9th February 2016

NOTICE

General Business and Insurance Groups BSCR Models for 2015

On 4th December 2015, the Bermuda Monetary Authority (Authority) published for Class 4, Class 3B, Class 3A, Class C, Class D and Class E insurers, and for Insurance Groups, the 2015 year-end BSCR models. Since this release, the Authority has found the following issues with the Class 4, Class 3B, Class 3A and Insurance Group BSCR models:

<u>Class 4, Class 3B, Class 3A BSCR Models</u>

1) Fixed Income Charge – Other Cash was incorrectly referring balances on Schedule IIA prior year, and this should be for balances on Schedule IIA current year.
2) Schedule V(e) Stress/Scenario Tests refers to in-force polices for 1st January 2015, and this should be for 1st January 2016.

<u>Insurance Group BSCR Models</u>

1) Schedule II Common Stock and Equity Mutual Funds – was referring to balances on the Form 1EBS Trial Run spreadsheet, and this should be for balances found on Form 1.
2) Schedule V(e) Stress/Scenario Tests refers to in-force polices for 1st January 2015, and this should be for 1st January 2016.

The Authority would like to advise that if these errors do not materially impact an insurer or an insurance group, then it is recommended to use the model published on 4th December. In the instances that an insurer or insurance group is materially affected, updated models have been published to the Authority's website for download.

If you have any questions about the above, kindly send them to riskanalytics@bma.bm