BERMUDA MONETARY AUTHORITY

1st July 2013

NOTICE

The Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 (the "Rules")

The Bermuda Monetary Authority (the "Authority") proposes that the Rules be amended as follows:

1. To reflect the addition of new Schedules in Paragraph 6 of the Rules as "Schedule IIA" to provide for the underlying assets of an insurance group's funds held by ceding reinsurers in segregated accounts/trusts for which the insurance group shall bear the corresponding market risk to be reported; and "Schedule VIIIA" to capture the internal model-based capital requirements for variable annuities.

2. Minor housekeeping amendments to paragraph 7 of the Rules to clarify that the parent board is to sign the required declaration and updating of the Schedules to reflect policy changes agreed between the Authority and stakeholders arising from changes made to the Long-Term insurer regime.

3. In connection with the matters set out under paragraph 1, the Authority proposes for the Schedules to the Rules to be revoked and replaced for ease of review and interpretation by stakeholders. Such Schedules are proposed to be generally amended (in line with proposed 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 shall be submitted to the Authority by all commercial insurers.

4. Highlights of the proposed amendments to be made to the Schedules are:

    a. Schedule I of the Rules is proposed to be amended in—
        i. Paragraph 1 of the BSCR formula to reflect negative correlation of 25% between mortality and longevity;

ii. Paragraphs 2 and 3, the provisions for fixed income investment risk and equity investment risk are proposed to be amended in order to provide a more refined breakdown of the level of investment risk through a new prescribed set of ratings (i.e. the "BSCR ratings");
iii. Paragraph 7, the provision relating to credit capital calculation also now prescribes a new set of BSCR rating in order to reflect the credit rating of the reinsurer as basis for the capital calculation;
iv. Paragraph 8, the provision for catastrophe risk charge calculation has been proposed to be amended to recognize 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%;
v. Paragraph 14, it is now proposed that the attained age of annuitant for immediate payout annuities with longevity risk products and the age at which the annuity benefits commence for deferred payout annuities with longevity risk products in order to distinguish these products and to recognize the nature of their product risks and features; and
vi. Paragraph 15 relating to variable annuities is proposed by the Authority to be amended to provide the insurance group an option to use their own internal capital model to determine the capital requirement for variable annuities, and the factor-based capital requirement has been refined for situations where the use of an internal capital model is not deemed practical by the Authority.

b. Schedules II, VII and VIII are proposed to be now be aligned with the proposed amendments to Paragraphs 2, 3, 14 and 15 of Schedule I to the Rules.

c. The following new Schedules, as introduced above, are proposed by the Authority to be added—

i. Schedule IIA to capture the market risks associated with the underlying assets under funds held by ceding reinsurers in segregated accounts/trusts; and
ii. Schedule VIIIA to capture the internal capital requirements for variable annuities, where applicable.

d. Schedule V is proposed to be amended to 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 insurance group's business and risk.

e. The Authority also advises other minor amendments made to the Schedules which are generally "housekeeping in nature". This includes amendment for the use in all capital calculations from (statutory) net reserves to reserves net of deferred acquisition costs, value of business acquired, and/or present value of future profits, and among others.

5. Comments to the amendments to the Rules and Schedules are invited by 6th September 2013 and should be sent to email address: policy@bma.bm.

6. It is proposed that all amendments will become effective as of 1st January 2014.

BERMUDA

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) AMENDMENT RULES 2013

BR / 2013

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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) (Insurance Group Solvency Requirement) Rules 2011 (the "principal Rules") may be cited as the Insurance (Prudential Standards) (Insurance Group 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 and "VIIIA" after "VIII" where it occurs.

Paragraph 7 amended

3. The Rules are amended in paragraph 7 (a) by deleting the word "insurer" and inserting "parent company".

Revokes and replaces Schedules I through XIII
4. The Schedule to these Rules revokes and replaces Schedules I through XIII to the principal Rules.

Made this day of 2013.

Gerald Simons
Chairman
Bermuda Monetary Authority

SCHEDULE I (Paragraph 4)

Group Bermuda Solvency Capital Requirement

1. The Group BSCR shall be established in accordance with the following formula

Group BSCR =

$$\boxed{\sqrt{C_{fi}^{2} + C_{eq}^{2} + C_{\text{int}}^{2} + C_{prem-gb}^{2} + \left[\tfrac{1}{2} C_{cred} + C_{rsvs-gb}\right]^{2} + \left[\tfrac{1}{2} C_{cred}\right]^{2} + \left[C_{LTmort} + C_{LTsl} + C_{LTr}\right]^{2} +^{-} .5 \times ((C_{LTmort} + C_{LTsl} + C_{LTr}) \times C_{LTlong})}}$$

$$\boxed{cont'd \sqrt{+ C_{LTmorb}^{2} + C_{LTlong}^{2} + C_{LToth}^{2} + C_{LTVA}^{2} + C_{cat-gb}^{2}} + C_{op} + C_{adj}}$$

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;

$C_{prem-gb}$ = premium risk charge for general business as calculated in accordance with paragraph 5;

$C_{rsvs-gb}$ = reserve risk charge for general business as calculated in accordance with paragraph 6;

C_{cred} = credit risk charge as calculated in accordance with paragraph 7;

C_{cat-gb} = catastrophe risk charge for general business as calculated in accordance with paragraph 8;

C_{LToth} = other insurance risk charge for long-term business as calculated in accordance with paragraph 9;

C_{LTmort} = insurance risk - mortality charge for long-term business as calculated in accordance with paragraph 10;

C_{LTsl} = insurance risk - stop loss charge for long-term business as calculated in accordance with paragraph 11;

C_{LTr} = insurance risk - riders charge for long-term business as calculated in accordance with paragraph 12;

C_{LTmorb} = insurance risk - morbidity and disability charge for long-term business as calculated in accordance with paragraph 13;

C_{LTlong} = insurance risk - longevity charge for long-term business as calculated in accordance with paragraph 14;

C_{LTVA} = variable annuity guarantee risk charge for long-term business as calculated in accordance with paragraph 15;

C_{op} = operational risk charge as calculated in accordance with paragraph 16; and

C_{adj} = charge for capital adjustment, calculated as the sum of (1) and (2) where:

(1) Regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraph 17; and

(2) Capital requirement for unregulated entities as determined in accordance with paragraph 18.

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

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

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

and

$FIastclass_i$ = value of investment in corresponding fixed income asset class i.

Table 1 – Capital charge factors for $FIastclass_i$

Type of fixed income investments $FIastclass_i$	**Statement Source** The Insurance Accounts Regulations 1980 or These Rules	**Capital Factor** χ_i
Corporate and Sovereign Bonds		
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,	15.0%

	Column (1)	
BSCR rating 7	Schedule II & IIA, Line 8, Column (1)	26.3%
BSCR rating 8	Schedule II & IIA, Line 9, Column (1)	35.0%
Residential Mortgage-Backed Securities		
BSCR rating 1	Schedule II & IIA, Line 2, Column (3)	0.6%
BSCR rating 2	Schedule II & IIA, Line 3, Column (3)	1.2%
BSCR rating 3	Schedule II & IIA, Line 4, Column (3)	2.0%
BSCR rating 4	Schedule II & IIA, Line 5, Column (3)	4.0%
BSCR rating 5	Schedule II & IIA, Line 6, Column (3)	11.0%
BSCR rating 6	Schedule II & IIA, Line 7, Column (3)	25.0%
BSCR rating 7	Schedule II & IIA, Line 8, Column (3)	35.0%
BSCR rating 8	Schedule II & IIA, Line 9, Column (3)	35.0%
Commercial Mortgage-Backed Securities/Asset-Backed Securities		
BSCR rating 1	Schedule II & IIA, Line 2, Column (5)	0.5%
BSCR rating 2	Schedule II & IIA, Line 3, Column (5)	1.0%
BSCR rating 3	Schedule II & IIA, Line 4, Column (5)	1.8%
BSCR rating 4	Schedule II & IIA, Line 5, Column (5)	3.5%
BSCR rating 5	Schedule II & IIA, Line 6, Column (5)	10.0%
BSCR rating 6	Schedule II & IIA, Line 7, Column (5)	20.0%
BSCR rating 7	Schedule II & IIA, Line 8, Column (5)	30.0%
BSCR rating 8	Schedule II & IIA, Line 9, Column (5)	35.0%
Bond Mutual Funds		
BSCR rating 0	Schedule II & IIA, Line 1, Column (7)	0.0%
BSCR rating 1	Schedule II & IIA, Line 2, Column (7)	0.4%

BSCR rating 2	Schedule II & IIA, Line 3, Column (7)	0.8%
BSCR rating 3	Schedule II & IIA, Line 4, Column (7)	1.5%
BSCR rating 4	Schedule II & IIA, Line 5, Column (7)	3.0%
BSCR rating 5	Schedule II & IIA, Line 6, Column (7)	8.0%
BSCR rating 6	Schedule II & IIA, Line 7, Column (7)	15.0%
BSCR rating 7	Schedule II & IIA, Line 8, Column (7)	26.3%
BSCR rating 8	Schedule II & IIA, Line 9, Column (7)	35.0%
Mortgage Loans		
Insured/guaranteed mortgages	Schedule II & IIA, Line 22, Column (1)	0.3%
Other commercial and farm mortgages	Schedule II & IIA, Line 23, Column (1)	5.0%
Other residential mortgages	Schedule II & IIA, Line 24, Column (1)	1.5%
Mortgages not in good standing	Schedule II & IIA, Line 25, Column (1)	35.0%
Other Fixed Income Investments		
Other loans	Form 1, Line 8	5.0%
Cash and time deposits	Form 1, Line 1 & Schedule IIA, 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 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 -

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

χ_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 $Eqastclass_i$

Type of equity investments $Eqastclass_i$	**Statement Source** The Insurance Accounts Regulations 1980 or these Rules	**Capital Factor** χ_i
Common stocks		
Quoted common stock	Schedule II & IIA, Line 19, Column (1)	14.4%
Unquoted common stock	Schedule II & IIA, Line 20, Column (1)	14.4%
Equity mutual funds	Schedule II & IIA, Line 21, Column (5)	14.4%
Preferred stocks		
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%
BSCR rating 8	Schedule II & IIA, Line 18, Column (3)	35.0%
Other Equity Investments		
Real estate occupied by any member of the group less: encumbrances	Form 1, Line 7(a)	10.0%
Real estate other properties less: encumbrances	Form 1, Line 7(b)	20.0%
Other equity investments	Form 1, Lines 2(e) and 3(e)	20.0%
Other tangible assets – net of segregated account companies and other adjustments for long-term business	Form 1, Lines 13(g) & 14(d) Less Lines 13(b), 13(c) and 13(d) and Schedule VII, Line 18, Columns (2), (3) and (4)	20.0%
Investments in Affiliates		
Unregulated entities that conduct ancillary services	Form 1, Line 4(a)	5.0%
Unregulated non-financial operating entities	Form 1, Line 4(b)	20.0%

Unregulated financial operating entities	Form 1, Line 4(c)	55.0%
Regulated insurance financial operating entities	Form 1, Line 4(e)	20.0%

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 quoted and unquoted common and preferred stock shall be included in the equity investment risk charge;

(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; and

(d) all investments in unregulated entities for which the insurance group exercises significant influence shall be included in the equity investment risk charge, except regulated non-insurance financial operating entities.

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

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

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

$duration$ = the higher of

(a) 1; or

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

(c) the insurance group's effective liability duration less the insurance group's effective asset duration;

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

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

Table 3 – Interest rate adjustment for $bonds$

Type of investments $bonds$	**Statement Source** The Insurance Accounts Regulations 1980	**Estimated duration**	**Capital Factor** $marketdecline$
Bonds and debentures (other)	Form 1, Lines 2(a)(ii) and 3(a)(ii)	$duration$	2.0%
Preferred stock	Form 1, Lines 2(c)(ii) and 3(c)(ii)	$duration$	2.0%
Mortgage loans	Form 1, Line 5(c)	$duration$	2.0%

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

(a) all assets comprising bonds and debentures (other), 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 bonds and debentures (other) and preferred stock shall be included in the interest rate/liquidity risk charge; and

(c) all bonds and debentures (other), preferred stock, and mortgage loans investments shall be reported in a basis consistent with that used for purposes of statutory financial reporting.

5. The premium risk charge calculation for general business shall be established in accordance with the following formula -

$$C_{prem-gb} = \left[\sum_{i>1} \alpha_i \times lineprem_i\right] \times \left[\max_{i>1}\left\{\frac{lineprem_i}{totalprem}\right\} \times \mu + \vartheta\right] - \left[avgpremcap \times \frac{avgannloss}{catlossratio}\right]$$

Where -

α_i = individual general business $lineprem_i$ risk capital charge factor as prescribed in Table 4;

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

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

$avgpremcap$ = weighted average general business premium risk capital charge factor (after concentration adjustment);

$avgannloss$ = average annual loss estimated with catastrophe models for general business;

$catlossratio$ = expected industry average catastrophe loss ratio for general business prescribed by the Authority;

μ = additional concentration adjustment factor taking into consideration an insurance group's diversified lines of general business equal to 40%; and

ϑ = minimum concentration adjustment factor is equal to 60%.

Table 4 – Capital charge for $lineprem_i$

Line of General Business $lineprem_i$	**Statement Source** These Rules	**Capital Factor** χ_i
Property Catastrophe	Schedule IVA, Line 1	0.0%
Property	Schedule IVA, Line 2	49.7%
Property Non-proportional	Schedule IVA, Line 3	51.6%
Personal Accident	Schedule IVA, Line 4	34.1%
Personal Accident Non-proportional	Schedule IVA, Line 5	41.2%
Aviation	Schedule IVA, Line 6	48.2%

Aviation Non-proportional	Schedule IVA, Line 7	48.2%
Credit/Surety	Schedule IVA, Line 8	39.8%
Credit/Surety Non-proportional	Schedule IVA, Line 9	45.4%
Energy Offshore/Marine	Schedule IVA, Line 10	42.1%
Energy Offshore/Marine Non-proportional	Schedule IVA, Line 11	47.0%
U.S. Casualty	Schedule IVA, Line 12	50.3%
U.S. Casualty Non-proportional	Schedule IVA, Line 13	55.6%
U.S. Professional	Schedule IVA, Line 14	51.2%
U.S. Professional Non-proportional	Schedule IVA, Line 15	53.8%
U.S. Specialty	Schedule IVA, Line 16	51.4%
U.S. Specialty Non-proportional	Schedule IVA, Line 17	52.7%
International Motor	Schedule IVA, Line 18	42.2%
International Motor Non-Proportional	Schedule IVA, Line 19	48.2%
International Casualty Non-motor	Schedule IVA, Line 20	50.0%
International Casualty Non-motor Non-proportional	Schedule IVA, Line 21	53.6%
Retro Property	Schedule IVA, Line 22	50.8%
Structured/finite reinsurance	Schedule IVA, Line 23	27.2%
Health	Schedule IVA, Line 24	15.0%

INSTRUCTIONS AFFECTING TABLE 4: Capital charge for $lineprem_i$

(a) all reported net premiums written for the relevant year by statutory line of general 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 general business shall be reported on a basis consistent with that used for purposes of statutory financial reporting.

6. The reserve risk charge calculation for general business shall be established in accordance with the following formula -

$$C_{rsvs-gb} = \left[\sum_i \beta_i \times linersvs_i\right] \times \left[\max_i \left\{\frac{linersvs_i}{totalrsvs}\right\} \times \mu + \vartheta\right]$$ Where -

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

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

$linersvs_i$ = reserves for individual line of general business i prescribed in Table 5;

μ = additional concentration adjustment factor taking into consideration an insurance group's diversified lines of general business equal to 40%; and

ϑ = minimum concentration adjustment factor is equal to 60%.

Table 5 – Capital charge for $linersvs_i$

Line of General Business $linersvs_i$	**Statement Source** These Rules	**Capital Factor** β_i
Property Catastrophe	Schedule III, Line 1	46.2%
Property	Schedule III, Line 2	43.8%
Property Non-proportional	Schedule III, Line 3	49.7%
Personal Accident	Schedule III, Line 4	29.7%
Personal Accident Non-proportional	Schedule III, Line 5	34.9%
Aviation	Schedule III, Line 6	46.0%
Aviation Non-proportional	Schedule III, Line 7	48.3%
Credit/Surety	Schedule III, Line 8	38.4%
Credit/Surety Non-proportional	Schedule III, Line 9	43.5%
Energy Offshore/Marine	Schedule III, Line 10	39.5%
Energy Offshore/Marine Non-proportional	Schedule III, Line 11	43.9%
U.S. Casualty	Schedule III, Line 12	43.0%
U.S. Casualty Non-proportional	Schedule III, Line 13	48.8%
U.S. Professional	Schedule III, Line 14	46.3%
U.S. Professional Non-proportional	Schedule III, Line 15	51.5%
U.S. Specialty	Schedule III, Line 16	46.5%
U.S. Specialty Non-proportional	Schedule III, Line 17	48.3%
International Motor	Schedule III, Line 18	37.1%
International Motor Non-Proportional	Schedule III, Line 19	43.5%
International Casualty Non-motor	Schedule III, Line 20	43.7%
International Casualty Non-motor Non-proportional	Schedule III, Line 21	49.4%
Retro Property	Schedule III, Line 22	47.8%
Structured/finite reinsurance	Schedule III, Line 23	24.1%
Health	Schedule III, Line 24	12.5%

INSTRUCTIONS AFFECTING TABLE 5: Capital charge for $linersvs_i$

(a) all reported net loss and loss expense provisions for the relevant year by statutory line of general business as prescribed in this Schedule that 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 general 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 -

$$C_{cred} = \sum_i \delta_i \times debtor_i \times \mu_r \text{, Where -}$$

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

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

μ_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 for $debtor_i$

Type of debtor $debtor_i$	**Statement Source** The Insurance Accounts Regulations 1980 or these Rules	**Capital Factor** δ_i
Accounts and Premiums Receivable		
In course of collection	Form 1, Line 10(a)	5.0%
Deferred – not yet due	Form 1, Line 10(b)	5.0%
Receivables from retrocessional contracts less: Collateralized balances	Form 1, Line 10(c), Notes to Form 1, Line 10 (see instructions (c) and (d) below)	10.0%
Particulars of Reinsurance Balances		
BSCR rating 0	Schedule V paragraph (d)	0.0%
BSCR rating 1	Schedule V paragraph (d)	0.7%
BSCR rating 2	Schedule V paragraph (d)	1.5%
BSCR rating 3	Schedule V paragraph (d)	3.5%
BSCR rating 4	Schedule V paragraph (d)	7.0%
BSCR rating 5	Schedule V paragraph (d)	12.0%
BSCR rating 6	Schedule V paragraph (d)	20.0%
BSCR rating 7	Schedule V paragraph (d)	27.0%
BSCR rating 8	Schedule V paragraph (d)	35.0%
Single consolidated reinsurance exposure	Schedule V paragraph (d)	35.0%
Less: Diversification adjustment	Schedule V paragraph (d)	40.0%
All Other Receivables		
Advances to affiliates	Form 1, Line 4(g) (see instruction (h) below)	5.0%
Accrued investment income	Form 1, Line 9	2.5%
Policy loans	Form 1, Line 6	0.0%

INSTRUCTIONS AFFECTING TABLE 6: Capital charge for $debtor_i$

(a) all accounts an d 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 includes all collateral issued in favour of the members of the insurance group relating to accounts and premiums receivable;

(d) assets accounted in Form 1, Line 37 shall not be included in instruction (c);

(e) 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 members of the group relating to the reinsurance balances shall be included and shall be classified under the appropriate BSCR ratings;

(f) the amount of collateral in instruction (e) shall be reduced by 2% to account for the market risk associated with the underlying collateral assets;

(g) the net reinsurance exposure in instruction (e) shall be subject to the prescribed credit risk capital factor;

(h) only intra-group balances with excluded specified entities, under Section 27C of the Act, shall be included;

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

(j) the diversification adjustment in instruction (i) 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 for general business shall be established in accordance with the following formula -

$$C_{cat-gb} = NetPML - Netcatprem + CR_{PML}$$, Where -

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

$Netcatprem$ = {average annual loss for general insurance excluding Property Catastrophe as prescribed in Schedule V paragraph (j) / (estimated industry catastrophe loss ratio of 40% as prescribed in this Schedule) + property catastrophe premium as included in Schedule IVA, Line 1 of these Rules}; and

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

(a) all reported net probable maximum loss, gross probable maximum loss, average annual loss excluding property catastrophe, property catastrophe premium 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 other insurance risk charge for long-term business calculation shall be established in accordance with the following formula -

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

α_i = individual BAR_i capital charge factor as prescribed in Table 7; and

BAR_i = the BSCR adjusted reserves for other insurance risk for long-term business as described in Table 7.

Table 7 - Capital charge factors for BAR_i

BSCR adjusted reserves BAR_i	**Statement Source** These Rules	**Capital Factor** α_i
Mortality (term insurance, whole life, universal life)	Schedule VII, Column (7), Line 1	2.0%
Critical illness (including accelerated critical illness products)	Schedule VII, Column (7), Line 2	2.0%
Longevity (immediate pay-out annuities, contingent annuities, pension pay-outs)	Schedule VII, Column (7), Line 3(f)	0.5%
Longevity (deferred pay-out annuities, future contingent annuities, future pension pay-outs)	Schedule VII, Column (7), Line 4(g)	0.5%
Annuities certain only	Schedule VII, Column (7), Line 5	0.5%
Deferred accumulation annuities	Schedule VII, Column (8), Line 6	0.5%
Disability income: active lives – including waiver of premium and long-term care	Schedule VII, Column (7), Line 7	2.0%
Disability income: active lives – other accident and sickness	Schedule VII, Column (7), Line 8	2.0%

Disability income: claims in payment – including waiver of premium and long-term care	Schedule VII, Column (7), Line 9	0.5%
Disability income: claims in payment – other accident and sickness	Schedule VII, Column (7), Line 10	0.5%
Group life	Schedule VII, Column (7), Line 11	0.5%
Group disability	Schedule VII, Column (7), Line 12	0.5%
Group health	Schedule VII, Column (7), Line 13	0.5%
Stop loss	Schedule VII, Column (7), Line 14	2.0%
Rider (other product riders not included above)	Schedule VII, Column (7), Line 15	2.0%

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

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

Where -

$\alpha 1_i$ = capital charge factor for adjustable mortality long-term business as prescribed in Table 8;

$NAAR1_i$ = the Net Amount at Risk of all adjustable mortality long-term business as prescribed in Schedule VII, Column (9), Line 1 of these Rules;

$\alpha 2_i$ = capital charge factor for non-adjustable mortality long-term business as prescribed in Table 8; and

$NAAR2_i$ = the Net Amount at Risk of all non-adjustable mortality long-term business as prescribed in Schedule VII, Column (10), Line 1 of these Rules.

Table 8 - Capital charge factors for $NAAR1_i$ or $NAAR2_i$

Net Amount at Risk $NAAR1_i$ **or** $NAAR2_i$	**Capital Factor** $\alpha 1_i$	**Capital Factor** $\alpha 2_i$

First $1 billion	0.00199	0.00397
Next $4 billion	0.00090	0.00180
Next $5 billion	0.00072	0.00144
Next $40 billion	0.00065	0.00129
Excess over $50 billion	0.00057	0.00113

11. The insurance risk - stop loss charge calculation for long-term business shall be established in accordance with the following formula -

C_{LTnp} = 50% x net annual premium for stop loss covers as prescribed in Schedule VII, Column (11), Line 14 of these Rules.

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

C_{LTr} = 25% x net annual premium for insurance product riders not included elsewhere as prescribed in Schedule VII, Column (11), Line 15 of these Rules.

13. The insurance risk – morbidity and disability charge calculation for long-term business shall be established in accordance with the following formula -

$$C_{LTmorb} = (a) + (b) + (c) + (d) + (e)$$

Where:

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

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

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

Where -

α_i = individual NAP_i capital charge factor as prescribed in Table 9;

NAP_i = the Net Annual Premium for disability income business – active lives as described in Table 9;

Table 9 - Capital charge factors for NAP_i

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

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

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

where-

$\alpha 1_i$ = capital charge factor for adjustable critical illness insurance business as prescribed in Table 10;

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

$\alpha2_i$ = capital charge factor for non-adjustable critical illness insurance business as prescribed in Table 10; and

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

Table 10 - Capital charge factors for $NAAR1_i$ or $NAAR2_i$

Net Amount at Risk $NAAR1_i$ or $NAAR2_i$	Capital Factor $\alpha1_i$	Capital Factor $\alpha2_i$
First $1 billion	0.00596	0.01191
Next $4 billion	0.00270	0.00540
Next $5 billion	0.00216	0.00432
Next $40 billion	0.00194	0.00387
Excess over $50 billion	0.00170	0.00339

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

$C_{LTlong} = \left[\sum_{i>1} \alpha_i \times BAR_i\right]$ where—

α_i = capital factor as prescribed in Table 11; and

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

Table 11 - Capital factors for BAR_i

BSCR adjusted reserves BAR_i	Statement Source These Rules	Capital Factor α_i
Longevity *(immediate pay-out annuities, contingent annuities, pension blocks)* – Attained age of annuitant:		
0-55 years	Schedule VII,	2.0%

	line 3(a), column (7)	
56-65 years	Schedule VII, line 3(b), column (7)	3.0%
66-70 years	Schedule VII, line 3(c), column (7)	4.0%
71-80 years	Schedule VII, line 3(d), column (7)	5.0%
81+ years	Schedule VII, line 3(e), column (7)	6.0%
Longevity *(deferred pay-out annuities, future contingent annuities, future pension pay-outs)* – Age at which annuity benefits commence:		
0-55 years	Schedule VII, line 4(a), column (7)	2.0%
56-60 years	Schedule VII, line 4(b), column (7)	3.0%
61-65 years	Schedule VII, line 4(c), column (7)	4.0%
66-70 years	Schedule VII, line 4(d), column (7)	5.0%
71-75 years	Schedule VII, line 4(e), column (7)	6.0%
76+ years	Schedule VII, line 4(f), column (7)	7.0%

INSTRUCTION AFFECTING TABLE 11: **Capital factors for** BAR_i

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

15. The variable annuity guarantee risk charge calculation for long-term business shall be established in accordance with the following formula -

$$C_{LTVA} = \text{ either } \sum_{i>1} (TotalBS\operatorname{Re}q_i - TotalBAR - TotalGMDB_{adj}) \text{ or } (IMC\operatorname{Re}q_{LTVA})$$

Wherein— (i) $TotalBS\operatorname{Re}q_i$ = higher of (a) $(\alpha 1_i \times GV1_i + \alpha 2_i \times GV2_i + \alpha 3_i \times GV3_i)$

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

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

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

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

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

(v) $\alpha 1_i$, $\alpha 2_i$, $\alpha 3_i$, $\alpha 4_i$, $\alpha 5_i$, and $\alpha 6_i$ are the capital factors as prescribed in Table 13.

Table 12 Statement Source for $GV1_i$, $GV2_i$, $GV3_i$, $NAR1_i$, $NAR2_i$, and $NAR3_i$

Variable Annuity Benefit Type	**Statement Source** These Rules $GV1_i$	**Statement Source** These Rules $GV2_i$	**Statement Source** These Rules $GV3_i$	**Statement Source** These Rules $NAR1_i$	**Statement Source** These Rules $NAR2_i$	**Statement Source** These Rules $NAR3_i$
Guaranteed minimum death benefit: Return of premium, ratchet and reset	Schedule VIII, lines 1 and 16, column (2)	Schedule VIII, lines 1 and 16, column (3)	Schedule VIII, lines 1 and 16, column (4)	Schedule VIII, lines 1 and 16, column (5)	Schedule VIII, lines 1 and 16, column (6)	Schedule VIII, lines 1 and 16, column (7)
Guaranteed minimum death benefit: Enhanced	Schedule VIII, lines 2 and 17,	Schedule VIII, lines 2 and 17,	Schedule VIII, lines 2 and 17,	Schedule VIII, lines 2 and 17,	Schedule VIII, lines 2 and 17,	Schedule VIII, lines 2 and 17,

benefits (roll up)	column (2)	column (3)	column (4)	column (5)	column (6)	column (7)
Guaranteed minimum income benefit	Schedule VIII, lines 3 and 18, column (2)	Schedule VIII, lines 3 and 18, column (3)	Schedule VIII, lines 3 and 18, column (4)	Schedule VIII, lines 3 and 18, column (5)	Schedule VIII, lines 3 and 18, column (6)	Schedule VIII, lines 3 and 18, column (7)
Guaranteed minimum withdrawal benefit	Schedule VIII, lines 4 and 19, column (2)	Schedule VIII, lines 4 and 19, column (3)	Schedule VIII, lines 4 and 19, column (4)	Schedule VIII, lines 4 and 19, column (5)	Schedule VIII, lines 4 and 19, column (6)	Schedule VIII, lines 4 and 19, column (7)
Guaranteed enhanced earnings benefit	Schedule VIII, lines 5 and 20, column (2)	Schedule VIII, lines 5 and 20, column (3)	Schedule VIII, lines 5 and 20, column (4)	Schedule VIII, lines 5 and 20, column (5)	Schedule VIII, lines 5 and 20, column (6)	Schedule VIII, lines 5 and 20, column (7)
Guaranteed minimum accumulation benefit with 1 year or less to maturity	Schedule VIII, lines 6 and 21, column (2)	Schedule VIII, lines 6 and 21, column (3)	Schedule VIII, lines 6 and 21, column (4)	Schedule VIII, lines 6 and 21, column (5)	Schedule VIII, lines 6 and 21, column (6)	Schedule VIII, lines 6 and 21, column (7)
Guaranteed minimum accumulation benefit with more than 1 year but less than or equal to 2 years to maturity	Schedule VIII, lines 7 and 22, column (2)	Schedule VIII, lines 7 and 22, column (3)	Schedule VIII, lines 7 and 22, column (4)	Schedule VIII, lines 7 and 22, column (5)	Schedule VIII, lines 7 and 22, column (6)	Schedule VIII, lines 7 and 22, column (7)
Guaranteed minimum accumulation benefit with more than 2 years but less than or equal to 3 years to maturity	Schedule VIII, lines 8 and 23, column (2)	Schedule VIII, lines 8 and 23, column (3)	Schedule VIII, lines 8 and 23, column (4)	Schedule VIII, lines 8 and 23, column (5)	Schedule VIII, lines 8 and 23, column (6)	Schedule VIII, lines 8 and 23, column (7)

Guaranteed minimum accumulation benefit with more than 3 years but less than or equal to 4 years to maturity	Schedule VIII, lines 9 and 24, column (2)	Schedule VIII, lines 9 and 24, column (3)	Schedule VIII, lines 9 and 24, column (4)	Schedule VIII, lines 9 and 24, column (5)	Schedule VIII, lines 9 and 24, column (6)	Schedule VIII, lines 9 and 24, column (7)
Guaranteed minimum accumulation benefit with more than 4 years but less than or equal to 5 years to maturity	Schedule VIII, lines 10 and 25, column (2)	Schedule VIII, lines 10 and 25, column (3)	Schedule VIII, lines 10 and 25, column (4)	Schedule VIII, lines 10 and 25, column (5)	Schedule VIII, lines 10 and 25, column (6)	Schedule VIII, lines 10 and 25, column (7)
Guaranteed minimum accumulation benefit with more than 5 years but less than or equal to 6 years to maturity	Schedule VIII, lines 11 and 26, column (2)	Schedule VIII, lines 11 and 26, column (3)	Schedule VIII, lines 11 and 26, column (4)	Schedule VIII, lines 11 and 26, column (5)	Schedule VIII, lines 11 and 26, column (6)	Schedule VIII, lines 11 and 26, column (7)
Guaranteed minimum accumulation benefit with more than 6 years but less than or equal to 7 years to maturity	Schedule VIII, lines 12 and 27, column (2)	Schedule VIII, lines 12 and 27, column (3)	Schedule VIII, lines 12 and 27, column (4)	Schedule VIII, lines 12 and 27, column (5)	Schedule VIII, lines 12 and 27, column (6)	Schedule VIII, lines 12 and 27, column (7)
Guaranteed minimum accumulation benefit with more	Schedule VIII, lines 13 and 28,	Schedule VIII, lines 13 and 28,	Schedule VIII, lines 13 and 28,	Schedule VIII, lines 13 and 28,	Schedule VIII, lines 13 and 28,	Schedule VIII, lines 13 and 28,

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

Table 13 Capital Factors for $\alpha 1_i$, $\alpha 2_i$, $\alpha 3_i$, $\alpha 4_i$, $\alpha 5_i$, and $\alpha 6_i$

Variable Annuity Benefit Type	**Capital Charge** $\alpha 1_i$	**Capital Charge** $\alpha 2_i$	**Capital Charge** $\alpha 3_i$	**Capital Charge** $\alpha 4_i$	**Capital Charge** $\alpha 5_i$	**Capital Charge** $\alpha 6_i$
Guaranteed minimum death benefit: Return of premium, ratchet and reset	4.00%	8.50%	13.00%	0.25%	0.50%	0.75%
Guaranteed minimum death benefit: Enhanced benefits (roll up)	12.00%	16.50%	21.00%	0.75%	1.00%	1.25%
Guaranteed minimum income benefit	100.00%	130.00%	160.00%	5.00%	6.50%	8.00%

Guaranteed minimum withdrawal benefit	60.00%	75.00%	90.00%	3.25%	4.25%	5.00%
Guaranteed enhanced earnings benefit	1.00%	9.00%	17.00%	0.00%	0.50%	1.00%
Guaranteed minimum accumulation benefit with 1 year or less to maturity	90.00%	130.00%	250.00%	3.20%	5.00%	9.00%
Guaranteed minimum accumulation benefit with more than 1 year but less than or equal to 2 years to maturity	80.00%	115.00%	200.00%	3.00%	5.00%	8.90%
Guaranteed minimum accumulation benefit with more than 2 years but less than or equal to 3 years to maturity	70.00%	105.00%	160.00%	3.00%	5.00%	8.90%
Guaranteed minimum accumulation benefit with more than 3 years but less than or equal to 4 years to maturity	60.00%	95.00%	135.00%	2.80%	5.00%	8.80%
Guaranteed minimum accumulation benefit with more than 4 years but less than or equal to 5 years to maturity	55.00%	85.00%	115.00%	2.40%	4.30%	8.00%
Guaranteed minimum accumulation benefit with more than 5 years but less than or equal to 6 years to maturity	50.00%	75.00%	100.00%	2.00%	3.50%	6.80%
Guaranteed minimum	45.00%	65.00%	90.00%	1.70%	2.80%	5.90%

accumulation benefit with more than 6 years but less than or equal to 7 years to maturity						
Guaranteed minimum accumulation benefit with more than 7 years but less than or equal to 8 years to maturity	40.00%	55.00%	80.00%	1.40%	2.10%	4.90%
Guaranteed minimum accumulation benefit with more than 8 years but less than or equal to 9 years to maturity	35.00%	50.00%	70.00%	1.10%	1.70%	4.30%
Guaranteed minimum accumulation benefit with more than 9 years to maturity	30.00%	45.00%	60.00%	1.00%	1.40%	3.90%

16. The operational risk charge calculation shall be established in accordance with the following formula -

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

ρ = an amount between 1% and 10% as determined by the Authority in accordance with Table 14; and

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

Table 14 – Operational risk charge for ρ

Overall Score	Applicable Operational Risk Charge ρ
<=5200	10.0%
>5200 <=6000	9.0%
>6000 <=6650	8.0%
>6650 <=7250	7.0%
>7250 <=7650	6.0%
>7650 <=7850	5.0%
>7850 <=8050	4.0%
>8050 <=8250	3.0%

>8250 <=8450	2.0%
>8450	1.0%

INSTRUCTIONS AFFECTING TABLE 14:

In this table, "overall score" means an amount equal to the sum of the aggregate score derived from each of tables 14A, 14B, 14C, 14D, 14E, and 14F

Table 14A - Insurance Group Corporate Governance Score Table

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

COMMENTS

INSTRUCTIONS AFFECTING TABLE 14A:

The total score is derived by adding the score for each criterion of an insurance group's corporate governance structure that the parent company's board has implemented.

Table 14B - Insurance Group Risk Management Function ("RMF") Score Table

Description	Implemented	Score
RMF is independent of other operational units and has direct access to the parent company's Board of Directors		150
RMF is entrenched in strategic planning, decision making and budgeting process		150
RMF ensures that the risk management procedures and policies are well documented and approved by the parent company's Board of Directors		150
RMF ensures that the risk management policies and procedures are communicated throughout the insurance group		150
RMF ensures that operational risk management processes and procedures are reviewed at least annually		150
RMF ensures that loss events arising from operational risks are documented and loss event data is integrated into the risk management strategy		150
RMF ensures that risk management recommendations are documented for operational units, ensures that deficiencies have remedial plans and that progress on the execution of such plans are reported to the parent company's Board of Directors at least annually		150
Total		**XX**

COMMENTS

INSTRUCTIONS AFFECTING TABLE 14B:

The total score is derived by adding the score for each criterion of an insurance group's risk management function that the parent company's board has implemented.

Table 14C - Insurance Group Risk Identification Processes ("RIP") Score Table

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

COMMENTS

INSTRUCTIONS AFFECTING TABLE 14C:

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

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

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

Table 14D - Insurance Group Risk Measurement Processes ("RMP") Score Table

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

COMMENTS

INSTRUCTIONS AFFECTING TABLE 14D:

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

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

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

Table 14E - Insurance Group Risk Response Processes ("RRP") Score Table

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

COMMENTS

INSTRUCTIONS AFFECTING TABLE 14E:

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

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

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

Table 14F - Insurance Group Risk Monitoring and Reporting Processes ("RMRP") Score Table

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

COMMENTS

INSTRUCTIONS AFFECTING TABLE 14F:

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

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

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

17. The regulatory capital requirement for regulated non-insurance financial operating entities shall be determined in accordance with Schedule XIA – "Schedule of regulated non-insurance financial operating entities". This amount shall be equal to the sum of the insurance group's proportionate share of each registered entity's regulatory capital requirement in accordance with the applicable solvency laws of the jurisdiction where the entity was licensed or registered.

18. (1) The capital requirement for unregulated entities, where the parent company exercises control as defined in subparagraph 19(4) of the Group Rules, shall be determined in accordance with Schedule XIB – "Schedule of unregulated entities where the group exercises control".

(2) This amount shall be equal to the sum of the capital requirement based on the capital charges applied to each unregulated entity's net assets as follows-

(a) 0% to unregulated entities that conduct ancillary services to members of the group;

(b) 15% to unregulated non-financial operating entities; and

(c) 50% to unregulated financial operating entities.

SCHEDULE II (Paragraph 6)

SCHEDULE OF FIXED INCOME AND EQUITY INVESTMENTS BY BSCR RATING

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

Line no.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Quoted and unquoted bonds and debentures		Corporate and sovereign bonds		Residential mortgage-backed securities		Commercial mortgage-backed securities/asset-backed securities		Bond mutual funds		Total (Form 1, Lines 2(b) & 3(b))	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
1	BSCR rating 0										
2	BSCR rating 1										
3	BSCR rating 2										
4	BSCR rating 3										
5	BSCR rating 4										
6	BSCR rating 5										
7	BSCR rating 6										
8	BSCR rating 7										
9	BSCR rating 8										
10	Total										
Quoted and unquoted equities		Common stock		Preferred stock		Equity mutual funds				Total (Form 1, Lines 2(d) & 3(d))	

		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)		20xx (000)	20xx (000)
11	BSCR rating 1									
12	BSCR rating 2									
13	BSCR rating 3									
14	BSCR rating 4									
15	BSCR rating 5									
16	BSCR rating 6									
17	BSCR rating 7									
18	BSCR rating 8									
19	Quoted equity funds									
20	Unquoted equity funds									
21	Total									
Mortgage loans		Mortgage loans (Form 1, Line 5(c))								
		20xx (000)	20xx (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 insurance group shall classify the security according to the most conservative rating;

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

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

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

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

		(000)	(000)	(000)	(000)	(000)	(000)		(000)	(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 (000)	20xx (000)							
22	Insured/guaranteed mortgages									
23	Other commercial and farm mortgages									
24	Other residential mortgages									
25	Mortgages not in good standing									
26	Total									
Cash and time deposits		Cash and time deposits								

		20xx (000)	20xx (000)	
27	Cash and time deposits			

INSTRUCTIONS AFFECTING SCHEDULE IIA:

(a) all funds held by ceding reinsurers (as reflected in Form 1, 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 classes;

(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 insurance group 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 GENERAL BUSINESS

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

Schedule		General Business Insurance Reserves	
Line No.		**20XX**	**20XX**
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	U.S. Casualty	XXX	XXX
13	U.S. Casualty Non-proportional	XXX	XXX
14	U.S. Professional	XXX	XXX
15	U.S. Professional Non-proportional	XXX	XXX
16	U.S. Specialty	XXX	XXX
17	U.S. 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 1, Line 17(d)	**XXX**	**XXX**

INSTRUCTIONS AFFECTING SCHEDULE III:

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

(a) the same definition below shall be applied to both proportional and non-proportional statutory lines of general business below;

(b) where the Group BSCR risk factor charges differ in instruction (a), insurance groups shall make a distinction when completing the statutory filing and using the Group BSCR model;

(c) statutory lines of general 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) insurance groups may in good faith determine the allocation of the statutory lines;

(e) where an insurance contract involves multiple lines, the insurance group shall assign to the various lines in accordance with the proportions written;

(f) where an insurance group is unable to make this determination in instruction (e), the business shall be allocated to the line with the highest proportion;

(g) where the insurance group is unable to make the determination in instruction (f), then the business shall be assigned to the line with the highest capital risk charge; and

(h) the support and assumptions used by senior management shall be available for review by the Authority.

Statutory Lines of General Business (Proportional and Non-Proportional)	**Line of General Business Mappings & Definitions**
Property Catastrophe	**Property catastrophe** - coverage of damage arising from a peril that triggers an event (or events) that causes $25 million or more indirect 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, and tornado.
Property	**U.S. property** - coverage of U.S. risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses. **Crop / agriculture** - coverage of risks including on-shore/off-shore farms, livestock, agriculture and other food production related losses. **International property** - coverage of non-U.S. risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses.
Personal Accident	**Personal accident** - coverage of risks arising from an accident that causes loss of sight, loss of limb, other permanent disablement or death, including related medical expenses, etc.
Aviation	**Aviation** - coverage of risks arising from airport, fleet, or satellite property and operations related losses.
Credit/Surety	**Credit / surety** - coverage of risks arising from

	various types of guarantees, commercial surety bonds, contractor bonds and various credit related losses.
Energy Offshore/Marine	**Energy offshore/marine** - coverage of risks arising from offshore exploration and production, refining, power generation and/or cargo, hull and other marine related losses.
U.S. Casualty	**U.S. casualty motor** - coverage of U.S. 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. **U.S. casualty - general** - coverage of U.S. 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, and workers' compensation. **Terrorism -** 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)) and related losses associated with act of terrorism. **Other** - business that does not fit in any other category.
U.S. Professional	**U.S. casualty - professional** - coverage of U.S. risks arising from injuries to persons and/or legal liability imposed upon the insured as a professional (e.g. Director of a Board, etc.) for negligent or fraudulent activities.
U.S. Specialty	**U.S. casualty - medical malpractice** – coverage of U.S. risks arising from injuries to persons and/or legal liability imposed upon the insured as a medical professional for negligent (or other) medical related activities.
International Motor	**International casualty - motor** - coverage of non-U.S. 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 Casualty Non-motor	**International casualty - non-motor** - coverage of non-U.S. 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, medical, and workers' compensation.
Retro Property	**Retro property –** retrocession cover for risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses. **Retro casualty –** 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, and negligence, etc.
Structured/Finite Reinsurance	**Structured / finite reinsurance** - 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 a loss event is also remote.
Health	**Health** – 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 IVA (Paragraph 6)

SCHEDULE OF PREMIUMS WRITTEN BY LINE OF GENERAL BUSINESS

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

Schedule		Gross Premiums Written						Net Premiums Written	
		Total Form 2, Line 1(c)						Total Form 2, Line 3	
		Unrelated		**Related**		**Total**		**Total**	
Line No.		**20XX**	**20XX**	**20XX**	**20XX**	**20XX**	**20XX**	**20XX**	**20XX**
1	Property Catastrophe	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2	Property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3	Property Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4	Personal Accident	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5	Personal Accident Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6	Aviation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7	Aviation Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8	Credit/Surety	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9	Credit/Surety Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10	Energy Offshore/Marine	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11	Energy Offshore/Marine Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

12	U.S. Casualty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13	U.S. Casualty Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
14	U.S. Professional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15	U.S. Professional Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16	U.S. Specialty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
17	U.S. Specialty Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
18	International Motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19	International Motor Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20	International Casualty Non-motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
21	International Casualty Non-motor Non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22	Retro Property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
23	Structured/Finite Reinsurance	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
24	Health	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
25	**Total**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

INSTRUCTIONS AFFECTING SCHEDULE IVA:

“gross premiums written” and “net premiums written” are defined in the Group Rules.

SCHEDULE IVB (Paragraph 6)

SCHEDULE OF LONG-TERM BUSINESS PREMIUMS

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

Schedule Line No.	**GROSS PREMIUMS Form 2 Line 12(c)**						**NET PREMIUMS Form 2 Line 14(d)**					
	Unrelated		**Related**		**Total**		**Adjustable/Benefit Period <= 2 years**		**Non-adjustable/ Benefit Period > 2 years**		**Total**	
	20xx	**20xx**	**20xx**	**20xx**	**20xx**	**20xx**	**20xx**	**20xx**	**20xx**	**20xx**	**20xx**	**20xx**
1. Mortality	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
2. Critical illness	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
3. Longevity	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
4.Deferred annuities	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
5. Disability income: Active lives with premium guarantee of —												
(i) <=1 year	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
(ii) >1 year but <5 years	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
(iii) >5 years	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
6. Disability income: Active lives for other accident and sickness	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
7. Disability income: Claims in payment	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
8. Disability income: Claims in payment for other accident & sickness	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. Group life	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX

10. Group disability	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
11. Group health	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
12. Stop loss	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
13. Rider	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
14. Variable annuities	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
15. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX”;

SCHEDULE V (Paragraph 6)

SCHEDULE OF RISK MANAGEMENT

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

The schedule of risk management of an insurance group shall disclose the following matters-

(a) governance structure;

(b) group structure;

(c) intra-group transactions and the insurance group's risk concentrations;

(d) particulars of ceded reinsurance;

(e) effective asset duration;

(f) effective liability duration;

(g) description of the effective duration of assets and liabilities calculations and key assumptions;

(h) gross probable maximum loss for general insurance business;

(i) net probable maximum loss for general insurance business;

(j) average annual loss for general insurance business excluding property catastrophe;

(k) actual attritional losses and large claims losses in the relevant year;

(l) arrangements with respect to property catastrophe recoverables;

(m) mutual fund disclosures;

(n) summary of projected performance;

(o) summary of long-term product features and risks;

(p) financial impact and description of stress and scenario tests;

(q) investments and derivatives strategies and policy;

(r) modified co-insurance arrangements;

(s) deferred accumulation annuities disclosures;

(t) reconciliation from group financial statements to group statutory financial statements;

(u) description of the insurance group's risk management program;

(v) risk register; and

(w) list of statutory general business lines and statutory territories that have catastrophe exposures.

INSTRUCTIONS AFFECTING SCHEDULE V:

(a) the governance structure must disclose -

i) the name of parent company of the insurance group as defined in subparagraph 2(1) of the Group Rules;

ii) the structure of the board and its sub-committees, and names and work experience of the parent's board of directors and executive management, including names, roles and work experience of officers;

iii) terms of reference of the parent's board of directors and its sub-committees;

iv) list of major shareholder controllers; and

v) group organisational chart.

(b) the group structure must disclose –

i) list of regulated entities, the sectors in which they operate in and their place of incorporation grouped by country or state (for United States);

ii) list of unregulated entities, the sectors in which they operate in and their place of incorporation grouped by country or state (for United States);

iii) the description of the strategic purpose of each entity;

iv) the type of each entity categorized either as a holding entity, operating entity, branch, or other;

v) the description of the products and services sold to external parties;

vi) the total assets of each entity;

vii) the total net assets or equity of each entity;

viii) the net premiums written of each entity, if applicable;

ix) group's participation share (percentage) of each entity; and

x) sector classification is as follows:

Sector	Industries in Sector
Energy	Oil, gas, consumable fuels and energy equipment
Materials	Chemicals; Construction materials, containers and packing; Metals and mining; and Paper and forest products
Industrial	Machinery and equipment; Construction, engineering and building products; Commercial and professional services; and Transportation (air, road and water)
Consumer Discretionary	Automobile and components; Consumer durables and textile apparel Hotels and restaurants Consumer services and retaoing Media
Consumer Staples	Food and staples retailing Agricultural products, beverage and tobacco Household and personal products
Healthcare	Healthcare equipment and services Pharmaceuticals, biotechnology and life sciences
Financial	Banks Diversified financials Insurance Real Estate Capital markets
Information Technology	Software and internet services Technology hardware and equipment IT services, computer components and semiconductor equipment
Telecommunications Services	Telecommunications services
Utilities	Electric, water and gas utilities
Other	Unspecified industry group

(c) intra-group transactions and the insurance group's risk concentrations shall include the following:

i) details of material intra-group transactions between and among the members of the group, including (where applicable):

(a) exposure value (face value or market value, if the latter is available);

(b) counterparties involved including where they are located; and

(c) summary details of the transactions – including purpose, terms and transaction costs, duration of the transaction and performance triggers.

ii) details surrounding all intra-group reinsurance and retrocession arrangements, and other intra-group risk transfer insurance business arrangements including:

(a) aggregated values of the exposure limits (gross and net) by counterparties broken down by counterparty rating;

(b) aggregated premium flows between counterparties (gross and net); and

(c) the proportion of the group's insurance business exposure covered by internal reinsurance, retrocession and other risk transfer insurance business arrangements.

iii) details of the ten largest exposures to unaffiliated counterparties and any other unaffiliated counterparty exposures or series of linked unaffiliated counterparty exposures exceeding 10% of the group's statutory capital and surplus, including:

(a) name of unaffiliated counterparty, including where the counterparty is located;

(b) exposure values (face value or market value, if the latter is available); and

(c) transaction type.

(d) the particulars of ceded reinsurance shall disclose the top 10 unaffiliated reinsurers for which the group has the highest recoverable balance and any reinsurer with recoverable balance exceeding 15% of the insurance group's statutory capital and surplus, as prescribed in Schedule 2 of the Group Rules, and disclosed in accordance to their BSCR rating, including—

i) 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;

ii) for the purposes 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;

iii) any remaining recoverable balance not included above shall be grouped according to BSCR ratings and/or a single consolidated recoverable balance;

iv) the amount of reinsurance recoverable from it in the form of funds held by ceding reinsurers (as reflected in Form 1, Line 12(c)) shall be included only to the extent that they are not already included under Schedule IIA;

v) the amount of any collateral placed in favour of the members of the group relating to the recoverable balances (as reflected in Notes to Form 1, Lines 11(e), 17(c), and 27(c)) and shall be offset against the net reinsurance recoverable, as prescribed in Schedule 2 of the Group Rules;

vi) 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

vii) where the insurance group has disclosed a single consolidated reinsurance recoverable balance, that balance shall be assigned a BSCR rating of 8;

(e) the effective asset duration must be determined using the aggregate of the bonds and debentures - other (as reflected in Form 1, Lines 2(a) (ii) and 3(a) (ii)), preferred stocks (as reflected in Form 1, Lines 2(c) (ii) and 3(c) (ii)), and mortgage loans portfolios (as reflected in Form 1, Line 5(c)) as a basis;

(f) the effective liability duration must be determined using the reserves (as reflected in Form 1, Lines 17(d) and 27(d)) as a basis;

(g) the description of the process used for determining the effective duration of assets calculation and effective duration of liabilities calculation, and key assumptions for these calculations;

(h) the gross probable maximum loss for natural catastrophe losses arising from general business (prior to reinsurance) must be calculated at the 99.0% TVaR level for annual aggregate exposure to all risks and all perils, including reinstatement premiums, for the year following the relevant year based upon the insurance group's catastrophe model, with the documentation used to derive the gross probable maximum loss be retained for at least 5 years from the date required at the designated insurer's office and made available to the Authority upon request;

(i) the net probable maximum loss for natural catastrophe losses arising from general business (after reinsurance) must be calculated at the 99.0% TVaR level for annual aggregate exposure to all risks and all perils, including reinstatement premiums, for the year following the relevant year based on the insurance group's catastrophe model, with the documentation used to derive the net probable maximum loss be retained for at least 5 years commencing from the date required at the designated insurer's office and made available to the Authority upon request;

(j) the average annual loss for general business lines excluding property catastrophe must be calculated as follows -

i) the expected net natural catastrophe loss arising from general business (after reinsurance), including reinstatement premiums, for annual aggregate exposure to all risks and all perils other than those relating to the property catastrophe statutory line of general insurance business (as described under the Instructions Affecting Schedule III) for the year following the relevant year based on the insurance group's catastrophe model;

ii) the calculation should be determined from the same underlying loss distribution used to determine the gross probable maximum loss and the net probable maximum loss (excluding the property catastrophe component); and

iii) the supporting documentation used to derive the average annual loss must be retained for at least 5 years commencing from the date required at the designated insurer's office and made available to the Authority upon request.

(k) the actual attritional losses and large claims losses in the relevant year shall disclose the actual aggregate losses (classified by the insurance group as attritional and large claims losses in accordance with its own policy) experienced by the insurance group in the relevant year (not including prior year reserve releases or adverse development);

(l) the 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);

(m) mutual fund disclosures shall include the name, type and amount of each mutual fund used by the members of the group;

(n) the summary of projected performance by the insurance group for the year following the relevant year shall disclose -

i) the insurance group's latest estimate of annual net premiums written;

ii) the estimated underwriting profit or loss;

iii) the estimated net income or loss; and

iv) a qualitative description of the insurance group's business and underwriting strategy to be used in an attempt to achieve the projections in i) to iii) above;

(o) the summary of long-term product features and risks must cover the primary long-term product features and benefits provided and any policyholder options or guarantees that could materially affect the insurance group;

(p) the financial impact and description of stress and scenario tests shall disclose the results from the stress and scenario tests prescribed by the Authority annually and published in such manner as the Authority determines;

(q) the investments and derivatives strategies and policy must disclose —

i) a description of the insurance group's investment strategy governing investment selection and composition of the insurance group's investment portfolio; and

ii) a description of the policies and strategies surrounding the use of derivatives and other hedging instruments;

(r) modified co-insurance arrangements shall disclose details of such arrangements including—

i) name of ceding company;

ii) type of coverage;

iii) amount of reserve; and

iv) aggregate asset allocation (book value) and the related affiliated or unaffiliated cedant;

(s) deferred accumulation annuities disclosures shall include—

i) total reserves for deferred accumulation annuities;

ii) total reserves for deferred accumulation annuities with contractual guaranteed annuitization rates;

iii) total reserves for deferred accumulation annuities annuitized in the past year at contractual guaranteed rates (prior to annuitization); and

iv) total reserves for deferred accumulation annuities annuitized in the past year at contractual guaranteed rates (post annuitization);

(t) a reconciliation of amounts reported in total assets, total liabilities, net income and total statutory capital and surplus comprising of any adjustments applied to the group financial statements to arrive at the group statutory financial statements;

(u) the description of the insurance group's risk management program shall disclose -

i) a description of the risk management process, including how the risk management program is used for strategic management decision-making, capital allocation and capital adequacy;

ii) a description of the governance surrounding the risk management process including the identification of the owners of the process and the extent of the board of directors' involvement;

iii) a description of the risk appetite including the process for setting and embedding risk limits, and the identification of the types of stress testing carried out to ascertain the suitability of the risk appetite; and

iv) a description of the process undertaken to monitor material risk concentration;

(v) the risk register shall disclose –

i) a description of the insurance group's material risks;

ii) owners of the respective risks;

iii) the impact and probability of the risk and the overall risk assessment crystallizing expressed as quantitative or qualitative measures;

iv) a summary of risk mitigation/controls in place and an assessment of their effectiveness in reducing the probability and/or impact of the risk; and

v) overall assessment of the impact and probability of the residual risk expressed as quantitative or qualitative measures;

(w) the list of statutory general business lines and statutory territories that have catastrophe exposures as set out below—

Zone	Territories
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 (Paragraph 6)

SCHEDULE OF FIXED INCOME SECURITIES

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

The schedule of fixed income securities shall-

(a) represent the amounts stated in the Form 1 – Group Statutory Balance Sheet Lines 2(b) and 3(b);

(b) include the following information according to security type-

i. amount reflected in the Form 1 – Group Statutory Balance Sheet balance on Lines 1(b) or 3(b);

ii. amount contributing to (as reflected in) the Form 1 – Group Statutory Balance Sheet balance on Lines 2(b) or 3(b);

iii. face value;

iv. fair value;

v. average effective yield to maturity;

vi. average rating of the security type (if applicable);

vii. average duration and convexity; and

(c) include the effective duration and the convexity of the portfolio.

SCHEDULE VII (Paragraph 6)

SCHEDULE OF LONG-TERM BUSINESS DATA AND RECONCILIATION

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
										Net Amount at Risk		
Line No	Description	Bermuda Statutory Reserve (000)	Reported DAC (if any) (000)	Value of Business Acquired (000)	Present Value of Future Profits (000)	Best Estimate Reserve (000)	Net Reserve [Column (1) less Columns (2), (3) and (4)]	BSCR Adjusted Reserve [Greater of Column (6) and 0]	Margins in Reserves [If (5) is not 0, then excess of Column (6) over Column (5)]	Adjustable Product/ Treaty (000)	Non-adjustable Product/ Treaty (000)	Total (000)
1	Mortality (term assurance, whole life, universal life)											
2	Critical illness (including accelerated critical illness products)											
3	Longevity (immediate pay-out annuities, contingent annuities, pension pay-outs)											
	Attained age of annuitant:											

	(a) 0-55											
	(b) 56-65											
	(c) 66-70											
	(d) 71-80											
	(e) 81+											
	(f) Total											
4	Longevity (deferred pay-out annuities, future contingent annuities, future pension pay-outs)											
	Age at which annuity benefits commence:											
	(a) 0-55											
	(b) 56-60											
	(c) 61-65											
	(d) 66-70											
	(e) 71-75											
	(f) 76+											
	(g) Total											
5	Annuities certain only											
6	Deferred accumulation annuities											
7	Disability income: active lives - incl. waiver of premium and									Net Annual Premium		

	LTC											
	Length of premium guarantee:									Benefit Period <=2 years (000)	Benefit Period >2 years (000)	Total (000)
	(a) <= 1 year											
	(b) 1-5 years											
	(c) >5–years											
	(d) Total											
8	Disability income: active lives - other accident and sickness											
9	Disability income: claims in payment – incl. waiver of premium and LTC											
10	Disability income: claims in payment – other accident and sickness											
11	Group life											
12	Group disability											
13	Group health											Net

										Annual Premiums (000)
14	Stop loss									
15	Rider (other product riders not included above)									
16	Total (excluding variable annuities)									
17	Total for variable annuities									
18	Total with variable annuities									

SCHEDULE VIII (Paragraph 6)

SCHEDULE OF LONG-TERM VARIABLE ANNUITY GUARANTEES DATA AND RECONCILIATION

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Description	Bermuda Statutory Reserve	Guaranteed Value			Net Amount at Risk		
			Volatility 0%-10%	Volatility 10%-15%	Volatility >15%	Volatility 0%-10%	Volatility 10%-15%	Volatility >15%
		(000)	(000)	(000)	(000)	(000)	(000)	(000)
	In-the-money							
1	GMDB: Return of premium, ratchet & reset							
2	GMDB: Enhanced benefits (roll up)							
3	GMIB							
4	GMWB							
5	GEEB							
	GMAB:							
6	Time to maturity – 0-1 year							
7	Time to maturity – 1-2 years							
8	Time to maturity – 2-3 years							
9	Time to maturity – 3-4 years							
10	Time to maturity – 4-5 years							
11	Time to maturity – 5-6 years							
12	Time to maturity – 6-7							

	years							
13	Time to maturity – 7-8 years							
14	Time to maturity – 8-9 years							
15	Time to maturity – >9 years							
	Out-of-the-money							
16	GMDB: Return of premium, ratchet & reset							
17	GMDB: Enhanced benefits (roll up)							
18	GMIB							
19	GMWB							
20	GEEB							
	GMAB:							
21	Time to maturity – 0-1 year							
22	Time to maturity – 1-2 years							
23	Time to maturity – 2-3 years							
24	Time to maturity – 3-4 years							
25	Time to maturity – 4-5 years							
26	Time to maturity – 5-6 years							
27	Time to maturity – 6-7 years							
28	Time to maturity – 7-8 years							
29	Time to maturity – 8-9							

	years							
30	Time to maturity – >9 years							
31	Total variable annuities							
32	Percentage of GMDB with multiple guarantees							

INSTRUCTIONS AFFECTING SCHEDULE VIII:

(a) Factors should be applied to NAR defined as:

   i) Guaranteed minimum accumulation benefit (GMAB) - Total claim payable if all contracts mature immediately

   ii) Guaranteed minimum death benefit (GMDB) - Total claim amount payable upon immediate death of all policyholders

   iii) Guaranteed minimum income benefit (GMIB) - Total claim payable upon full and immediate annuitization of all policies using an 80% factor applied to the GV (the 80% represents the ratio between current market annuitization factors and the guaranteed annuitization factors)

   iv) Guaranteed minimum withdrawal benefit (GMWB) - Total claim payable if 100% of the guaranteed withdrawal benefit base in excess of the current account value is withdrawn immediately

   v) Guaranteed enhanced earnings benefit (GEEB) - Total guaranteed enhanced payments upon immediate death of all policyholders

(b) Where ratchets, resets and roll-ups exist, please use the roll-up category.

(c) NAR is net of reinsurance.

(d) The proportion used for the account value under reinsurance is the proportion used for NAR.

(e) For the purposes of Schedule VIII, "volatility" is defined as the annual volatility of the fund. In the case where there is no, or insufficient, history of the annual volatility of the fund available to determine volatility, the volatility of the benchmark (for the fund) should be used to determine volatility.

SCHEDULE VIIIA (Paragraph 6)

SCHEDULE OF LONG-TERM VARIABLE ANNUITY GUARANTEES – INTERNAL CAPITAL MODEL

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

The Schedule of long-term variable annuity guarantees – internal capital model – shall provide particulars of the following matters—

(a) Information for each section (if applicable)—

	(1)	(2)	(3)	(4)	(5)
	BSCR statutory reserve (000)	Policy count	Account value (000)	Guarantee value (000)	Net amount at risk (000)
By policy type:					
By number of years since issuance:					
By policy position (in the money vs. out of the money):					
By fund volatility:					
By number of years to next maturity **(for GMAB only)**:					

(b) The capital requirement based on the insurance group's internal capital model including—

Line Schedule No.	Description	(6)	(7)
		Without Hedging (000)	With Hedging (000)
1	Internal model-based capital requirement		
2	Prescribed economic stress tests:		
	a) Equity – immediate shock of 20% to separate account		

	funds		
	b) Absolute immediate increase of 10% in implied volatility		
	c) Interest rates – immediate parallel shift up/down by 100bps		
3	Stresses to actuarial assumptions for mortality and policyholder behavior:		
	a) (Provide description)		
	b) (Provide description)		
	c) (Provide description)		
	d) (Provide description)		

SCHEDULE IX (Paragraph 6)

SCHEDULE OF GROUP'S SOLVENCY SELF ASSESSMENT (GSSA)

The Schedule of GSSA shall provide particulars of the following matters:

a) Table 15: GSSA capital summary disclosing the insurance group's own capital computations, insurance group's plans for raising additional capital and contingency arrangements impacting the available capital.

b) Table 15A: GSSA general questions relating to an insurance group's risk management and governance program, the review and approval of GSSA, integration of GSSA into the strategic decision making process of an insurance group.

c) Table 15B: GSSA assessment of material risks of the insurance group, the determination of both the quality and quantity of capital required to cover its risks, the forward looking analysis and its ability to manage its capital needs, the review and approval of GSSA and the governance and controls surrounding model(s)/tool(s) used to compute the GSSA capital.

INSTRUCTIONS AFFECTING SCHEDULE IX:

TABLE 15

GSSA CAPITAL SUMMARY

Risk categories	GSSA capital	Regulatory capital
Insurance 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 before operational risk		
Operational Risk		
Total capital after diversification and operational risk		

Where:

a) GSSA capital is the amount of capital the insurance group has determined that is required to achieve its strategic goals upon undertaking an assessment of all material risks (reasonably foreseeable) arising from its operations or operating environment;

b) Regulatory capital as determined by the Group BSCR or an approved group internal capital model at 99.0% TVaR; and

c) Insurance underwriting risk shall include the following as defined in paragraph 2:

1) Premium risk;
2) Reserve risk;
3) Catastrophe risk;
4) Other insurance risk;
5) Insurance risk – mortality;
6) Insurance risk – stop loss;
7) Insurance risk – riders;
8) Insurance risk – mortality and disability;
9) Insurance risk – longevity; and
10) Variable annuity guarantee risk.

TABLE 15 cont'd

ADDITIONAL INFORMATION

1. What is the primary reason(s) (select multiple responses where applicable) for aiming at the disclosed GSSA capital amount? (select all that apply by choosing Yes/No)

- o target agency rating (e.g. "A-", "AA", etc);
- o market share;
- o business expansion;
- o nature of product(s) (e.g. risk characteristics);
- o manage downgrade risk;
- o regulatory capital requirements; and
- o others (briefly describe).

2. What methodology is used to aggregate the risk categories in deriving the GSSA capital? (select all that apply)

- o correlation matrix;
- o linear correlations;
- o T copulas;
- o gumbel copulas;
- o clayton copulas;
- o causal drivers approach e.g. inflation, cycles; and
- o others (briefly describe).

3. What contingency plans are in place for raising additional capital under stress situations? (select all that apply by choosing Yes/No)

- o parental guarantees;

- o revolving letters of credit;
- o issue subordinated debt;
- o issue preference shares;
- o float additional shares;
- o capital injections from parent;
- o contingent surplus notes;
- o catastrophe derivatives (e.g. bonds, swaps and options); and
- o others (briefly describe)

4. Does the insurance group have arrangements/contractual commitments to provide support, including forward purchase arrangements or guarantees, to affiliates/other companies in stressed situations? If yes, briefly describe the arrangement(s) and the aggregate exposure.

5. Has the parent 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 up streamed to establish equity positions in the parent, or is its parent using capital that is double or multiple geared? (Yes or No) If yes, provide details and amount of capital.

7. Are there any assets of a subsidiary of the group that are restricted for use that cannot be transferred to another subsidiary or to the parent, that were not included in the encumbered assets for policyholder obligations and not for policyholder obligations, as reported in the Schedule of Eligible Capital? If yes, provide:

   Name and jurisdiction(s) of the subsidiary(ies):

   Total restricted assets— xx

   Less: regulatory capital requirements for members for which the assets pertain—xx

   Restricted assets in excess of capital requirements to the extent that these amounts are not included in the encumbered assets reported in the Schedule of Eligible Capital— xx

INSTRUCTIONS AFFECTING TABLE 15:

(a) Total capital pre-diversification between risk categories is 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);

(b) Total capital after diversification between risk categories shall be derived by deducting the diversification benefit (calculated by an insurance group) from the “Total capital pre-diversification between risk categories”; and

(c) Where a question/section is not applicable to an insurance group or the options provided do not fully reflect the insurance group’s position, the insurance group shall include a brief description.

TABLE 15A

GSSA GENERAL QUESTIONS

1. Is the GSSA and its underlying information integrated (i.e. considered when making key strategic decisions) into the insurance group's strategic and risk management decision-making processes? **(Yes or No)**

If yes, how is the GSSA and its underlying information used? (select all that apply by choosing Yes/No)

- 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 mergers and acquisition decisions; and
- others

2. Has the insurance group 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)**

3. Is the GSSA process clearly documented and regularly amended for changes in strategic direction, risk management framework, and market developments? **(Yes or No)**

4. How often is the information underlying the GSSA discussed and reviewed by the board of directors, chief and senior executives of the insurance group?

5. Has the parent's board of directors, chief and senior executives of the insurance group 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 insurance group may provide brief comments.

INSTRUCTIONS AFFECTING TABLE 15A:

(a) Where a question/section is not applicable to an insurance group or the options provided do not fully reflect the insurance group's position, a brief description shall be included; and

(b) 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 GSSA process they review, and are therefore deemed to be independent in their assessment.

TABLE 15B

GSSA ASSESSMENT OF MATERIAL RISKS OF THE INSURANCE GROUP

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

- Be an integral part of the insurance group's risk management framework;
- Be clearly documented, reviewed, and evaluated regularly by the parent 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 insurance group shall undertake and file with the Authority the group's most recent report ("group-specific report") comprising a solvency self-assessment of its material risks and the determination of both the quality (types of capital) and quantity of GSSA capital required to cover these risks, while remaining solvent and achieving the insurance group's business goals.

1. Date the assessment was completed.
2. A description of the insurance group's business and strategy.
3. The identification and assessment of all reasonably foreseeable material risks (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 the relationships of the material risks with one another, and the quantity and type of capital required to cover the risks.
5. A description of the insurance group's risk appetite, including limits imposed and how they are enforced.
6. Assumptions and methodology used to assess and aggregate risks.
7. A forward looking analysis of the risks faced by the insurance group 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.
8. An evaluation of whether the insurance group has sufficient capital and liquidity available, including an assessment of whether capital is fungible and assets are transferrable, 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. For each material risk identified under 2 above, the submission should minimally include:

    a) Identification of the risk owner, qualifications and responsibilities;

    b) The key performance indicators used to monitor compliance with the risk appetite;

    c) The risk drivers (e.g. for catastrophe risk the drivers could be U.S. earthquake, European windstorm, terrorism, etc.);

    d) The primary model(s)/tool(s) used to calculate the GSSA capital for the risk, where applicable;

    e) The primary sources of data used as inputs to the model(s)/tool(s);

    f) The key assumptions used in the assessment of the risk;

    g) A description and quantitative impact of stress and scenario testing (if any) on capital including key assumptions and how the testing results were used to inform the self-assessment and determination of GSSA capital;

    h) A description of measures taken to transfer or otherwise mitigate the risk;

    i) Quantification of the risk if the insurance group is holding capital against it both pre- and post-diversification; and

    j) An explanation of the primary reasons for any material deviations between the GSSA capital as it pertains to the risk and the associated capital (if holding capital against the risk) and the regulatory capital charge for the risk, if the deviation is greater than 15%.

12. Model(s)/tool(s) used to calculate the GSSA capital

    The insurance group shall review and provide answers to the following questions on the model(s)/tools used to calculate the GSSA capital. It should provide a brief description or any additional documents in support of its response. Where additional documentation is provided, it should identify where the information is located within the document or attachment, including references (e.g. page number, paragraph number).

    a) Governance

        i. Does the parent's Board of Directors, chief and senior executives approve the design, maintenance and use of the model(s)/tool(s)?

        ii. How often does the parent's Board or relevant Board committees review outputs, changes and issues arising from the model(s)/tool(s) (review should be documented e.g. minutes, presentations, etc.)?

        iii. Does the Board, chief and senior executives of the insurance group have a general understanding of the key assumptions/elements and the implications of the outputs (including limitations) of the model(s)/tool(s)?

    b) Validation

        i. Is the model(s)/tool(s) subject to a regular cycle of validation, which includes the monitoring of performance, review appropriateness of model specifications and testing of forecast results against actual results?

        ii. How often is the validation of the model(s)/tool(s) performed?

iii. Does the validation process demonstrate that the model(s)/tool(s) remain suitable during changing conditions (e.g. changes in inflation, interest rate, etc.)? If no, provide comments.

c) Documentation

i. Does the insurance group have formal documentations of the structure, design, operational details, input assumptions, parameters, governance process and controls of the model(s)/tool(s)?

ii. If yes, to what extent is the model(s)/tool(s) documented such that it can be used by new personnel with limited user experience (include comments for partial or no documentations)?

iii. How often does the parent's Board, chief and senior executives review and approve the model/input documentation?

d) Internal controls

i. How does the insurance group rate the effectiveness of the controls in place to monitor and evaluate the operation and maintenance of the model(s)/tool(s)?

ii. Are there strict protocols in place restricting access to the model(s)/tool(s) and the ability to make adjustments thereto?

e) Others

i. What is the risk measure (VaR, TVaR, etc.), confidence interval (95%, 99.95%, etc.) and time horizon (1 year, 3 years, etc.) used to derive the GSSA capital?

INSTRUCTIONS AFFECTING TABLE 15B:

Where a question/section is not applicable to an insurance group or does not fully reflect the insurance group's position, a brief description shall be included.

SCHEDULE X (Paragraph 6)

GROUP GENERAL BUSINESS CATASTROPHE RISK RETURN

The schedule of group general business catastrophe risk return shall provide particulars of the following matters:

(a) Total exceedance probability ("EP") curves (Table 16): This represents an insurance group'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 insurance group's catastrophe model.

(b) EP curve for insurance (Table 16A): This EP curve shall be required only when the percentage of net insurance premiums written to total net premiums written is greater than 10%.

(c) EP curves for region-perils (Table 16B): Insurance groups shall provide information on EP curves for the following region-perils:

- Atlantic basin hurricane;
- North American earthquake;
- European windstorm;
- Japanese earthquake;
- Japanese typhoon; and
- All other perils.

(d) Region-peril exposure to zones and statutory lines of business (Table 16C): Insurance groups shall disclose the statutory zones and the statutory lines of business to which it is exposed.

(e) Accumulations overview (Table 16D): Insurance groups shall provide details of the features of accumulation methodologies, the catastrophe models used and the frequency of conducting accumulations.

(f) Data analysis (Table 16E): This shall consist of information on modeled versus non modeled catastrophe risk, the quality and comprehensiveness of data and how data is considered in accumulations and pricing.

(g) Reinsurance disclosures (Table 16F): This seeks to obtain information on the type of protection (reinsurance or retro) purchased against natural catastrophe losses.

(h) Insurance terror exposure (Table 16G): For insurance business that has terrorism exposure, insurance groups shall disclose their exposure to conventional terrorism exposure and on nuclear, biological, chemical and radiological ("NBCR") terrorism exposure separately at different levels of geographical resolution.

- Conventional terrorism: insurance groups shall disclose information on the ten largest 150 metre accumulations of exposure to conventional terrorism losses on a gross basis; and
- NBCR insurance terrorism exposure: insurance groups shall disclose terrorism exposure information on the ten largest U.S. states or countries outside the U.S. for accumulations of exposure to NBCR terrorism losses. The exposure calculation should include all exposures within and outside the U.S. and assume a total loss to insurance commitments within the area.

(i) Reinsurance terrorism limits (Table 16H): Insurance groups shall disclose the top ten reinsurance limits exposed within or outside the U.S. for conventional and NBCR acts of terrorism.

(j) Assumed exchange rates (Table 16I): This contains information on all exchange rates used in compiling the EP curve information.

INSTRUCTIONS AFFECTING SCHEDULE X:

TABLE 16

EP CURVE TOTAL

1. Exceedance probability information				
Loss return period (years)	**Gross loss**		**Net loss**	
	Gross per occurrence loss TVaR ($M)	**Gross aggregate TVaR ($M)**	**Net per occurrence loss TVaR ($M)**	**Net aggregate TVaR ($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**	
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
Voluntary pools and/or assessments		
Involuntary pools and/or assessments		

5. Supplemental perils and model options

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

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 16:

(a) The responses for the "exceedance probability information" section shall consist of amounts in United States $millions; and

(b) Except for the cat 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 insurance group's position. Where the response is "no" the insurance group shall provide a brief description.

Table 16A

EP Curve Insurance

The EP curve for insurance will be required only when the percentage of net insurance premiums written is greater than 10% of total net premiums written.

1. Exceedance probability information

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

Table 16A, cont'd

1. Exceedance probability information: cont'd

	Gross Loss		Net loss
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**	
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 TIV		**Total net premium with non determinable TIV**	

Table 16A, cont'd

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
Voluntary pools and/or assessments		
Involuntary pools and/or assessments		

Table 16A, cont'd

5. Supplemental perils and model options

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

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 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 16A:

(a) The responses for the "exceedance probability information" section shall consist of amounts in United States $millions; and

(b) Except for the question on cat 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 insurance group's position. Where the response is "no", the insurance group shall provide a brief description.

Table 16B

EP CURVES FOR REGION-PERILS

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

- Atlantic basin hurricane;
- North American earthquake;
- European windstorm;
- Japanese earthquake; and
- Japanese typhoon.

Exceedance probability information

Which model(s) is used for EP Curve?

Indicate the model version(s)

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

	Gross	**Net**
Total statutory property catastrophe premium		
Total all other statutory premium		
Total statutory property catastrophe limits		
Total all other statutory limits		

INSTRUCTIONS AFFECTING TABLE 16B:

The responses for the “exceedance probability information” section shall consist of amounts in United States $millions.

Table 16C

Region-peril Exposure To Zones And Statutory Lines Of Business

The insurance group shall select the statutory zones under paragraph (w) of Instructions Affecting Schedule V and statutory lines of business (Schedule IVA) that it is exposed to with regards to the following region-perils.

a) Exposure to statutory zones (Schedule V paragraph (w))

	EP Curve Atlantic Hurricane	EP Curve North American Earthquake	EP Curve European Windstorm	EP Curve Japanese Earthquake	EP Curve Japanese Typhoon	EP Curve - All Other Perils
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 IVA)

	EP Curve Atlantic Hurricane	EP Curve North American Earthquake	EP Curve European Windstorm	EP Curve Japanese Earthquake	EP Curve Japanese Typhoon	EP Curve - All Other Perils
Line 1						
Line 2						
Line 3						
Line 4						
Line 5						
Line 6						
Line 7						
Line 8						
Line 9						
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 16C:

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

Table 16D

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 do the members of the insurance group license?
4. Does the insurance group incorporate internally developed stochastic catastrophe models within the accumulations that capture correlation across contracts or lines of business?
5. Which methodology best describes the insurance group's accumulation methodology?
6. Where more than one catastrophe model is used in the accumulations, which methodology best describes how multiple models are considered? If other, please explain.
7. Are the insurance group's pricing and accumulations fully consistent?
8. What percentage of the total premium (other than insurance business) is written without occurrence limits?
9. Do the members of the insurance group provide reinsurance to both affiliated companies and unaffiliated companies?
10. If there is more than 2.5% of premiums 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 16D:

Item '7' requires insurance groups 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 16E

DATA ANALYSIS

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

	U.S. 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 insurance group that may be modeled, provide splits of those that are:

	U.S. 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									

Table 16E, cont'd

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

	U.S. 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									

If other is selected, describe the methodology as appropriate.

Table 16E, cont'd

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

	U.S. 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 insurance group that may be modeled (but are not modeled), describe what the members of the insurance group do from an accumulation perspective.

Table 16E, cont'd

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

	U.S. 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									
Model deficient									
Other									
Total									

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

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

8. For contracts that are written by the insurance group that are not modelable, describe what the members of the insurance group do from an accumulation perspective.

9. If there are contracts that are written by the insurance group 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 16E:

In this table, where applicable, the responses shall include: inputting the amount/number and or providing a brief description in the comment fields.

Table 16F

REINSURANCE DISCLOSURES

Reinsurance or Retro information

	U.S. specific contracts		**Worldwide contracts**		**All other contracts**	
	Premium	Occurrence limit provided ($M)	Premium ($M)	Occurrence limit provided ($M)	Premium	Occurrence limit provided ($M)
Insurance linked securities protection						
Industry loss warranty contracts						
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 insurance group that have no occurrence or aggregate limits, provide details below for the total premiums 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.

Table 16G

INSURANCE TERROR EXPOSURE

Conventional Insurance Terrorism Exposure - 150m Defined Geographical Radius

		US State/ Province (if applicable)	Country	Direct terrorism property exposure ($M)	Total gross exposure($M)	TRIP or other terror pool recoverables if any ($M)	Reinsurance recoveries if any ($M)	Total net exposure ($M)	Target location (if known)
Conventional terrorism exposure	1								
	2								
	3								
	4								
	5								
	6								
	7								
	8								
	9								
	10								

Table 16G, cont'd

NBCR Insurance Terrorism Exposure-State/Country

		US State/ Province (if applicable)	Country	Direct terrorism property exposure ($M)	Total gross exposure ($M)	TRIP or other sovereign terror pool recoverables if any ($M)	Reinsurance recoverable limits if any ($M)	Total net exposure ($M)
NBCR terrorism exposure	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

INSTRUCTIONS AFFECTING TABLE 16G:

Total gross exposure is the sum of:

- Direct terrorism property exposure;
- Indirect terrorism property exposure;
- Value of lives exposed; and
- Other insured exposures.

Table 16H

REINSURANCE TERRORISM LIMITS

<table>
<tr><th></th><th></th><th>US State/ Province (if applicable)</th><th>Country</th><th>Direct reinsurance limits exposed to terrorism ($M)</th><th>Total gross reinsurance limits exposed to terrorism ($M)</th><th>TRIP or other terror pool recoverables if any ($M)</th><th>Reinsurance or retro recoveries if any ($M)</th><th>Total net reinsurance limits exposed to terrorism ($M)</th></tr>
<tr><td rowspan="10">Conventional terrorism exposure</td><td>1</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>2</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>3</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>4</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>5</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>6</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>7</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>8</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>9</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>10</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

Table 16H, Cont'd

NBCR Insurance Terrorism Exposure-State/Country

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

INSTRUCTIONS AFFECTING TABLE 16H:

(a) The total gross exposure is derived by the sum of all reinsurance limits exposed to terrorism; and

(b) 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.

Table 16I

ASSUMED EXCHANGE RATES

Currency	EP Curve - Total all perils combined
USD	1.0
USD:EUR	
USD:GBP	
USD:Yen	
USD:CHF	
USD:Other(s) (Specify)	

INSTRUCTIONS AFFECTING TABLE 16I:

In this table, the designated insurer of the insurance group shall input the exchange rates used to translate the EP curves.

SCHEDULE XIA (Paragraph 6)

Schedule Of Regulated Non-Insurance Financial Operating Entities

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

Group member name	Jurisdiction	Sector classification	Strategic purpose	Products & services offered	Partici-pation	Percentage of participating interest	Total assets	Investment amount (equity method)	Regulatory capital requirement for regulated entities (RCR) (100%)	Applicable share of the RCR
						x.x%	XXX	XXX	XXX	XXX
						x.x%	XXX	XXX	XXX	XXX
						x.x%	XXX	XXX	XXX	XXX
							XXX	**XXX**	**XXX**	**XXX**

INSTRUCTIONS AFFECTING SCHEDULE XIA:

(a) the insurance group's regulatory capital requirement for regulated non-insurance financial operating entities, where the parent company exercises either control or significant influence, shall be calculated in accordance with Schedule XIA and shall form part of the insurance group's BSCR – where "control" and "significant influence" has the same meaning given in subparagraph 19(4) of the Group Rules;

(b) the name of the entity and its jurisdiction of incorporation shall be provided;

(c) the sector classification of each of the insurance group's regulated non-insurance financial operating entities shall be provided as prescribed in the Instructions Affecting Schedule V paragraph (b);

(d) the description of the strategic purpose of each entity shall be provided;

(e) the description of the products and services offered to external parties of each entity shall be provided;

(f) the insurance group's participation categorised, whether control or significant influence, on each registered entity shall be provided;

(g) the percent of participating interest of the insurance group on each registered entity shall be provided;

(h) the total assets of each entity shall be provided;

(i) the investment amount shall be (1) the equity value of the insurance group's investment in such regulated entities where the insurance group has significant influence and has accounted under the equity method of accounting as aggregated in Form 1, Line 4(d) and (2) the net asset value of the group's investment in these regulated entities where the group exercises control shall be provided;

(j) the regulatory capital requirement (RCR) shall be provided based on the jurisdiction's solvency laws for the regulated sector in which the entity is licensed to conduct non-insurance financial business; and

(k) the insurance group's proportionate share of each entity's RCR.

SCHEDULE XIB (Paragraph 6)

Schedule Of Unregulated Entities Where The Parent Exercises Control

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

Group member name	Jurisdiction	Sector classification	Strategic purpose	Products & services offered	Group member category	Percent of participating interest	Total assets	Net Assets	Applicable capital charges	Capital requirement
						x.x%	XXX	XXX		XXX
						x.x%	XXX	XXX		XXX
						x.x%	XXX	XXX		XXX
							XXX	**XXX**		**XXX**

INSTRUCTIONS AFFECTING SCHEDULE XIB:

(a) the insurance group's capital requirement for unregulated entities where the parent company exercises control over these entities shall be calculated in accordance with Schedule XIB and shall form part of the insurance group's BSCR – where "control" has the same meaning given in subparagraph 19(4) of the Group Rules;

(b) the name of the unregulated entity and its jurisdiction of incorporation shall be provided;

(c) the sector classification of each of the insurance group's unregulated entities where the group exercise control shall be provided as prescribed in the Instructions Affecting Schedule V paragraph (b);

(d) the description of the strategic purpose of each entity shall be provided;

(e) the description of the products and services offered to external parties of each entity shall be provided;

(f) the unregulated entities where the parent company exercises control shall be categorized based on the nature of its business activities, as follows: unregulated entities that conduct ancillary services, unregulated non-financial operating entities or unregulated financial operating entities;

(g) the percentage of participating interest on each unregulated entity where the insurance group exercises control shall be provided;

(h) the total assets of each unregulated entity shall be provided;

(i) the net asset value of the group's investment in these unregulated entities shall be provided;

(j) the capital charge applied to each unregulated entity are as follows: 0% to unregulated entities that conduct ancillary services; 15% to unregulated non-financial operating entities; and 50% to unregulated financial operating entities; and

(k) the insurance group's proportionate share of each unregulated entity's capital.

SCHEDULE XIC (Paragraph 6)

Schedule Of Unregulated Entities Where the Parent Exercises Significant Influence

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

Group member name	Jurisdiction	Sector classification	Strategic purpose	Products & services offered	Group member category	Percentage of participating interest	Total assets	Proportionate share of the investment amount (equity method)
						x.x%	XXX	XXX
						x.x%	XXX	XXX
						x.x%	XXX	XXX
							XXX	**XXX**

INSTRUCTIONS AFFECTING SCHEDULE XIC

(a) the insurance group's capital requirement for unregulated entities where the parent company exercises significant influence shall be calculated in accordance with paragraph 3 under the equity investment risk charge – where "significant influence" has the same meaning given in subparagraph 19(4) of the Group Rules – and Schedule XIC shall provide particulars of these entities;

(b) the name of the unregulated entity and its jurisdiction shall be provided;

(c) the sector classification of each of the insurance group's unregulated entities (significant influence) shall be provided as prescribed in the Instructions Affecting Schedule V paragraph (b);

(d) the description of the strategic purpose of each entity shall be provided;

(e) the description of the products and services offered to external parties of each entity shall be provided;

(f) the unregulated entities where the parent company exercises significant influence shall be categorized based on the nature of its business activities, as follows: unregulated entities that conduct ancillary services, unregulated non-financial operating entities or unregulated financial operating entities;

(g) the percent of participating interest on each unregulated entity (significant influence) shall be provided;

(h) the total assets of each entity shall be provided; and

(i) the insurance group's proportionate share of the carrying investment amount/value under the equity method.

SCHEDULE XID (Paragraph 6)

Schedule of Entities' Capital Deducted From

Available Statutory Capital and Surplus

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

Group member name	Jurisdiction	Sector classification	Strategic purpose	Products & services offered	Participation	Group member category	Reason for data deficiency	Total assets	Net assets ($)
								XXX	XXX
								XXX	XXX
								XXX	XXX
								XXX	**XXX**

INSTRUCTIONS AFFECTING SCHEDULE XID:

(a) for entities where an insurance group cannot supply the necessary data for the Authority to determine a risk profile or to calculate contributions of these entities to the group's eligible capital, Schedule XID shall be used to calculate these entities' capital to be deducted from the insurance group's available statutory capital and surplus;

(b) the insurance group shall provide the name and jurisdiction of these entities;

(c) the sector classification of each of the group's member entities shall be provided as prescribed in the Instructions Affecting Schedule V paragraph (b);

(d) the description of the strategic purpose of each entity shall be provided;

(e) the description of the products and services offered to external parties of each entity shall be provided;

(f) the parent company's participation categorised, whether control or significant influence, on each entity shall be provided;

(g) the entities shall be categorised based on the nature of its business activities, as follows: unregulated entities that conduct ancillary services, unregulated non-financial operating entities, unregulated financial operating entities, regulated insurance financial operating entities, regulated non-insurance financial operating entities;

(h) the reason for data deficiency shall be included, as follows: unknown strategic purpose/nature of operations or insufficient information surrounding eligible capital;

(i) the total assets of these entities shall be provided; and

(j) the net asset or equity values of these entities shall be provided.

SCHEDULE XII (Paragraph 6)

Schedule of Group Minimum Margin of Solvency

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

.

Group Member Name	Jurisdiction	Participation Type	Percent of Participation Interest	Net Premiums Written	Total Assets	Minimum Margin of Solvency (MSM)	Proportionate Share on the MSM

INSTRUCTIONS AFFECTING SCHEDULE XII:

The insurance group shall provide the following information to calculate the insurance group's minimum margin of solvency:

i. the name of the registered entity for which the parent company exercises control or significant influence – where "control" and "significant influence" has the same meaning given in subparagraph 19(4) of the Group Rules;

ii. the name of the jurisdiction in which the entity is licensed or registered;

iii. the group's participation interest of each registered entity;

iv. the minimum margin of solvency for each registered entity as determined by the jurisdiction where the group's entity is licensed or registered; and

v. the insurance group's proportionate share of the registered entity's minimum margin of solvency requirement, as prescribed in subparagraph 19(1) and subparagraph 19(2) of the Group Rules.

SCHEDULE XIII (Paragraph 6)

SCHEDULE OF GROUP ELIGIBLE CAPITAL

[*blank*] name of Parent

as at [*blank*] (day/month/year)

All amounts are expressed in ______ (currency used)

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

1. Tier 1, Tier 2 and Tier 3 eligible capital as prescribed in Table 17; and
2. Particulars of each capital instrument approved by the Authority as "Any other fixed capital" in accordance with Form 8, Line 1(c) of the Group Statutory Statement of Capital and Surplus under the Group Rules as prescribed in Schedule 1.

Table 17

SCHEDULE OF GROUP ELIGIBLE CAPITAL

Total available statutory capital and surplus (Form 8, Line 4)		XXX
Less: Encumbered assets not securing policyholders' obligations		
(Notes to Form 8, Line 15)		XXX
Less: Relative liability or contingent liability (included on Form 1)		
for which the encumbered assets are held		<u>XXX</u>
Subtotal		<u>XXX</u>
<u>TIER 1-BASIC CAPITAL</u>		
(a) Fully paid common shares (Form 8, Line 1(a)(i))		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) or		
retained earnings)		XXX
(d) Capital adjustments		XXX
(e) Hybrid capital instruments:		
Non-cumulative, perpetual or fixed term preference shares – Qualifying		
(Form 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 policyholders'		
obligations and policyholders' obligations, calculated as follows:		
(i) Encumbered assets where the pledged assets exceed policyholder		
obligations (per contract)	XXX	
(ii) Policyholder obligations where the pledged assets exceed		
policyholder obligations (per contract)	XXX	

(iii)	Capital requirement applicable to encumbered assets for policyholder obligations under (i) above (equal to the contribution of the pledged assets to the ECR)	XXX	
(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 1, Lines 16, 17(a), 18 & 27(a))	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 policyholders' obligations (Notes to Form 1, Line 15)	XXX
Less: Relative liability or contingent liability (included on Form 1) for which the encumbered assets are held	XXX
(j) Less: Residual restricted assets in excess of capital requirements	XXX
TIER 1-ANCILLARY CAPITAL	
(a) Perpetual or fixed term subordinated debt (Form 8, Line 1(c)(i))	XXX
TOTAL TIER 1 AVAILABLE CAPITAL	**XXX**
TIER 2-BASIC CAPITAL	
(a) Hybrid capital instruments:	
Cumulative preference shares – Qualifying (Form 8, Line 1(a)(ii))	XXX
(b) Other:	XXX
(c) Add: Difference between encumbered assets for policyholders' obligations and policyholders' obligations deducted from Tier 1	XXX
TIER 2 ANCILLARY CAPITAL	
(a) Unpaid and callable common shares (Form 8, Line 1(c)(i))	XXX
(b) Qualifying unpaid and callable hybrid capital (Form 8, Line 1(c)(i))	XXX
(c) Qualifying unpaid and callable non-cumulative, perpetual 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	**XXX**

TIER 3 BASIC CAPITAL	
(a) Short-term hybrid capital instruments:	
Cumulative preference shares – Qualifying (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	**XXX**
TOTAL AVAILABLE STATUTORY CAPITAL AND SURPLUS	**XXX**
CAPITAL REQUIREMENTS APPLICABLE TO ENCUMBERED ASSETS FOR POLICYHOLDER OBLIGATIONS	
Minimum Margin of Solvency	XXX
Enhanced Capital Requirement	XXX
REGULATORY CAPITAL LEVELS	
Minimum Margin of Solvency	**XXX**
Enhanced Capital Requirement	**XXX**

INSTRUCTIONS AFFECTING TABLE 17:

the insurance group shall include all components of the total available statutory capital and surplus (as reflected in Form 8, Line 4 of the Group Statutory Statement of Capital and Surplus) in accordance with the provisions of paragraphs 21 and 22 of the Group Rules. Adjustments under subparagraph 3(3)(b) to (d) shall be made to Tier 1 – basic capital (c) statutory surplus – end of year.

Table 17A

ADDITIONAL DETAILS

Description of capital instrument	Date of issue	Maturity date (as applicable)	Date approved by the Authority	Value of the capital instrument	Eligible capital tier
				XXX	

INSTRUCTIONS AFFECTING TABLE 17A:

The insurance group shall include every capital instrument contributing to the amount reported in Form 8, Line 1(c) of the Group Statutory Statement of Capital and Surplus in Table 17A in accordance with the provisions of paragraphs 21 and 22 of the Group Rules.