BERMUDA MONETARY AUTHORITY

14th November 2012

NOTICE

Insurance (Prudential Standards) (Class 4 and 3B Solvency Requirement) Amendment Rules 2012 (the "Amended Rules") Covering Note

There were limited comments received from Industry with respect to the proposed amendments to the Amended Rules posted in June 2012; however the Authority advises the following additional amendments shall also be included:

1. Amendment is proposed to reflect the policy position that there will no longer be a requirement for the board to sign off on the CISSA. However as set out in the Code of Conduct, the Board must review the CISSA annually and review any material changes.

2. The statutory declaration to be submitted by the an insurer may be signed by two directors of the insurer, one of which may be the chief executive, and one of the following officers of the insurer: chief risk officer or chief financial officer.

3. Additional amendments to the Schedules to the 2012 Amendment Rules have been made to ensure that updates to the online version of the Authority's filing model is reflected in the Rules. Such changes have been either consulted on with Industry or have been made by the Authority to ensure that there is consistency with the law.

4. The Authority advises that the proposed amendments to the Rules made herein are final, unless there are substantive policy issues deemed by the Authority to be reviewed and/or revised accordingly.

5. The Rules will be effective as of 1st January 2013.

BERMUDA

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B SOLVENCY REQUIREMENT) AMENDMENT RULES 2012

BR / 2012

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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

1 These Rules, which amend the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008 (the "principal Rules"), may be cited as the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2012.

Amends paragraph 2

2 Paragraph 2 of the principal Rules is amended—

(a) in the definition of "Tail Value-at-Risk" by deleting the full-stop and substituting a semicolon; and

(b) by inserting the following definitions in their proper alphabetical order—

" "group" means any two or more bodies, whether corporate or unincorporated, that are in association, and two bodies are deemed to be in association if one of them has control of the other or both are under the control of the same person or persons;

"materialised" for the purposes of paragraph 6AB means transactions that have come into existence since the last financial return filed by the insurer with the Authority;

"unaffiliated" means a body that is not a member of a group of which the insurer is a member.".

Revokes and replaces paragraph 6A

3 Paragraph 6A of the principal Rules is revoked and replaced with the following—

"Declaration of capital and solvency returns

6A Every capital and solvency return made by an insurer under paragraph 6 shall be accompanied with a declaration signed by—

(a) two directors of the insurer, one of which may be the chief executive; and

(b) either the chief risk officer of the insurer, or the chief financial officer of the insurer,

declaring that to the best of their knowledge and belief, the return fairly represents the financial condition of the insurer in all material respects.".

Revokes and replaces paragraph 6AB

4 The principal Rules are amended by revoking and replacing paragraph 6AB with the following—

"6AB Quarterly financial return

6AB (1) Every insurer, where the insurer is not a member of a group for which the Authority is the group supervisor, shall prepare and file quarterly financial returns with the Authority on or before the last day in the months of May, August and November of every year.

(2) An insurer's quarterly financial return shall comprise the following—

(a) quarterly unaudited financial statements in respect of its business for each financial quarter, such statements should be the most recent produced by the insurer, and must not reflect a financial position that exceeds two months; and

(b) intra-group transactions that the insurer is a party to and the insurer's risk concentrations which include—

(i) details of material intra-group transactions that have materialized since the most recent quarterly or annual financial returns prepared and filed as the case may be, with the Authority by the insurer including (where applicable)—

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

(B) counterparties involved including where they are located;

(C) summary details of the transactions including purpose, terms and transaction costs;

(D) duration of the transaction; and

(E) performance triggers;

(ii) details surrounding all intra-group reinsurance and retrocession arrangements, and other intra-group risk transfer insurance business arrangements that have materialized since the most recent quarterly or annual financial returns prepared and filed as the case may be, with the Authority by the insurer 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 insurer'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 insurer'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.

(3) Quarterly unaudited financial statements shall minimally include a balance sheet and income statement.

(4) The information required to be included in the quarterly unaudited financial statements shall be information calculated to fulfil (in addition to any other purposes for which these Rules may require) the following purposes—

(a) to give as early warning as possible to any person examining the said statements (whether by way of notice of the observance or non-observance by the insurer of any ECR, or in any other way) of any financial or operational difficulties into which the insurer's business has fallen or might appear likely to fall; and

(b) to provide the basis on which the Authority or any other authority may in good time take action under the Act or any other statutory provision to exercise any statutory power available to it for the safeguarding of any element of the public interest involved in or affected by the insurer's business.

(5) In the exercise of its powers under section 6C of the Act, and without prejudice to the generality of that section, the Authority may direct that an insurer be exempt from filing the information required to be filed or modify the requirements under subparagraph (1) where—

(a) the insurer is able to file with the Authority relevant information that is filed with the Group Supervisor of the group for which the insurer is a member that would satisfy the filing requirements under subparagraph (1) and with the timelines as directed under that subparagraph; or

(b) the Authority is able to obtain relevant information from the Group Supervisor of the group for which the insurer is a member pertaining to the information required to be filed under subparagraph (1) and within the timelines as directed under that subparagraph.".

Revokes and replaces Schedule V

5 Schedule V to the principal Rules is revoked and replaced.

Revokes and replaces Schedule VII

6 Schedule VII to the principal Rules is revoked and replaced.

Revokes and replaces Schedule VIII

7 Schedule VIII to the principal Rules is revoked and replaced.

Revokes and replaces Schedule IX

8 Schedule IX to the principal Rules is revoked and replaced.

Revokes and replaces Schedule X

9 Schedule X to the principal Rules is revoked and replaced.

Commencement

10 These Rules come into operation on 1 January 2013.

SCHEDULE

(paragraphs 5, 6, 7, 8 and 9)

The replaced Schedules V, VII, VIII, IX and X
have been omitted from these Rules.
They may be inspected at the offices of
the Bermuda Monetary Authority
or on the website: www.bma.bm.

Made this day of 2012

Chairman
The Bermuda Monetary Authority

AMENDMENTS TO SCHEDULES TO INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B SOLVENCY REQUIREMENT) AMENDMENT RULES 2012 POSTED JUNE 2012

Amends Schedule V

5 The principal Rules are amended—

(a) in Schedule V paragraph (b) by deleting "Intra-group exposures and risk concentrations" and substituting "Intra-group transactions that the insurer is a party to and the insurer's risk concentrations";

(b) by deleting paragraph (b) under the "INSTRUCTIONS AFFECTING SCHEDULE V" and substituting—

"(b) Intra-group transactions that the insurer is a party to and the insurer's risk concentrations shall include –

(i) Details of material intra-group transactions between the insurer and other members of the group for which it belongs, including (where applicable):

(a) exposure value (face value or market value, if the latter is available);
(b) counterparties involved including where they are located;
(c) summary details of the transactions – including purpose, terms and transaction costs;
(d) duration of the transaction; and
(e) 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 insurer'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 insurer'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.”

and

(c) by deleting paragraph (ba) under the “INSTRUCTIONS AFFECTING SCHEDULE V”.

Revokes Schedule VII and replaces with Schedule IX

6 The principal Rules are amended by revoking Schedule VII and replacing with the following—

“SCHEDULE IX
SCHEDULE OF COMMERCIAL INSURER’S SOLVENCY SELF-ASSESSMENT (CISSA)

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

(a) Table 8: CISSA capital summary disclosing the insurer’s own capital and contingency arrangements impacting the available capital.

(b) Table 8A: CISSA general questions relating to an insurer’s risk management and governance program, the review and approval of CISSA, integration of CISSA into the strategic decision making process.

(c) Table 8B: CISSA assessment of material risks of the insurer, 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 CISSA and the governance and controls surrounding model(s)/tool(s) used to compute the CISSA capital.

TABLE 8
CISSA Capital Summary

Risk categories	(a) CISSA capital	(b) Regulatory capital
Premium risk		
Reserve risk		
Catastrophe risk		
Market risk		
Credit risk		
Liquidity risk		
Group, Concentration, Reputational and Strategic risk		
Other (specify)		
Total capital pre-diversification between risk categories		
Diversification credit between risk categories		
Total capital after diversification between risk categories before operational risk		
Operational risk		
Total capital after diversification and operational risk		

Where:

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

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

Table 8 Cont'd
ADDITIONAL INFORMATION

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

including forward purchase arrangements or guarantees, to affiliates/other companies in stressed situations? (Yes or No)

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

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

   If yes, provide details and amount of capital.

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

   If yes, provide details and amount of capital.

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

   If yes, provide:

Total restricted assets	XXX
Less: Regulatory capital requirements for members for which the assets pertain	XXX
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	**XXX**

TABLE 8A
CISSA General Questions

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

   If yes, how is CISSA 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
- Others (provide description)

2. Has the insurer applied reverse stress testing to both identify the scenarios that could cause business failure and the required actions to manage such situations? (Yes or No)

3. Is the CISSA 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 CISSA discussed and reviewed by the board and chief and senior executives?

5. Have the board and chief and senior executives ensured that an appropriate oversight process is in place, including an appropriate level of independent verification, whereby material deficiencies are reported on a timely basis and suitable actions taken? (Yes or No)

   Optionally, the insurer may provide brief comments.

Instructions affecting Table 8A

- The insurer shall select the appropriate response. Where an optional attachment is provided to disclose additional information, an insurer shall include references (e.g. page number, paragraph number) of where the information can be located within the attachment.
- Independent verification shall be conducted by an internal or external auditor or any other appropriately skilled internal or external function; as long as they have not been responsible for the part of the CISSA process they review, and are therefore deemed to be independent in their assessment.

TABLE 8B
CISSA Assessment of Material Risks of the Insurer

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

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

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

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The insurer-specific report should minimally include:

1. Date the assessment was completed and the insurer-specific report last updated.
2. A description of the insurer's business and strategy.
3. The identification and assessment of all reasonably foreseeable material risks, including those specified in the Insurance Code of Conduct (i.e. insurance underwriting risk; investment, liquidity, and concentration risk; market risk; credit risk; operational risk; group risk; strategic risk; reputational risk; and legal risk).
4. The identification of 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 insurer's risk appetite, including limits imposed, how they are enforced, and their key performance indicators.
6. Assumptions and methodology used to assess and aggregate risks.
7. A forward-looking analysis of the risks faced by the insurer over its planning horizon and an analysis demonstrating the ability to manage its business and capital needs in adverse circumstances and still meet regulatory capital requirements.
8. An evaluation of whether the insurer has sufficient capital and liquidity available, including an assessment of whether capital is fungible and assets are transferable, to achieve its strategic goals over its planning horizon and any potential adverse consequences if insufficient.
9. A description of business continuity and disaster plans.
10. A description of how the results of the self-assessment are integrated into the management and strategic decision making process.
11. For each material risk identified under 3 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 US earthquake, European windstorm, terrorism, etc.)
    (d) The primary model(s)/tool(s) used to calculate the CISSA 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.
    (h) A description of measures taken to transfer or otherwise mitigate the risk.
    (i) Quantification of the risk if the insurer is holding capital against it both pre and post diversification.
    (j) An explanation of the primary reasons for any material deviations between the CISSA capital as it pertains to the risk (if holding capital against the risk) and the regulatory capital charge for the risk, if the deviation is greater than 15%.
12. Model(s)/tool(s) used to calculate the CISSA capital
    The insurer should review and provide answers to the following questions on the model(s)/tool(s) used to calculate the CISSA capital

Governance
a) Does the board of directors, chief and senior executives approve the design, maintenance and use of the model(s)/tool(s)?
b) How often does the 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)?

c) Does the board and chief and senior executives have a general understanding of the key assumptions/elements and the implications of the outputs (including limitations) of the model(s)/tool(s)?
Validation
d) Is the model(s)/tool(s) subject to a regular cycle of validation; which includes the monitoring of performance, review of appropriateness of model specifications and testing of forecast results against actual results?
e) How often is the validation of the model(s)/tool(s) performed?
f) 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.
Documentation
g) Does the insurer have formal documentation of the structure, design, operational details, input assumptions, parameters, governance process and controls of the model(s)/tool(s)?
h) 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)
i) How often does the board of directors or chief and senior executives review and approve the model/input documentation?
Internal controls
j) How does the insurer rate the effectiveness of the controls in place to monitor and evaluate the operation and maintenance of the model(s)/tool(s)?
k) Are there strict protocols in place restricting access to the model(s)/tool(s) and ability to make adjustments thereto?
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 CISSA capital?

Instructions affecting Table 8B

- The insurer shall select the appropriate response. Where an optional attachment is provided to disclose additional information, an insurer shall include references (e.g. page number, paragraph number) of where the information can be located within the attachment."

Revokes Schedule VIII and replaces with Schedule X

7 The principal Rules are amended by revoking Schedule VIII and replacing with the following Schedule X —

"SCHEDULE X **(paragraph 6)**

CATASTROPHE RISK RETURN

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

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

Table 9
EP Curve Total

1. Exceedance probability information

		Gross loss		Net loss	
	Loss return period (years)	**Gross per occurrence loss TVaR**	**Gross aggregate TVaR**	**Net per occurrence loss TVaR**	**Net aggregate TVaR**

		($M)	($M)	($M)	($M)
	50				
	100				
	250				
	500				
	1000				

	Gross loss ($M)		**Net loss ($M)**
Annual average aggregate gross loss		**Annual average aggregate net loss (net of reinstatements terms)**	
Standard deviation of annual aggregate gross loss		**Standard deviation of annual aggregate net loss (net of reinstatements terms)**	
Total gross statutory property catastrophe premium modeled		**Total net statutory property catastrophe premium modeled**	
Total gross all other premium modeled		**Total net all other premium modeled**	
Total gross statutory property catastrophe limits exposed – modeled		**Total net statutory property catastrophe limits exposed – modeled**	
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 9

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

Table 9A
EP Curve Insurance

1. Exceedance probability information

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

	Gross loss ($M)		Net loss ($M)
Annual average aggregate gross loss		**Annual average aggregate net loss (net of reinstatements terms)**	
Standard deviation of annual aggregate gross loss		**Standard deviation of annual aggregate net loss (net of reinstatements terms)**	
Total gross statutory property catastrophe premium modeled		**Total net statutory property catastrophe premium modeled**	
Total gross all other premium modeled		**Total net all other premium modeled**	
Total gross statutory property catastrophe limits exposed – modeled		**Total net statutory property catastrophe limits exposed – modeled**	
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 9A

- The responses for the "exceedance probability information" section shall consist of amounts in United States Dollars (USD) $millions.

- Except for the catastrophe model and average loading factor questions in the section "Other adjustments information", where the response shall include amounts, responses to sections 2 through 6 shall include selecting the appropriate response that best reflects the insurer's position. Where the response is "no", the insurer shall provide a brief description.

Table 9B
EP Curves for Region-Perils

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

- Atlantic basin hurricane
- North American earthquake
- European windstorm
- Japanese earthquake
- Japanese typhoon

Exceedance probability information

Which model(s) is used for EP Curve?

Indicate the model version

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

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

Instructions affecting Table 9B

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

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

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

(a) Exposure to statutory zones (Schedule V(o))

	EP Curve Atlantic Basin 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 IV)

	EP Curve Atlantic Basin 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 9C

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

Table 9D
Accumulations Overview

1. What frequency best describes the update process of accumulations?

2. Are there any differences in the frequency of accumulations for various business units? If yes, briefly describe.

3. Which vendor catastrophe models does the insurer license?

4. Does the insurer incorporate internally developed stochastic catastrophe models within the accumulations that capture correlation across contracts or lines of business?

5. Which methodology best describes an insurer's accumulation methodology?

6. Where more than one catastrophe model is used in the accumulations, which methodology best describes how multiple models are considered?

   If other, please explain:

7. Is the insurer's pricing and accumulations fully consistent?

8. What percentage of the total premium (other than insurance business) is written without occurrence limits?

9. Does the insurer provide reinsurance to both affiliated companies and unaffiliated companies?

10. If there is more than 2.5% of premium written without occurrence limits (other than insurance business) briefly describe this business, including information on territorial exposure, potential for correlation of losses across contracts/policies and the assessment of maximum loss potential for these exposures.

11. How are outwards reinsurance protections considered in accumulation calculations?

Instructions affecting Table 9D

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

Table 9E
Data Analysis

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

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

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

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

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

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

If other is selected, describe the methodology as appropriate:

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

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

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

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

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

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

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

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

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

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

<u>Instructions affecting Table 9E</u>

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

Table 9F
Reinsurance Disclosures

Reinsurance or Retro information:

	US specific contracts		**Worldwide contracts**		**All other contracts**	
	Premium	Occurrence Limit provided	Premium	Occurrence Limit provided	Premium	Occurrence Limit provided
	($M)	($M)	($M)	($M)	($M)	($M)
Insurance Linked Securities protection						
Industry Loss Warranties contracts						
Other contracts and non-traditional methods of risk mitigation/assumption						
Property catastrophe contracts						
Catastrophe swaps						
Property per risk contracts						
Property retro contracts						
Quota share contracts						
Surplus share contracts						
Total						

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

Instructions affecting Table 9F

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

Table 9G
Conventional Insurance Terrorism Exposure – 150m Defined Geographical Radius

		U.S. State/ 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 9G cont'd
NBCR Insurance Terrorism Exposure – State/Country

		U.S. 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 net exposure ($M)
NBCR terrorism exposure	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

Instructions affecting Table 9G

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

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

Table 9H
Reinsurance Terrorism Limits

		U.S. State/Province	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)
Conventional terrorism exposure	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

Table 9H, Cont'd

		U.S. State/ Province	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 9H

- The total gross exposure is derived by the sum of all reinsurance limits exposed to terrorism.
- 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.
- Amounts shall be in USD $millions.

Table 9I
Assumed Exchange Rates

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

Instructions affecting Table 9I

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

Revokes Schedule IX and replaces with Schedule XI

7 The principal Rules are amended by revoking Schedule IX and replacing with the following Schedule XI —

"Schedule XI (paragraph 6)

Schedule of Loss Triangles or Reconciliation of Net Loss Reserves

a) The insurer shall provide either loss triangles (Table 10) or a reconciliation of its beginning and ending net loss reserve balances (Table 11) for the following 8 statutory lines of business:

Number	Loss triangle lines of business	Number	Statutory line of business (Schedule III)
1	Property Catastrophe	1	Property Catastrophe
2	Property	2	Property
		6	Aviation
		10	Energy Offshore / Marine
		18	International Motor
		22	Retro Property
3	Property Non-Proportional	3	Property Non-Proportional
		7	Aviation Non-Proportional
		11	Energy Offshore / Marine Non-Proportional
		19	International Motor Non-Proportional
4	Casualty	4	Personal Accident
		12	US Casualty
		14	US Professional
		20 24	International Casualty Non-Motor Health
5	Casualty Non-Proportional	5	Personal Accident Non-Proportional
		13	US Casualty Non-Proportional
		15	US Professional Non-Proportional
		21	International Casualty Non-Motor Non-Proportional
6	Financial lines	8	Credit / Surety
		9	Credit / Surety Non-Proportional
7	Other specialty lines	16	US Specialty
		17	US Specialty Non-Proportional
8	Structured/Finite lines	23	Structured / Finite Reinsurance

Table 10: Loss Triangles

Insurers shall complete the Table below for the 8 statutory lines of business.

Insurers may use either "Accident Year or Underwriting Year" and shall notify the Authority which has been used.

	Accounting Basis:	INCURRED (ESTIMATED ULTIMATE) NET LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES REPORTED AT YEAR END ($000)										11	12	13
	Years in Which Losses Were Incurred	1	2	3	4	5	6	7	8	9	10	Ultimate Catastrophe		
												Losses	Development One Year	Development Two Year
		20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	Development	Development
L1	Prior													
L2	20xx													
L3	20xx	XX												
L4	20xx	XX	XXX											
L5	20xx	XX	XXX	XXX										
L6	20xx	XX	XXX	XXX	XXX									
L7	20xx	XX	XXX	XXX	XXX	XXX								
L8	20xx	XX	XXX	XXX	XXX	XXX	XXX							
L9	20xx	XX	XXX	XXX	XXX	XXX	XXX	XXX						
L10	20xx	XX	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX
L11	20xx	XX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
L12	Totals													

Table 10: Loss Triangles, cont'd

	Years in Which Policies Were Written	CUMULATIVE PAID NET LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES REPORTED AT YEAR END ($000)										24
		14	15	16	17	18	19	20	21	22	23	Paid Catastrophe Losses
		20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx
L13	Prior											
L14	20xx											
L15	20xx	XXX										
L16	20xx	XXX	XXX									
L17	20xx	XXX	XXX	XXX								
L18	20xx	XXX	XXX	XXX	XXX							
L19	20xx	XXX	XXX	XXX	XXX	XXX						
L20	20xx	XXX	XXX	XXX	XXX	XXX	XXX					
L21	20xx	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
L22	20xx	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
L23	20xx	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
L24	Totals											

Table 10: Loss Triangles, cont'd

	Years in Which Policies Were Written	BULK & IBNR RESERVES ON NET LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES REPORTED AT YEAR END ($000)										35
		25	26	27	28	29	30	31	32	33	34	Losses Bulk & IBNR Reserves
		20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx	20xx
L25	Prior											
L26	20xx											
L27	20xx	XXX										
L28	20xx	XXX	XXX									
L29	20xx	XXX	XXX	XXX								
L30	20xx	XXX	XXX	XXX	XXX							
L31	20xx	XXX	XXX	XXX	XXX	XXX						
L32	20xx	XXX	XXX	XXX	XXX	XXX	XXX					
L33	20xx	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
L34	20xx	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

L35	20xx	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
L36	Totals											

Table 10: Loss Triangles, cont'd

		36	37	38	39				42	43	44	45
	Years in which Premiums Were Earned and Losses Were Incurred					Unallocated Loss Adjustment Expenses						
						40	41					
		Gross Premiums Written	Gross Premiums Earned	Net Premiums Written	Net Premiums Earned	Paid	Incurred	Calendar Year	Commission and Brokerage Expense (Form 2A, Line 9)	General and Administrative Expense (Form 2A, Line 10)	Personnel Costs (Form 2A, Line 11)	Other Expense (Form 2A, Line 12)
L37	Prior	XXX	XXX	XXX	XXX			Prior				
L38	20xx							20xx				
L39	20xx							20xx				
L40	20xx							20xx				
L41	20xx							20xx				
L42	20xx							20xx				
L43	20xx							20xx				
L44	20xx							20xx				
L45	20xx							20xx				
L46	20xx							20xx				
L47	20xx							20xx				
L48	20xx	XXX	XXX	XXX	XXX			Totals				

COMMENTS

Instructions affecting Table 10

- Insurers shall disclose the accounting basis (accident year or underwriting year).
- Insurers only have to complete Table 10 or Table 11, not both. For Table 10, insurers must complete loss triangles by broad line of business groupings: 'Property catastrophe', 'Property', 'Property Non-proportional', 'Casualty', 'Casualty Non-proportional', 'Financial Lines', 'Other Specialty' and 'Structured/finite Reinsurance' as defined in the Schedule of Loss Triangles or Reconciliation of Net Loss Reserves."

Table 11: Net Loss Reserve Reconciliation by Lines of Business

The insurer shall provide a reconciliation of its beginning and ending net loss reserve balances for the 8 statutory lines of business, as an alternative to the loss triangles (Table 10).

	20XX	**20XX**

Gross loss and loss expense provisions at beginning of year	XXX	XXX
Less: Reinsurance recoverable at beginning of year	XXX	XXX
Net loss and loss expense provisions at beginning of year	XXX	XXX
Net losses incurred and net loss expenses incurred related to:		
Current year	XXX	XXX
Prior years	XXX	XXX
Total net incurred losses and loss expenses	XXX	XXX
Net losses and loss expenses paid or payable related to:		
Current year	XXX	XXX
Prior years	XXX	XXX
Total losses and loss expenses paid or payable	XXX	XXX
Foreign exchange and other	XXX	XXX
Net loss and loss expense provisions at end of year	XXX	XXX
Add: Reinsurance recoverable at end of year	XXX	XXX
Gross loss and loss expense provisions at end of year	XXX	XXX

Schedule X revoked and replaced with Schedule XII

7 The principal Rules are amended by revoking Schedule X and replacing with the following Schedule XII—

"Schedule XII (paragraph 6)

Schedule of Eligible Capital

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

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

Table 1

Total statutory capital and surplus (Form 8, STMT LINE 3) XXX

Less: Encumbered assets not securing policyholder obligations

(Form 1A, STMT LINE 15) XXX

Less: relative liability or contingent liability (Form 1A) for

which the encumbered assets are held XXX

Subtotal: XXX

Tier 1 – basic capital

(a) Fully paid common shares (Form 8, STMT LINE 1a(i)) XXX

(b) Contributed surplus or share premium (Form 8, STMT LINE 1b) XXX

(c) Statutory surplus- End of Year (Form 8, STMT LINE 2 (h) (deficit) or retained earnings] XXX

(d) Capital adjustments XXX

(e) Hybrid capital instruments: Perpetual or fixed term preference shares (Form 8, STMT LINE 1a(ii)) XXX

(f) Other: XXX

(g) Less: Treasury shares (Form 8, STMT LINE 1a(iii)) XXX

(h) Less: Difference between encumbered assets for policyholder obligations and policyholder 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 higher 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 (iv) and (v) above) XXX

(viii) Total policyholder obligations (Form 1A,

STMT LINES 16, 17(a), and 18) XXX

(ix) Proportion of non-collateralized policyholder obligations XXX

(x) **Subtotal** (equal to the product of (iv) and (ix) above) XXX

(i) Less: Encumbered assets not securing policyholder obligations (Form 1A, STMT LINE 15)

Less: relative liability or contingent liability (Form 1A) for

which the encumbered assets are held XXX(j) Less: Restricted assets in excess of capital requirements, reported in

CISSA, to the extent that these amounts are not included in the

encumbered assets both for policyholder obligations and not for securing

policyholder obligations XXX

Tier 1 – anciliary capital

(a) Perpetual or fixed term subordinated debt (Form 8, STMT LINE 1c(i)) XXX

Total Tier 1 available capital **XXX**

Tier 2 -basic capital

(a)	Hybrid capital instruments: Perpetual or fixed term preference shares		
	(Form 8, STMT LINE 1a(ii))		XXX
(b)	Other: Briefly describe		XXX
(c)	Add: Difference between encumbered assets for policyholder		
	obligations and policyholder obligations		
	deducted from Tier 1	XXX	

Tier 2 -ancilliary capital

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

Tier 3 -basic capital

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

Tier 3- ancillary capital

(a)	Short-term subordinated debt (Form 8, STMT LINE 1c(i))	XXX
(b)	Approved letters of credit (Form 8, STMT LINE 1c(ii))	XXX
(c)	Approved guarantees (Form 8, STMT LINE 1c(ii))	XXX
Total Tier 3 available capital		**XXX**

Instructions affecting Table 1

Table 1 inputs are subject to Insurance (Eligible Capital) Rules 2012 made under Section 6A of the Act.

The insurer shall include all components of total statutory capital and surplus (Form 8, Line 3 of the Insurance Accounts Regulations 1980) subject to adjustments made under Section 6D of the Act in Table 1 in accordance with the provisions of Eligible Capital Rules.

Table 2

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

XXX

Instructions affecting Table 2

The insurer to include every capital instrument contributing to the amount reported in Form 8, STMT LINE 1c of the Insurance Accounts Regulations 1980 in Table 2 in accordance with the provisions of Eligible Capital Rules."