterparty exposures exceeding 10% of the insurer's statutory capital and surplus;
- (c) particulars of reinsurance balances;
- (d) effective duration of assets;
- (e) effective duration of liabilities;
- (f) gross probable maximum loss (if property catastrophe writer);
- (g) net probable maximum loss (if property catastrophe writer);
- (h) average annual loss (if property catastrophe writer);
- (i) actual attritional losses and large claims losses – relevant year;
- (j) arrangements with respect to property catastrophe recoverables;
- (k) summary of projected performance;
- (l) financial impact and description of stress and scenario tests; and
- (m) list of statutory lines and statutory territories that have catastrophe exposures.

**INSTRUCTIONS AFFECTING SCHEDULE V:**

- (a) "governance and group structure" must disclose—
  - (i) the structure and names of the board of directors and chief and senior executives, including roles and work experience of officers;
  - (ii) terms of reference of the board of directors and its sub-committees.
  - (iii) name of the jurisdiction(s) where the group's board of directors primarily deliberates on matters including—
    - (A) setting strategic decision;
    - (B) determining the (re)insurer's risk appetite;
    - (C) choosing of corporate structure, including amalgamations, acquisitions and strategic alliances;
    - (D) choosing of new lines of business, new products, marketplace positioning; and
    - (E) assessing solvency needs;
  - (iv) name of the jurisdiction(s) where the group's board of directors and chief and senior executives primarily reside;
  - (v) name of the jurisdiction(s) where the group's control functions reside;
  - (vi) group's financial position based on its most recent audited general purpose financial statement regarding its—
    - (a) total assets;

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- (b) total reserves; and
    - (c) capital and surplus;
  - (vii) name of insurers within the group that have the three highest (a) total asset value (b) total insurance reserve value and (c) total capital and surplus based on the group's most recent audited general purpose financial statements; and provide the total values for items (a), (b) and (c); and confirm the jurisdiction of incorporation of each (re)insurer; and
  - (viii) explanation of any events which have occurred or decisions made subsequent to the relevant year-end that would, or have, materially changed the information above (e.g., amalgamation or acquisition or restructuring, etc.).
- (b) "ten largest exposures to counterparties and any other counterparty exposures exceeding 10% of the insurer's available statutory capital and surplus" including—
- (i) name of counterparty;
  - (ii) exposure values (face value or market value); and
  - (iii) transaction type;
- (c) "particulars of reinsurance balances" shall disclose at least the ten (10) largest reinsurance exposures with the remaining reinsurance exposures grouped according to BSCR ratings and/or a single consolidated reinsurance exposure, including—
- (i) the name of reinsurer;
  - (ii) the amount of reinsurance balances receivable, funds held by ceding reinsurers, and reinsurance recoverable balance (as reflected in Form 1A, Lines 11(e), 12(c) and 17(c));
  - (iii) funds held by ceding reinsurers (as reflected in Form 1A, Line 12(c)) shall be included only to the extent that they are not already included under Schedule IIA;
  - (iv) the amount of reinsurance balances payable and other payables (as reflected in Form 1A, Lines 28, 29, 33 and 34(c));
  - (v) the amount of any collateral placed in favour of the insurer relating to the reinsurance balances (as reflected in Notes to Form 1A, Lines 11(e) and 17(c));
  - (vi) the net reinsurance exposure shall be the amount under (ii) less the amounts under both (iv) and (v) above;
  - (vii) the appropriate BSCR rating shall be based on either the rating of the reinsurer or the rating of the letters of credit issuer, if any, whichever is higher;
  - (viii) for the purpose of determining the appropriate BSCR rating, where the letters of credit does not relate to the entire reinsurance exposure, the reinsurance exposure should be separated to reflect the rating of that portion of the exposure which is covered by the letters of credit and the rating of that portion of the exposure which is not;
  - (ix) where the reinsurer is a domestic affiliate, it shall be assigned a BSCR rating of 0 regardless of its credit rating;

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- (x) where a reinsurer is not rated but is regulated in a jurisdiction that applies the International Association of Insurance Supervisors' Insurance Core Principles and in particular imposes both a minimum capital requirement and a prescribed capital requirement ("PCR") and fully meets its PCR in that jurisdiction, it shall be assigned a BSCR rating of 4 or otherwise, it shall be assigned a BSCR rating of 8; and
  - (xi) where the insurer has disclosed a single consolidated reinsurance exposure, that exposure shall be assigned a BSCR rating of 8;
- (d) "effective duration of assets" must be determined using the aggregate of the bonds and debentures (as reflected in Form 1A, Lines 2(a)(ii) and 3(a)(ii)), preferred stock (as reflected in Form 1A, Lines 2(c)(ii) and 3(c)(ii)), and mortgage loans portfolios (as reflected in Form 1A, Line 5(c)) as a basis;
- (e) "effective duration of liabilities" must be determined using the reserves (as reflected in Form 1A, Lines 17 and 18) as a basis;
- (f) "gross probable maximum loss (if property catastrophe writer)" means the gross probable maximum loss for natural catastrophe losses (prior to reinsurance) at the 99.0% Tail Value-at-Risk level for annual aggregate exposure to all property related risks and all perils (for the property cat line only), including reinstatement premiums for the year following the relevant year based upon the insurer's catastrophe model. The support documentation must be retained for at least 5 years once a capital and solvency return has been filed in accordance with paragraph 6 at the registered office of the insurer and shall be presented to the Authority upon request;
- (g) "net probable maximum loss (if property catastrophe writer)" means the net probable maximum loss for natural catastrophe losses (after reinsurance) at the 99.0% Tail Value-at-Risk level for annual aggregate exposure to all property related risks and all perils (for the property cat line only), including reinstatement premiums for the year following the relevant year based on the insurer's catastrophe model. The support documentation must be retained for at least 5 years once a capital and solvency return has been filed in accordance with paragraph 6 at the registered office of the insurer and shall be presented to the Authority upon request;
- (h) "average annual loss (if property catastrophe writer)" means—
  - (i) the expected net natural catastrophe loss (after reinsurance), including reinstatement premiums, for annual aggregate exposure to all property related risks and all perils (for the property cat line only) for the year following the relevant year based on the insurer's catastrophe model;
  - (ii) the calculation should be from the same underlying loss distribution used to determine the gross probable maximum loss and the net probable maximum loss; and
  - (iii) the support documentation must be retained for at least 5 years once a capital and solvency return has been filed in accordance with paragraph 6 at the registered office of the insurer and shall be presented to the Authority upon request;
- (i) "actual attritional losses and large claim losses - relevant year" means the actual aggregate losses (classified by insurers as attritional and large claim losses in accordance with its own policy) experienced by the insurer in the relevant year (not

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- including prior year reserve releases, catastrophic losses or adverse development);
- (j) “arrangements with respect to property catastrophe recoverables” shall disclose the amounts of—
- (i) collateral;
  - (ii) catastrophe bonds;
  - (iii) special purpose insurer (indemnity basis); and
  - (iv) special purpose insurer (other basis);
- (k) “summary of projected performance” by the insurer for the year following the relevant year shall disclose—
- (i) the insurer’s latest estimate of annual net premiums written;
  - (ii) the estimated underwriting profit/loss; and
  - (iii) the estimated net income/loss for the insurer or on a group basis with disclosure of estimated percentage of the insurer’s contribution relative to the group;
- (l) “financial impact and description of stress and scenario tests” are tests that disclose results from the stress and scenario tests prescribed by the Authority annually and published in such manner as the Authority directs; and
- (m) list of statutory lines and statutory territories that have catastrophe exposures as set out below—

| <b>Zone</b> | <b>Territories</b>                                                                                                                                                                                                                                                                         |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1           | Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, the District of Columbia, Alabama, Arkansas, Louisiana, Mississippi, Texas, Florida, Georgia, North Carolina, and South Carolina |
| 2           | Caribbean                                                                                                                                                                                                                                                                                  |
| 3           | Arizona, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Montana, Minnesota, Missouri, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Utah, Wisconsin, and Wyoming                                                             |
| 4           | California                                                                                                                                                                                                                                                                                 |
| 5           | Oregon, Washington                                                                                                                                                                                                                                                                         |
| 6           | Hawaii                                                                                                                                                                                                                                                                                     |
| 7           | Canada, Alaska                                                                                                                                                                                                                                                                             |
| 8           | United Kingdom, Continental Europe                                                                                                                                                                                                                                                         |
| 9           | Australia/New Zealand                                                                                                                                                                                                                                                                      |
| 10          | Japan                                                                                                                                                                                                                                                                                      |
| 11          | Nationwide Covers                                                                                                                                                                                                                                                                          |
| 12          | Worldwide Covers                                                                                                                                                                                                                                                                           |
| 13          | All exposures not included in Zone 1 to 12                                                                                                                                                                                                                                                 |

**SCHEDULE VI**

**SCHEDULE OF FIXED INCOME SECURITIES (paragraph 6)**

The schedule of fixed income securities shall—

- (a) represent the amounts stated in the Form 1A - Statutory Balance Sheet (general business – Class 3A Lines 2(b) and 3(b));
- (b) include the following information according to security type—
  - (i) security type;
  - (ii) amount contributing to (as reflected in) the Form 1A - Statutory Balance Sheet balance on  
Lines 2(b) or 3(b);
  - (iii) face value;
  - (iv) fair value;
  - (v) average effective yield to maturity; and
  - (vi) average rating of the security type (if applicable).

**SCHEDULE IX (paragraph 6)**

**SCHEDULE OF COMMERCIAL INSURER'S SOLVENCY SELF ASSESSMENT (CISSA)**

The Schedule of CISSA shall provide particulars of the following matters—

- (a) Table 8A: CISSA capital summary disclosing the insurer's own capital computations, insurer's plans for raising additional capital and contingency arrangements impacting the available capital.
- (b) Table 8B: CISSA general questions relating to an insurer's risk management and governance program, the review and approval of CISSA, integration of CISSA into the strategic decision making process.
- (c) Table 8C: CISSA assessment of material risks of the insurer, determining both the quality and quantity of capital required to cover its risks, the forward looking analysis and its ability to manage its capital needs and the review and approval of CISSA.

**TABLE 8A:**

**CISSA Capital Summary**

| <b>Risk categories</b>                                                                  | <b>(a) CISSA Capital</b> | <b>(b) Regulatory Capital</b> |
|-----------------------------------------------------------------------------------------|--------------------------|-------------------------------|
| Underwriting risk                                                                       |                          |                               |
| Market risk                                                                             |                          |                               |
| Credit risk                                                                             |                          |                               |
| Liquidity risk                                                                          |                          |                               |
| Group, Concentration, Reputational and Strategic risk                                   |                          |                               |
| Other (specify)                                                                         |                          |                               |
| Total capital pre-diversification between risk categories                               |                          |                               |
| Diversification credit between risk categories                                          |                          |                               |
| Total capital after diversification between risk categories and before operational risk |                          |                               |
| Operational risk                                                                        |                          |                               |
| Total capital after operational risk                                                    |                          |                               |

Where:

- (a) CISSA capital is the amount of capital the insurer has determined that it requires to achieve its strategic goals upon undertaking an assessment of all material (reasonably foreseeable) risks arising from its operations or operating environment; and

- (b) Regulatory capital is determined by the BSCR-SME or an approved internal capital model at 99.0% Tail Value-at-Risk ("TVaR") over a one year time horizon.

**Table 8A, continued**

**ADDITIONAL INFORMATION**

1. What is the primary reason(s) (select multiple responses where applicable) for aiming at the disclosed CISSA capital amount? (select all that apply):
  - ° target agency rating (e.g. "A-", "AA", etc);
  - ° market share;
  - ° business expansion;
  - ° nature of product(s) (e.g. risk characteristics);
  - ° manage downgrade risk;
  - ° regulatory capital requirement; and
  - ° others: \_\_\_\_\_(please provide a description)
  
2. What methodology is used to aggregate the risk categories in deriving the CISSA capital?
  - ° correlation matrix;
  - ° linear correlations;
  - ° T copulas;
  - ° gumbel copulas;
  - ° clayton copulas;
  - ° causal drivers approach e.g. inflation, cycles; and
  - ° others. \_\_\_\_\_ (Please provide a description)
  
3. What contingency plans are in place for raising additional capital under stress situations? (select all that apply)
  - ° parental guarantees;
  - ° revolving letters of credit;
  - ° issue subordinated debt;
  - ° issue preference shares;
  - ° float additional shares;
  - ° capital injections from parent;
  - ° contingent surplus notes;
  - ° catastrophe derivatives (e.g. bonds, swaps and options); and/or
  - ° others: \_\_\_\_\_(Please provide a description).

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4. Does the insurer have arrangements/contractual commitments to provide support, including forward purchase arrangements or guarantees, to affiliates/other companies in stressed situations? (Yes or No)

If yes, briefly describe the arrangement(s) and the aggregate exposure.

5. Has the insurer down streamed debt to establish equity positions (participations) or, engaged in double or multiple gearing? (Yes or No)

If yes, provide details and amount of capital.

6. Has debt been down streamed to establish equity positions in the insurer, or is the insurer using capital that is double or multiple gearing? (Yes or No)

If yes, provide details and amount of capital.

7. Are there any assets of a subsidiary of the insurer that are restricted for use that cannot be transferred to another subsidiary or the insurer, that were not included in the encumbered assets (both for policyholder obligations and not for policyholder obligations) reported in the Schedule of Eligible Capital ? (Yes or No)

If yes, provide:

|                                                                                                                                                                                   |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Total restricted assets                                                                                                                                                           | XXX        |
| Less: Regulatory capital requirements for members<br>for which the assets pertain                                                                                                 | XXX        |
| Restricted assets in excess of capital requirements to the<br>extent that these amounts are not included in the<br>encumbered assets reported in the Schedule of Eligible Capital | <b>XXX</b> |

**INSTRUCTIONS AFFECTING TABLE 8A:**

- ° Total capital pre-diversification between risk categories shall be derived by aggregating all the risk categories prior to recognition of diversification between the risk categories (i.e. prior to “top of the house” diversification).
- ° Total capital after diversification between risk categories shall be derived by deducting the diversification benefit (calculated by an insurer) from the “Total capital pre-diversification between risk categories”.
- ° The insurer shall select the appropriate response. Where an optional attachment is provided to disclose additional information, an insurer shall include references (e.g.

page number, paragraph number) of where the information can be located within the attachment.

**Table 8B**  
**CISSA General Questions**

1. Is the CISSA and its underlying information integrated (i.e.; considered when making key strategic decisions) into the insurer's strategic and risk management decision-making processes?

If yes, how is CISSA and its underlying information used? (select all that apply)

- ° Strategic planning
- ° Annual business planning
- ° Setting risk limits
- ° Defining risk appetite
- ° Evaluation of capital adequacy
- ° Allocation of capital to business segments and lines of business
- ° Capital management
- ° Determination of rates of return for pricing and underwriting guidelines
- ° Reinsurance purchase
- ° Determination of investment policies and strategies
- ° Meeting regulatory requirements
- ° Improving credit rating
- ° Improving investor relations
- ° Assessing risk adjusted product profitability
- ° Performance measurement and assessment
- ° Improving amalgamations and acquisition decisions
- ° (Others provide description)

2. CISSA Mitigation Risk:

This section will automatically score and aggregate the results

- ° Is there a potential for the insurer to have an accumulation of losses to material lines of business outside of the property catastrophe line that will threaten the solvency of the insurer? If yes, what are the potential cause(s) of the accumulation of losses - list below? (Egs. a severe event; a series of many small events or individual claims; over concentration of exposure to one product, one source of business, to one line; or a common cause across many underwriting years (e.g. asbestos, pollution, silicon, etc.))
- ° Does the insurer have absolute limitations set on individual policies or groups of policies to avoid threatening its solvency (such as limitations on a geographical basis, product basis, line of business basis, source of business basis, etc.)?
- ° If yes to the above, are the limitations assessed for reasonableness and effectiveness in reducing the threat to solvency?

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- Does the insurer have procedures in place to assess the adequacy of the reinsurance purchased both from a severity and frequency perspective for solvency purposes, and ensure that there are no significant mismatches between the policies issued by the insurer and the reinsurance programme (e.g. that basis risk does not exist, etc.)?
  - Does the insurer have access to additional capital and surplus to cover loss and loss adjustment expenses (eg. letters of credit, parental guarantees, other contingent capital sources, etc.)?
  - Are policies, processes and procedures in place that employ benchmarking and stress and scenario testing to assess, review, and approve underwriting strategies and tolerance limits?
  - Are policies, processes and procedures in place to ensure that underwriting strategies are effectively aligned with risk tolerance levels?
  - Are policies, processes and procedures in place to identify, evaluate, and monitor risks arising from insurance policies, and ensure compliance with risk tolerance levels?
  - Are systems in place to capture, maintain, and analyse underwriting data; and ensure that relevant and accurate data is used to price underwriting contracts, establish adequate reserves, and appropriately settle claims?
3. Related Business:
- What percentage of the gross premiums written cover an ultimate related policyholder?
  - Comments (optionally, the insurer may provide comments in the box below to support its responses above):
4. Has the insurer applied reverse stress testing to both identify the scenarios that could cause business failure and the required actions to manage such situations? (Yes or No)
5. Is the CISSA process clearly documented and regularly amended for changes in strategic direction, risk management framework, and market developments? (Yes or No)
6. How often is the information underlying CISSA discussed and reviewed by the Board of directors and chief and senior executives?
7. Have the board of directors and chief and senior executives ensured that an appropriate oversight process is in place, including an appropriate level of independent verification, whereby material deficiencies are reported on a timely basis and suitable actions taken? (Yes or No)

Optionally, the insurer may provide brief comments.

**INSTRUCTIONS AFFECTING TABLE 8B:**

- The insurer shall select the appropriate yes or no response. Where an optional attachment is provided to disclose additional information, an insurer

shall include references (e.g. page number, paragraph number) of where the information can be located within the attachment.

- ° Independent verification shall be conducted by an internal or external auditor or any other appropriately skilled internal or external function; as long as they have not been responsible for the part of the CISSA process they review, and are therefore deemed to be independent in their assessment.

**Table 8C**  
**CISSA Assessment of material risks of the insurer**

The board must review policies, processes, and procedures to assess its material risks and self-determine the capital requirement it would need to support its insurance undertaking, at least annually. Minimally, the assessment should:

- Be an integral part of the insurer's risk management framework;
- Be clearly documented, reviewed, and evaluated regularly by the board and the chief and senior executives to ensure continual advancement in light of changes in the strategic direction, risk management framework, and market developments; and
- Ensure an appropriate oversight process whereby material deficiencies are reported on a timely basis and suitable actions taken.

The insurer shall undertake and file with the Authority the insurer's most recent report ("insurer-specific report") assessing its material risks and the determination of both the quality (types of capital) and quantity of CISSA capital required to cover these risks, while remaining solvent and achieving its business goals.

Minimally, the insurer-specific report should include:

1. Date the assessment was completed and the insurer-specific report last updated.
2. A description of the insurer's business and strategy.
3. The identification and assessment of all reasonably foreseeable material risks, including those specified in the Insurance Code of Conduct (i.e. insurance underwriting risk; investment, liquidity, and concentration risk; market risk; credit risk; operational risk; group risk; strategic risk; reputational risk; and legal risk).
4. The identification of all material risks, their relationship with one another, the quantity and type of capital required to cover the risks.
5. A description of the insurer's risk appetite, including limits imposed, how they are enforced, and their key performance indicators.
6. Assumptions and methodology used to assess and aggregate risks.
7. A forward looking analysis of the risks faced by the insurer over its planning horizon and an analysis demonstrating the ability to manage its business and capital needs in adverse circumstances and still meet regulatory capital requirements.

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8. An evaluation of whether the insurer has sufficient capital and liquidity available, including an assessment of whether capital is fungible and assets are transferable, to achieve its strategic goals over its planning horizon and any potential adverse consequences if insufficient.
9. A description of business continuity and disaster plans.
10. A description of how the results of the self-assessment are integrated into the management and strategic decision making process.
11. The risk measure, time horizon, and confidence level (if any) used to determine the CISSA capital.
12. An explanation of the primary reasons for any material deviations between the CISSA capital as it pertains to the risk (if holding capital against the risk) and the regulatory capital charge for the risk, if the deviation is greater than 15%.

**SCHEDULE X (paragraph 6)**

**CATASTROPHE RISK RETURN (to be completed by insurers writing property catastrophe line of business)**

The schedule of catastrophe risk return shall provide particulars of the following matters for policies in-force on the first day of the year following the relevant year:

- (a) Total Exceedance probability (“EP”) curves (Table 9): This represents an insurer’s exposure to loss arising from natural catastrophe from all insurance and reinsurance operations including the impact of any insurance-linked securities for all perils combined for the year following the relevant year based upon the insurer’s catastrophe model.
- (b) EP curve for Insurance (Table 9A): This EP curve shall be required only when the percentage of net insurance premiums written to total net premiums written (including insurance and reinsurance) is greater than 10%.
- (c) EP curves for region-perils (Table 9B): Insurers shall provide information on EP curves for the following region-perils:
  - ° Atlantic basin hurricane;
  - ° North American earthquake;
  - ° European windstorm;
  - ° Japanese earthquake; and
  - ° Japanese typhoon.
- (d) Region-peril exposure to zones and statutory lines of business (Table 9C): Insurers shall disclose the statutory zones and the statutory lines of business to which it is exposed.
- (e) Accumulations overview (Table 9D) shall provide details of the features of accumulation methodologies, the catastrophe models used and the frequency of conducting accumulations.
- (f) Data analysis (Table 9E) shall consist of information on modeled verses non-modeled catastrophe risk, the quality and comprehensiveness of data and how data is considered in accumulations and pricing.
- (g) Reinsurance disclosures (Table 9F) seeks to obtain information on the type of protection (reinsurance or retro) purchased against natural catastrophe losses.
- (h) Insurance terror exposure (Table 9G): For insurance business that has terrorism exposure, insurers shall disclose their exposure to conventional terrorism exposure and on Nuclear, Biological, Chemical, or Radiological (NBCR) terrorism exposure separately at different levels of geographical resolution.
  - ° Conventional terrorism: Insurers shall disclose information on the ten largest 150 metre accumulations of exposure to conventional terrorism losses on a gross basis;
  - ° NBCR insurance terrorism exposure: Insurers shall disclose terrorism exposure information on the ten largest US states or countries outside of the USA for accumulations of exposure to NBCR terrorism losses. The exposure calculation should include all exposures within and outside the US and assume a total loss to insurance commitments within the area;
- (i) Reinsurance terrorism limits (Table 9H): Insurers shall disclose the top ten reinsurance limits exposed within or outside the US for conventional and NBCR acts of terrorism.

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- (j) Assumed exchange rates (Table 9I): Contains information on all exchange rates used in compiling the EP curve information.

**Table 9:**  
**EP Curve Total**

**1. Exceedance probability information**

| Loss return period (years) | Gross loss                     |                      | Net loss                     |                    |
|----------------------------|--------------------------------|----------------------|------------------------------|--------------------|
|                            | Gross per occurrence loss TVaR | Gross aggregate TVaR | Net per occurrence loss TVaR | Net aggregate TVaR |
|                            | (\$M)                          | (\$M)                | (\$M)                        | (\$M)              |
| 50                         |                                |                      |                              |                    |
| 100                        |                                |                      |                              |                    |
| 250                        |                                |                      |                              |                    |
| 500                        |                                |                      |                              |                    |
| 1000                       |                                |                      |                              |                    |
|                            |                                |                      |                              |                    |

|                                                                     | Gross loss(\$M) |                                                                               | Net loss (\$M) |
|---------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------|----------------|
| Annual average aggregate gross loss                                 |                 | Annual average aggregate net loss (net of reinstatements terms)               |                |
| Standard deviation of annual aggregate gross loss                   |                 | Standard deviation of annual aggregate net loss (net of reinstatements terms) |                |
| Total gross statutory property catastrophe premium - modeled        |                 | Total net statutory property catastrophe premium - modeled                    |                |
| Total gross all other premium - modeled                             |                 | Total net all other premium - modeled                                         |                |
| Total gross statutory property catastrophe limits exposed – modeled |                 | Total net statutory property catastrophe limits exposed – modeled             |                |

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|                                                                         |  |                                                                       |  |
|-------------------------------------------------------------------------|--|-----------------------------------------------------------------------|--|
| Total gross statutory property catastrophe limits exposed – not modeled |  | Total net statutory property catastrophe limits exposed – not modeled |  |
| Total gross all other lines limits exposed -modeled                     |  | Total net all other lines limits exposed -modeled                     |  |
| Total gross all other lines limits exposed – not modeled                |  | Total net all other lines limits exposed – not modeled                |  |
| Total gross premium without an occurrence or aggregate limit            |  | Total net premium without an occurrence or aggregate limit            |  |
| Total gross premium with non determinable Total Insured Value (“TIV”)   |  | Total net premium with non determinable TIV                           |  |

**2. Significant sources of catastrophe risk and associated loss included in the EP Curves:**

|                                   | Select | If no, briefly explain |
|-----------------------------------|--------|------------------------|
| Allocated loss adjustment expense |        |                        |
| Property - buildings              |        |                        |
| Property - contents               |        |                        |
| Additional living expenses        |        |                        |
| Business interruption             |        |                        |
| Auto physical damage              |        |                        |
| Worker's compensation             |        |                        |
| Personal accident                 |        |                        |
| Life insurance                    |        |                        |
| Onshore energy                    |        |                        |
| Offshore energy                   |        |                        |
| Ocean marine                      |        |                        |
| Inland marine                     |        |                        |
| Flood                             |        |                        |
| Crop                              |        |                        |
| Other primary insurance           |        |                        |

**3. Assumed reinsurance information**

|                                | Select | If no, briefly explain |
|--------------------------------|--------|------------------------|
| Proportional - quota share     |        |                        |
| Proportional - surplus share   |        |                        |
| Non-proportional - catastrophe |        |                        |
| Non-proportional - per risk    |        |                        |
| Other reinsurance assumed      |        |                        |

**4. Pools and assessments information**

|                                             | Select | If no, briefly explain |
|---------------------------------------------|--------|------------------------|
| <b>Voluntary pools and/or assessments</b>   |        |                        |
| <b>Involuntary pools and/or assessments</b> |        |                        |

**5. Supplemental perils and model options**

|                                                     | Select | If no, briefly explain |
|-----------------------------------------------------|--------|------------------------|
| <b>Fire following</b>                               |        |                        |
| <b>Sprinkler leakage</b>                            |        |                        |
| <b>Storm surge</b>                                  |        |                        |
| <b>Demand surge</b>                                 |        |                        |
| <b>Secondary uncertainty</b>                        |        |                        |
| <b>Atlantic multi-decadal oscillation selection</b> |        |                        |

**6. Other adjustments information**

|                                                                                                                     | Select | If no, briefly explain |
|---------------------------------------------------------------------------------------------------------------------|--------|------------------------|
| <b>Adjustments for exposure data quality</b>                                                                        |        |                        |
| <b>Adjustments for insurance to value</b>                                                                           |        |                        |
| <b>Adjustments for exposure growth</b>                                                                              |        |                        |
| <b>Supplemental losses for non-modeled line of business</b>                                                         |        |                        |
| <b>Adjustments for model deficiencies – severity</b>                                                                |        |                        |
| <b>Adjustments for model deficiencies - frequency</b>                                                               |        |                        |
| <b>Additional demand surge loadings</b>                                                                             |        |                        |
| <b>Other factors for prudence</b>                                                                                   |        |                        |
| <b>Average loading factor applied to ground up loss for all adjustments applied:</b>                                |        |                        |
| <b>Is this average loading factor determined analytically or estimated?</b>                                         |        |                        |
| <b>Which vendor catastrophe models (“cat model”) do you include in this modeling:</b>                               |        |                        |
| <b>Which version of the model or version of the region-peril models are used for each cat model as appropriate:</b> |        |                        |

**INSTRUCTIONS AFFECTING TABLE 9:**

- ° The responses for the “Exceedance probability information” section shall consist of amounts in United States Dollars (USD) \$millions.
- ° Except for the catastrophe model and average loading factor questions in the section “Other adjustments information”, where the response shall include amounts,

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responses to sections 2 through 6 shall include selecting the appropriate response that best reflects the insurer's position. Where the response is "no" the insurer shall provide a brief description.

**Table 9A:**  
**EP Curve Insurance**

**1. Exceedance probability information**

| <b>Loss<br/>return<br/>period<br/>(years)</b> | <b>Gross</b>                              |                                     | <b>Net loss</b>                             |                                   |
|-----------------------------------------------|-------------------------------------------|-------------------------------------|---------------------------------------------|-----------------------------------|
|                                               | <b>Gross per occurrence<br/>loss TVaR</b> | <b>Gross<br/>aggregate<br/>TVaR</b> | <b>Net per<br/>occurrence<br/>loss TVaR</b> | <b>Net<br/>aggregate<br/>TVaR</b> |
|                                               | (\$M)                                     | (\$M)                               | (\$M)                                       | (\$M)                             |
| 50                                            |                                           |                                     |                                             |                                   |
| 100                                           |                                           |                                     |                                             |                                   |
| 250                                           |                                           |                                     |                                             |                                   |
| 500                                           |                                           |                                     |                                             |                                   |
| 1000                                          |                                           |                                     |                                             |                                   |

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|                                                                                | <b>Gross loss<br/>(\$M)</b> |                                                                                      | <b>Net loss<br/>(\$M)</b> |
|--------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------|---------------------------|
| <b>Annual average aggregate gross loss</b>                                     |                             | <b>Annual average aggregate net loss (net of reinstatements terms)</b>               |                           |
| <b>Standard deviation of annual aggregate gross loss</b>                       |                             | <b>Standard deviation of annual aggregate net loss (net of reinstatements terms)</b> |                           |
| <b>Total gross statutory property catastrophe premium - modeled</b>            |                             | <b>Total net statutory property catastrophe premium - modeled</b>                    |                           |
| <b>Total gross all other premium - modeled</b>                                 |                             | <b>Total net all other premium - modeled</b>                                         |                           |
| <b>Total gross statutory property catastrophe limits exposed – modeled</b>     |                             | <b>Total net statutory property catastrophe limits exposed – modeled</b>             |                           |
| <b>Total gross statutory property catastrophe limits exposed - not modeled</b> |                             | <b>Total net statutory property catastrophe limits exposed – not modeled</b>         |                           |
| <b>Total gross all other lines limits exposed - modeled</b>                    |                             | <b>Total net all other lines limits exposed – modeled</b>                            |                           |
| <b>Total gross all other lines limits exposed - not modeled</b>                |                             | <b>Total net all other lines limits exposed - not modeled</b>                        |                           |
| <b>Total gross premium without an occurrence or aggregate limit</b>            |                             | <b>Total net premium without an occurrence or aggregate limit</b>                    |                           |
| <b>Total gross premium with non determinable Total Insured Value (“TIV”)</b>   |                             | <b>Total net premium with non determinable TIV</b>                                   |                           |

**2. Significant sources of catastrophe risk and associated loss included in the EP Curves:**

|                                   | Select | If no, briefly explain |
|-----------------------------------|--------|------------------------|
| Allocated loss adjustment expense |        |                        |
| Property - buildings              |        |                        |
| Property - contents               |        |                        |
| Additional living expenses        |        |                        |
| Business interruption             |        |                        |
| Auto physical damage              |        |                        |
| Worker's compensation             |        |                        |
| Personal accident                 |        |                        |
| Life insurance                    |        |                        |
| Onshore energy                    |        |                        |
| Offshore energy                   |        |                        |
| Ocean marine                      |        |                        |
| Inland marine                     |        |                        |
| Flood                             |        |                        |
| Crop                              |        |                        |
| Other primary insurance           |        |                        |

**3. Assumed reinsurance information**

|                                | Select | If no, briefly explain |
|--------------------------------|--------|------------------------|
| Proportional - quota share     |        |                        |
| Proportional - surplus share   |        |                        |
| Non-proportional - catastrophe |        |                        |
| Non-proportional - per risk    |        |                        |
| Other reinsurance assumed      |        |                        |

**4. Pools and assessments information**

|                                             | <b>Select</b> | <b>If no, briefly explain</b> |
|---------------------------------------------|---------------|-------------------------------|
| <b>Voluntary pools and/or assessments</b>   |               |                               |
| <b>Involuntary pools and/or assessments</b> |               |                               |

**5. Supplemental perils and model options**

|                                                     | <b>Select</b> | <b>If no, briefly explain</b> |
|-----------------------------------------------------|---------------|-------------------------------|
| <b>Fire following</b>                               |               |                               |
| <b>Sprinkler leakage</b>                            |               |                               |
| <b>Storm surge</b>                                  |               |                               |
| <b>Demand surge</b>                                 |               |                               |
| <b>Secondary uncertainty</b>                        |               |                               |
| <b>Atlantic multi-decadal oscillation selection</b> |               |                               |

**6. Other adjustments information**

|                                                                                                              | Select | If no, briefly explain |
|--------------------------------------------------------------------------------------------------------------|--------|------------------------|
| Adjustments for exposure data quality                                                                        |        |                        |
| Adjustments for insurance to value                                                                           |        |                        |
| Adjustments for exposure growth                                                                              |        |                        |
| Supplemental losses for non-modeled line of business                                                         |        |                        |
| Adjustments for model deficiencies – severity                                                                |        |                        |
| Adjustments for model deficiencies – frequency                                                               |        |                        |
| Additional demand surge loadings                                                                             |        |                        |
| Other factors for prudence                                                                                   |        |                        |
| Average loading factor applied to ground up loss for all adjustments applied:                                |        |                        |
| Is this average loading factor determined analytically or estimated?                                         |        |                        |
| Which vendor catastrophe models (“cat model”) do you include in this modeling:                               |        |                        |
| Which version of the model or version of the region-peril models are used for each cat model as appropriate: |        |                        |

**INSTRUCTIONS AFFECTING TABLE 9A:**

- The responses for the “Exceedance probability information” section shall consist of amounts in USD \$millions.
- Except for the catastrophe model and average loading factor questions in the section “Other adjustments information”, where the response shall include amounts, responses to sections 2 through 6 shall include selecting the appropriate response that best reflects the insurer’s position. Where the response is “no”, the insurer shall provide a brief description.

**Table 9B:**

**EP Curve for Region-Perils**

The insurer shall complete the table below for each of the following region-perils:

- Atlantic basin hurricane

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- ° North American earthquake
- ° European windstorm
- ° Japanese earthquake
- ° Japanese typhoon

**Exceedance probability information**  
**Which model(s) is used for EP Curve?**

**Indicate the model version**

| Loss return period (years) | Gross loss                     |                      | Net loss                     |                    |
|----------------------------|--------------------------------|----------------------|------------------------------|--------------------|
|                            | Gross per occurrence loss TVaR | Gross aggregate TVaR | Net per occurrence loss TVaR | Net aggregate TVaR |
|                            | (\$M)                          | (\$M)                | (\$M)                        | (\$M)              |
| 50                         |                                |                      |                              |                    |
| 100                        |                                |                      |                              |                    |
| 250                        |                                |                      |                              |                    |
| 500                        |                                |                      |                              |                    |
| 1000                       |                                |                      |                              |                    |

| Exposure to region-peril                     | Gross | Net   |
|----------------------------------------------|-------|-------|
|                                              | (\$M) | (\$M) |
| Total statutory property catastrophe premium |       |       |
| Total all other statutory premium            |       |       |
| Total statutory property catastrophe limits  |       |       |
| Total all other statutory limits             |       |       |

**INSTRUCTIONS AFFECTING TABLE 9B:**

The responses for the “Exceedance probability information” section shall consist of amounts in USD \$millions.

**Table 9C:**  
**Region-Peril Exposure to Zones and Statutory Lines of Business**

The insurer shall select the statutory zones (Schedule V paragraph (m)) and statutory lines of business (Schedule IV) that is exposed to with regards to the following region-perils.

**(a) Exposure to statutory zones (Schedule V paragraph (m))**

|         | <b>EP Curve<br/>Atlantic<br/>Basin<br/>Hurricane</b> | <b>EP Curve<br/>North<br/>American<br/>Earthquake</b> | <b>EP Curve<br/>European<br/>Windstorm</b> | <b>EP Curve<br/>Japanese<br/>Earthquake</b> | <b>EP Curve<br/>Japanese<br/>Typhoon</b> | <b>EP<br/>Curve<br/>All<br/>Other<br/>Perils</b> |
|---------|------------------------------------------------------|-------------------------------------------------------|--------------------------------------------|---------------------------------------------|------------------------------------------|--------------------------------------------------|
| 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 |                                                      |                                                       |                                            |                                             |                                          |                                                  |

**(b) Exposure to statutory lines of business (Schedule IV)**

|        | <b>EP Curve<br/>Atlantic<br/>Basin<br/>Hurricane</b> | <b>EP Curve<br/>North<br/>American<br/>Earthquake</b> | <b>EP Curve<br/>European<br/>Windstorm</b> | <b>EP Curve<br/>Japanese<br/>Earthquake</b> | <b>EP Curve<br/>Japanese<br/>Typhoon</b> | <b>EP Curve<br/>All Other<br/>Perils</b> |
|--------|------------------------------------------------------|-------------------------------------------------------|--------------------------------------------|---------------------------------------------|------------------------------------------|------------------------------------------|
| Line 1 |                                                      |                                                       |                                            |                                             |                                          |                                          |
| Line 2 |                                                      |                                                       |                                            |                                             |                                          |                                          |
| Line 3 |                                                      |                                                       |                                            |                                             |                                          |                                          |
| Line 4 |                                                      |                                                       |                                            |                                             |                                          |                                          |
| Line 5 |                                                      |                                                       |                                            |                                             |                                          |                                          |
| Line 6 |                                                      |                                                       |                                            |                                             |                                          |                                          |
| Line 7 |                                                      |                                                       |                                            |                                             |                                          |                                          |
| Line 8 |                                                      |                                                       |                                            |                                             |                                          |                                          |
| Line 9 |                                                      |                                                       |                                            |                                             |                                          |                                          |

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|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| Line 10 |  |  |  |  |  |  |
| Line 11 |  |  |  |  |  |  |
| Line 12 |  |  |  |  |  |  |
| Line 13 |  |  |  |  |  |  |
| Line 14 |  |  |  |  |  |  |
| Line 15 |  |  |  |  |  |  |
| Line 16 |  |  |  |  |  |  |
| Line 17 |  |  |  |  |  |  |
| Line 18 |  |  |  |  |  |  |
| Line 19 |  |  |  |  |  |  |
| Line 20 |  |  |  |  |  |  |
| Line 21 |  |  |  |  |  |  |
| Line 22 |  |  |  |  |  |  |
| Line 23 |  |  |  |  |  |  |
| Line 24 |  |  |  |  |  |  |

**INSTRUCTIONS AFFECTING TABLE 9C:**

All Other Perils” shall consist of the residual natural catastrophe exposure retained by the insurer for all other region-perils except Atlantic basin hurricane, North American earthquake, European windstorm, Japanese earthquake, and Japanese typhoon.

**Table 9D**  
**Accumulations Overview**

1. What frequency best describes the update process of accumulations?
2. Are there any differences in the frequency of accumulations for various business units? If yes, briefly describe.
3. Which vendor catastrophe models does the insurer license?
4. Does the insurer incorporate internally developed stochastic catastrophe models within the accumulations that capture correlation across contracts or lines of business?
5. Which methodology best describes an insurer’s accumulation methodology?
6. Where more than one catastrophe model is used in the accumulations, which methodology best describes how multiple models are considered?

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If other, please explain:

7. Is the insurer's pricing and accumulations fully consistent?
8. What percentage of the total premium (other than insurance business) is written without occurrence limits?
9. Does the insurer provide reinsurance to both affiliated companies and unaffiliated companies?
10. If there is more than 2.5% of premium written without occurrence limits (other than insurance business) briefly describe this business, including information on territorial exposure, potential for correlation of losses across contracts/policies and the assessment of maximum loss potential for these exposures.
11. How are outwards reinsurance protections considered in accumulation calculations?

**INSTRUCTIONS AFFECTING TABLE 9D:**

Item 7 requires insurers to provide a response on whether the annual expected loss implied in the accumulations is equal to the annual expected loss at the time of underwriting.

**Table 9E**  
**Data Analysis**

**1. For all contracts written by the insurer, provide splits of those that are:**

|               | US specific contracts - all exposures |                            |                          | All other contracts – all exposures |                            |                          | Total          |                            |                          |
|---------------|---------------------------------------|----------------------------|--------------------------|-------------------------------------|----------------------------|--------------------------|----------------|----------------------------|--------------------------|
|               | Contract count                        | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count                      | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count | Gross limit provided (\$M) | Net limit provided (\$M) |
| Modelable     |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Not modelable |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Total         |                                       |                            |                          |                                     |                            |                          |                |                            |                          |

**2. For those contracts that are written by the insurer that may be modeled, provide splits of those that are:**

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|             | US specific contracts - all exposures |                            |                          | All other contracts – all exposures |                            |                          | Total          |                            |                          |
|-------------|---------------------------------------|----------------------------|--------------------------|-------------------------------------|----------------------------|--------------------------|----------------|----------------------------|--------------------------|
|             | Contract count                        | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count                      | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count | Gross limit provided (\$M) | Net limit provided (\$M) |
| Modeled     |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Not modeled |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Total       |                                       |                            |                          |                                     |                            |                          |                |                            |                          |

**3. For those contracts that are written by the insurer that are modeled, provide splits of those that are:**

|                                                                           | US specific contracts - all exposures |                            |                          | All other contracts – all exposures |                            |                          | Total          |                            |                          |
|---------------------------------------------------------------------------|---------------------------------------|----------------------------|--------------------------|-------------------------------------|----------------------------|--------------------------|----------------|----------------------------|--------------------------|
|                                                                           | Contract count                        | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count                      | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count | Gross limit provided (\$M) | Net limit provided (\$M) |
| Detailed exposure data                                                    |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Aggregate exposure data                                                   |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| A proxy peer insurer is selected and losses are derived from this insurer |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Derived from an industry loss curve utilizing market share                |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Other                                                                     |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Total                                                                     |                                       |                            |                          |                                     |                            |                          |                |                            |                          |

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If other is selected, describe the methodology as appropriate:

**4. For those contracts that are written by the insurer that may be modeled (but are not), provide splits of those that are:**

|                 | US specific contracts - all exposures |                            |                          | All other contracts – all exposures |                            |                          | Total          |                            |                          |
|-----------------|---------------------------------------|----------------------------|--------------------------|-------------------------------------|----------------------------|--------------------------|----------------|----------------------------|--------------------------|
|                 | Contract count                        | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count                      | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count | Gross limit provided (\$M) | Net limit provided (\$M) |
| Data deficient  |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Model deficient |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Other           |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| Total           |                                       |                            |                          |                                     |                            |                          |                |                            |                          |

If other is selected, describe the reasons for not modeling the contract(s).

**5. For contracts that are written by the insurer that may be modeled, but are not modeled, describe what the insurer does from an accumulation perspective :**

**6. For contracts that are written by the insurer that are unable to be modeled, provide splits of those that are:**

|                             | US specific contracts - all exposures |                            |                          | All other contracts – all exposures |                            |                          | Total          |                            |                          |
|-----------------------------|---------------------------------------|----------------------------|--------------------------|-------------------------------------|----------------------------|--------------------------|----------------|----------------------------|--------------------------|
|                             | Contract count                        | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count                      | Gross limit provided (\$M) | Net limit provided (\$M) | Contract count | Gross limit provided (\$M) | Net limit provided (\$M) |
| Data deficient              |                                       |                            |                          |                                     |                            |                          |                |                            |                          |
| No catastrophe model exists |                                       |                            |                          |                                     |                            |                          |                |                            |                          |

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|                 |  |  |  |  |  |  |  |  |  |
|-----------------|--|--|--|--|--|--|--|--|--|
| Model deficient |  |  |  |  |  |  |  |  |  |
| Other           |  |  |  |  |  |  |  |  |  |
| Total           |  |  |  |  |  |  |  |  |  |

If other is selected, describe the reasons that the contract(s) is unable to be modeled:

**7. What percentage of total net premiums written represents contracts with no limits?**

**8. For contracts that are written by the insurer that are not modelable, describe what the insurer does from an accumulation perspective :**

**9. If there are contracts that are written by the insurer that have no occurrence limits or where TIV has not been included in the exposure in the above exhibits, describe how this exposure is included in the above data :**

**INSTRUCTIONS AFFECTING TABLE 9E:**

In this Table, where applicable, the responses shall include: inputting the amount (in USD \$millions) / number and/or providing a brief description in the comment fields.

**Table 9F**  
**Reinsurance Disclosures**

Reinsurance or Retro information:

|                                        | <b>US specific contracts</b> |                           | <b>Worldwide contracts</b> |                           | <b>All other contracts</b> |                           |
|----------------------------------------|------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
|                                        | Premium                      | Occurrence Limit provided | Premium                    | Occurrence Limit provided | Premium                    | Occurrence Limit provided |
|                                        | (\$M)                        | (\$M)                     | (\$M)                      | (\$M)                     | (\$M)                      | (\$M)                     |
| Insurance Linked Securities protection |                              |                           |                            |                           |                            |                           |
| Industry Loss Warranties contracts     |                              |                           |                            |                           |                            |                           |

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|                                                                           |  |  |  |  |  |  |
|---------------------------------------------------------------------------|--|--|--|--|--|--|
| Other contracts and non-traditional methods of risk mitigation/assumption |  |  |  |  |  |  |
| Property catastrophe contracts                                            |  |  |  |  |  |  |
| Catastrophe swaps                                                         |  |  |  |  |  |  |
| Property per risk contracts                                               |  |  |  |  |  |  |
| Property retro contracts                                                  |  |  |  |  |  |  |
| Quota share contracts                                                     |  |  |  |  |  |  |
| Surplus share contracts                                                   |  |  |  |  |  |  |
| Total                                                                     |  |  |  |  |  |  |

**If there are reinsurance or retro contracts that are purchased by the insurer that have no occurrence or aggregate limits provide details below for the total premium ceded, description of the underlying lines of business covered, territorial coverage limitations and details of the natural, man-made and pandemic perils covered on aggregate basis.**

**INSTRUCTIONS AFFECTING TABLE 9F:**

In this Table, the amounts shall be in USD \$millions.

**Table 9G**

**Conventional Insurance Terrorism Exposure – 150m Defined Geographical Radius**

|                                 |   | U.S. State/<br>Province<br>(if applicable) | Country | Direct terrorism property exposure<br>(\$M) | Total gross exposure<br>(\$M) | TRIP or other terror pool recoverables<br>if any<br>(\$M) | Reinsurance recoveries<br>if any<br>(\$M) | Total net exposure<br>(\$M) | Target location (if known) |
|---------------------------------|---|--------------------------------------------|---------|---------------------------------------------|-------------------------------|-----------------------------------------------------------|-------------------------------------------|-----------------------------|----------------------------|
| Conventional terrorism exposure | 1 |                                            |         |                                             |                               |                                                           |                                           |                             |                            |
|                                 | 2 |                                            |         |                                             |                               |                                                           |                                           |                             |                            |
|                                 | 3 |                                            |         |                                             |                               |                                                           |                                           |                             |                            |
|                                 | 4 |                                            |         |                                             |                               |                                                           |                                           |                             |                            |
|                                 | 5 |                                            |         |                                             |                               |                                                           |                                           |                             |                            |
|                                 |   |                                            |         |                                             |                               |                                                           |                                           |                             |                            |

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|--|----|--|--|--|--|--|--|--|--|
|  | 6  |  |  |  |  |  |  |  |  |
|  | 7  |  |  |  |  |  |  |  |  |
|  | 8  |  |  |  |  |  |  |  |  |
|  | 9  |  |  |  |  |  |  |  |  |
|  | 10 |  |  |  |  |  |  |  |  |

**Table 9G**

**NBCR Insurance Terrorism Exposure – State/Country**

|                         |    | U.S.<br>State/<br>Provin<br>ce (if<br>applic<br>able) | Coun<br>try | Direct<br>terrorism<br>property<br>exposure<br>(\$M) | Total<br>gross<br>exposure<br>(\$M) | TRIP or<br>other<br>sovereig<br>n terror<br>pool<br>recovera<br>bles if<br>any (\$M) | Reinsura<br>nce<br>recoverab<br>le limits if<br>any (\$M) | Total net<br>net<br>exposure<br>(\$M) |
|-------------------------|----|-------------------------------------------------------|-------------|------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------|
| NBCR terrorism exposure | 1  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 2  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 3  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 4  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 5  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 6  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 7  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 8  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 9  |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |
|                         | 10 |                                                       |             |                                                      |                                     |                                                                                      |                                                           |                                       |

**INSTRUCTIONS AFFECTING TABLE 9G:**

Total gross exposure is the sum of (in USD \$millions):

- o Direct terrorism property exposure
- o Indirect terrorism property exposure
- o Value of lives exposed
- o Other insured exposures

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**Table 9H**  
**Reinsurance Terrorism Limits**

|                                 |    | U.S.<br>State/Province | Country | Direct<br>reinsurance<br>limits exposed to<br>terrorism<br>(\$M) | Total gross<br>reinsurance<br>limits exposed<br>to terrorism<br>(\$M) | TRIP or other<br>terror pool<br>recoverables<br>if any (\$M) | Reinsurance or<br>retro recoveries if<br>any (\$M) | Total net<br>reinsurance<br>limits<br>exposed to<br>terrorism<br>(\$M) |
|---------------------------------|----|------------------------|---------|------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------|
| Conventional terrorism exposure | 1  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 2  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 3  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 4  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 5  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 6  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 7  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 8  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 9  |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |
|                                 | 10 |                        |         |                                                                  |                                                                       |                                                              |                                                    |                                                                        |

**Table 9H, Cont'd**

|                         |   | U.S. State/<br>Province | Country | Direct<br>reinsurance<br>limits<br>exposed to<br>terrorism<br>(\$M) | Total gross<br>reinsurance<br>limits<br>exposed to<br>terrorism<br>(\$M) | TRIP or<br>other terror<br>pool<br>recoverables<br>if any (\$M) | Reinsurance<br>or retro<br>recoveries if<br>any (\$M) | Total net<br>reinsurance<br>limits exposed to<br>terrorism (\$M) |
|-------------------------|---|-------------------------|---------|---------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------|
| NBCR terrorism exposure | 1 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |
|                         | 2 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |
|                         | 3 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |
|                         | 4 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |
|                         | 5 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |
|                         | 6 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |
|                         | 7 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |
|                         | 8 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |
|                         | 9 |                         |         |                                                                     |                                                                          |                                                                 |                                                       |                                                                  |

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**INSTRUCTIONS AFFECTING TABLE 9H:**

- o The total gross exposure is derived by the sum of all reinsurance limits exposed to terrorism.
- o Total net reinsurance limits exposed to terrorism is derived by subtracting the TRIP or other terror pool recoverables and reinsurance recoveries from the total gross reinsurance limits exposed to terrorism.
- o Amounts shall be in USD \$millions.

**Table 9I**  
**Assumed Exchange Rates**

| Currency     | EP Curve Total all perils combined |
|--------------|------------------------------------|
| USD          | 1.00                               |
| USD:EUR      |                                    |
| USD:GBP      |                                    |
| USD:Yen      |                                    |
| USD:CHF      |                                    |
| USD:Other(s) |                                    |

**INSTRUCTIONS AFFECTING TABLE 9I:**

In this Table, the insurer shall input the exchange rates used to translate the EP curves.”

**SCHEDULE XII**  
**SCHEDULE OF ELIGIBLE CAPITAL (paragraph 6)**

The schedule of eligible capital shall provide particulars of the following matters:

- (a) Tier 1, Tier 2 and Tier 3 eligible capital (Table 10); and
- (b) Particulars of each capital instrument approved by the Authority as “Any other fixed capital” (in accordance with Form 8, Line 1(c) under the Insurance Accounts Regulations 1980).

**Table 10**

|                                                                                                                                                                           |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Total statutory capital and surplus (Form 8, Line 3)                                                                                                                      | XXX        |
| Less: Encumbered assets not securing policyholder obligations<br>(Form 1A, STMT Line 15)                                                                                  | XXX        |
| Less: relative liability or contingent liability (Form 1A) for which the<br>encumbered assets are held                                                                    | XXX        |
| Subtotal:                                                                                                                                                                 | <u>XXX</u> |
| Tier 1 – basic capital                                                                                                                                                    |            |
| (a) Fully paid common shares (Form 8, Line 1(a))                                                                                                                          | XXX        |
| (b) Contributed surplus or share premium (Form 8, Line 1(b))                                                                                                              | XXX        |
| (c) Statutory surplus - End of Year (Form 8, Line 2(h) (deficit)<br>or retained earnings)                                                                                 | XXX        |
| (d) Capital adjustments                                                                                                                                                   | XXX        |
| (e) Hybrid capital instruments: Perpetual or fixed term preference shares (Form<br>8, Line 1(a)(ii))                                                                      | XXX        |
| (f) Other:                                                                                                                                                                | XXX        |
| (g) Less: Treasury shares (Form 8, Line 1(a)(iii))                                                                                                                        | XXX        |
| (h) Less: Difference between encumbered assets for policyholder obligations<br>and policyholder obligations, calculated as follows:                                       |            |
| (i) Encumbered assets where the pledged assets exceed policyholder<br>obligations (per contract)                                                                          | XXX        |
| (ii) Policyholder obligations where the pledged assets exceed<br>policyholder obligations (per contract)                                                                  | XXX        |
| (iii) Capital requirement applicable to encumbered assets for<br>policyholder obligations under (i) above (equal to the contribution<br>of the pledged assets to the ECR) | XXX        |

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|                                                                                                                                                                                                                                                        |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| (iv) Subtotal (equal to (i) minus the sum of (ii) and (iii) above)                                                                                                                                                                                     | XXX               |
| (v) Total policyholder obligations where the pledged assets are equal or exceed policyholder obligations (per contract)                                                                                                                                | XXX               |
| (vi) Total encumbered assets where policyholder obligations exceed the pledged assets (per contract)                                                                                                                                                   | XXX               |
| (vii) Subtotal (equal to the sum of (v) and (vi) above)                                                                                                                                                                                                | XXX               |
| (viii) Total policyholder obligations (Form 1A, Lines 16, 17(a) and 18)                                                                                                                                                                                | XXX               |
| (ix) Proportion of non-collateralized policyholder obligations                                                                                                                                                                                         | XXX               |
| (x) Subtotal (equal to the product of (iv) and (ix) above)                                                                                                                                                                                             | XXX               |
| (i) Less: Encumbered assets not securing policyholder obligations<br>(Notes to Form 1A, Line 15                                                                                                                                                        | XXX               |
| Less: relative liability or contingent liability (Form 1A) for which the encumbered assets are held                                                                                                                                                    | XXX               |
| (j) Less: Restricted assets not securing excess of capital requirements, reported in CISSA, to the extent that these amounts are not included in the encumbered assets both for policyholder obligations and not for securing policyholder obligations | XXX               |
| Tier 1 - ancillary capital                                                                                                                                                                                                                             |                   |
| Perpetual or fixed term subordinated debt (Form 8 Line 1(c)(i))                                                                                                                                                                                        | <u>XXX</u>        |
| Total Tier 1 available capital                                                                                                                                                                                                                         | <u><b>XXX</b></u> |
| Tier 2 - basic capital                                                                                                                                                                                                                                 |                   |
| (a) Hybrid capital instruments: Perpetual or fixed term preference shares (Form 8, Line 1(a)(ii))                                                                                                                                                      | XXX               |
| (b) Other: Briefly describe                                                                                                                                                                                                                            | XXX               |
| (c) Add: Difference between encumbered assets for policyholder obligations and policyholder obligations (Form 1A, Lines 16, 17(a) and 18) deducted from Tier 1                                                                                         | XXX               |

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Tier 2 ancillary capital

|                                |                                                                                                |            |
|--------------------------------|------------------------------------------------------------------------------------------------|------------|
| (a)                            | Unpaid and callable common shares (Form 8, Line 1(c))                                          | XXX        |
| (b)                            | Qualifying unpaid and callable hybrid capital (Form 8 Line 1(c)(i))                            | XXX        |
| (c)                            | Qualifying unpaid and callable perpetual or fixed term preference shares (Form 8 Line 1(c)(i)) | XXX        |
| (d)                            | Perpetual or fixed term subordinated debt (Form 8 Line 1(c)(i))                                | XXX        |
| (e)                            | Approved letters of credit (Form 8, Line 1(c)(ii))                                             | XXX        |
| (f)                            | Approved guarantees (Form 8, Line 1(c)(ii))                                                    | XXX        |
| Total Tier 2 available capital |                                                                                                | <b>XXX</b> |

Tier 3 - basic capital

|                                                                                                          |     |
|----------------------------------------------------------------------------------------------------------|-----|
| Short-term hybrid capital instruments: Perpetual or fixed term preference shares (Form 8, Line 1(a)(ii)) | XXX |
|----------------------------------------------------------------------------------------------------------|-----|

Tier 3 - ancillary capital

|                                |                                                     |            |
|--------------------------------|-----------------------------------------------------|------------|
| (a)                            | Short-term subordinated debt (Form 8, Line 1(c)(i)) | XXX        |
| (b)                            | Approved letters of credit (Form 8, Line 1(c)(ii))  | XXX        |
| (c)                            | Approved guarantees (Form 8, Line 1(c)(ii))         | XXX        |
| Total Tier 3 available capital |                                                     | <b>XXX</b> |

**INSTRUCTIONS AFFECTING TABLE 10:**

- o Table 10 inputs are subject to Insurance (Eligible Capital) Rules 2012 made under Section 6A of the Act ("Eligible Capital Rules").
- o The insurer shall include all components of total statutory capital and surplus (Form 8 Line 3 of the Insurance Accounts Regulations 1980) subject to adjustments made under Section 6D of the Act in Table 10 in accordance with the provisions of Eligible Capital Rules.

**Table 10A**

For the year ending expressed in \_\_\_\_\_, 20XX

- 1) Enter number of capital instruments
- 2) Enter description of each capital instrument

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| Description of capital instrument | Date of issue | Maturity date (as applicable) | Date approved by the Authority | Value of the capital instrument | Eligible capital Tier |
|-----------------------------------|---------------|-------------------------------|--------------------------------|---------------------------------|-----------------------|
|                                   |               |                               |                                |                                 |                       |

Total available capital and surplus

XXX

**INSTRUCTIONS AFFECTING TABLE 10A:**

The insurer to include every capital instrument contributing to the amount reported in Form 8 Line 1(c) of the Insurance Accounts Regulations 1980 in Table 10A in accordance with the provisions of Eligible Capital Rules.