

SCHEDULE I (Paragraph 4)

BERMUDA SOLVENCY CAPITAL REQUIREMENT - CLASS 3A

1. The Class 3A BSCR shall be established, on an EBS Valuation basis in accordance with the following formula-

$$BSCR.SME = \sqrt{C_{fi}^2 + C_{eq}^2 + C_{int}^2 + C_{Curr}^2 + C_{Conc}^2 + C_{prem}^2 + \left[\frac{1}{2} C_{cred} + C_{rsvs} \right]^2 + \left[\frac{1}{2} C_{cred} \right]^2 + C_{cat}^2 + C_{op} + C_{adj}}$$

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_{Curr} = currency risk charge as calculated in accordance with paragraph 5;
 C_{Conc} = concentration risk charge as calculated in accordance with paragraph 6;
 C_{prem} = premium risk charge as calculated in accordance with paragraph 7;
 C_{rsvs} = reserve risk charge as calculated in accordance with paragraph 8;
 C_{cred} = credit risk charge as calculated in accordance with paragraph 9;
 C_{cat} = catastrophe risk charge as calculated in accordance with paragraph 10;
 C_{op} = operational risk charge as calculated in accordance with paragraph 11; and
 C_{adj} =Regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraph 12.

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

$$C_{fi} = \sum_i \chi_i \times Flastclass_i \times \mu_r \text{ where}$$

- χ_i = the capital charge factors prescribed in Table 1 for each type of $Flastclass_i$; and
 $Flastclass_i$ = value of investment in corresponding asset Class i
 μ_r = additional diversification adjustment factor applied to cash and cash equivalent balances, or 1 for other asset classes.

Table 1 – Capital charge factors for $Flastclass_i$

Type of fixed income investments $Flastclass_i$	Statement Source These Rules	Capital Factor χ_i
<i>Corporate and Sovereign Bonds</i>		
BSCR rating 0	Schedule II & IIA, Line 1, Column (1)	0.0%
BSCR rating 1	Schedule II & IIA, Line 2, Column (1)	0.4%
BSCR rating 2	Schedule II & IIA, Line 3, Column (1)	0.8%
BSCR rating 3	Schedule II & IIA, Line 4, Column (1)	1.5%
BSCR rating 4	Schedule II & IIA, Line 5, Column (1)	3.0%
BSCR rating 5	Schedule II & IIA, Line 6, Column (1)	8.0%
BSCR rating 6	Schedule II & IIA, Line 7, Column (1)	15.0%
BSCR rating 7	Schedule II & IIA, Line 8, Column (1)	26.3%
BSCR rating 8	Schedule II & IIA, Line 9, Column (1)	35.0%
<i>Residential Mortgage-Backed Securities</i>		
BSCR rating 1	Schedule II & IIA, Line 2, Column (3)	0.6%
BSCR rating 2	Schedule II & IIA, Line 3, 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%
<i>Commercial Mortgage-Backed Securities/ Asset-Backed Securities</i>		
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%
<i>Bond Mutual Funds</i>		
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%
<i>Mortgage Loans</i>		
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	Schedule II & IIA, Line 24, Column (1)	1.5%

mortgages		
Mortgages not in good standing	Schedule II & IIA, Line 25, Column (1)	25.0%
<i>Other Fixed Income Investments</i>		
Other loans	Form 1EBS, Line 8	5.0%
<i>Cash and cash equivalents</i>		
BSCR rating 0	Schedule XIX, Column A	0.0%
BSCR rating 1	Schedule XIX, Column A	0.1%
BSCR rating 2	Schedule XIX, Column A	0.2%
BSCR rating 3	Schedule XIX, Column A	0.3%
BSCR rating 4	Schedule XIX, Column A	0.5%
BSCR rating 5	Schedule XIX, Column A	1.5%
BSCR rating 6	Schedule XIX, Column A	4.0%
BSCR rating 7	Schedule XIX, Column A	6.0%
BSCR rating 8	Schedule XIX, Column A	9.0%
Less: Diversification adjustment	Schedule XIX, Column A	to a maximum of 40.0%

INSTRUCTIONS AFFECTING TABLE 1: Capital charge factors for *Flastclass_i*

- (a) all assets comprising of bonds and debentures, loans, and other miscellaneous investments that are subject to capital charges within the fixed income investment risk charge shall be included;
- (b) all non-affiliated quoted and unquoted bonds and debentures shall be included in the fixed income investment charge;
- (c) all bonds and debentures, loans, and other miscellaneous investments shall be reported on a basis consistent with that used for purposes of statutory financial reporting.
- (d) The capital requirements relating to cash and cash equivalents shall be reduced by a diversification adjustment of up to a maximum of 40%;
- (e) the diversification adjustment in paragraph (d) is determined as 40% multiplied by 1 minus the ratio of the largest cash and cash equivalent balance held with a single counterparty to the total of all cash and cash equivalent balance; and
- (f) amounts are to be reported on an EBS Valuation basis.

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 *Eqastclass_i* of
and

Eqastclass_i = value of investment in corresponding asset Class i.

Table 2 – Capital charge factors for *Eqastclass_i*

Type of equity investments	Statement Source	Capital Factor
<i>Eqastclass_i</i>	These Rules	χ_i

<i>Common stocks</i>		
Non-affiliated (quoted) common stock	Schedule II & IIA, Line 19, Column (1)	14.4%
Non-affiliated (unquoted) common stock	Schedule II & IIA, Line 20, Column (1)	14.4%
Equity mutual funds	Schedule II & IIA, Line 21, Column (5)	14.4%
<i>Preferred stocks</i>		
BSCR rating 1	Schedule II & IIA, Line 11, Column (3)	0.6%
BSCR rating 2	Schedule II & IIA, Line 12, Column (3)	1.2%
BSCR rating 3	Schedule II & IIA, Line 13, Column (3)	2.0%
BSCR rating 4	Schedule II & IIA, Line 14, Column (3)	4.0%
BSCR rating 5	Schedule II & IIA, Line 15, Column (3)	11.0%
BSCR rating 6	Schedule II & IIA, Line 16, Column (3)	25.0%
BSCR rating 7	Schedule II & IIA, Line 17, Column (3)	35.0%
BSCR rating 8	Schedule II & IIA, Line 18, Column (3)	35.0%
<i>Other equity investments</i>		
Company-occupied real estate less: encumbrances	Form 1EBS, Line 7(a)	10.0%
Real estate investments less: encumbrances	Form 1EBS, Line 7(b)	20.0%
Other equity investments	Form 1EBS, Lines 2(e), 3(e), and Schedule IIA, Line 21, Column (7)	20.0%
Other tangible assets – net of segregated accounts companies	Form 1EBS, Lines 13(k), 14(d) and 36(f) Less Line 13(d)	20.0%
<i>Investments in affiliates</i>		
Unregulated entities that conduct ancillary services	Form 1EBS, Line 4(a)	5.0%
Unregulated non- financial operating entities	Form 1EBS, Line 4(b)	20.0%
Unregulated financial operating entities	Form 1EBS, Line 4(c)	55.0%
Regulated insurance financial operating entities	Form 1EBS, 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 non-affiliated 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) amounts are to be reported on an EBS Valuation basis.

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

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

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

duration = the higher of

(a) 1; or

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

(c) the insurer's effective liability duration less the insurer's effective asset duration; and not to exceed 3.5

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

marketdecline = assumed interest rate adjustment prescribed in Table 3.

Table 3 – Interest rate adjustment for *bond*

Type of investments <i>bonds</i>	Statement Source These Rules	Estimated duration	200 basis point interest rate increase <i>marketdecline</i>
Total bonds and debentures	Schedule II and Schedule IIA, Column 9, Line 10	<i>duration</i>	2.0%
Preferred stock	Schedule II and Schedule IIA, Column 3, Line 21	<i>duration</i>	2.0%
Mortgage loans	Schedule II and Schedule IIA, Column 1, Line 26	<i>duration</i>	2.0%

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

- (a) all assets comprising of total bonds and debentures, preferred stock, and mortgage loans investments that are subject to capital charges within the interest rate / liquidity risk charge shall be included;
- (b) all quoted and unquoted non-affiliated total bonds and debentures and preferred stock shall be included in the interest rate/liquidity risk charge;
- (c) all total bonds and debentures, preferred stock, and mortgage loans investments shall be reported on a basis consistent with that used for purposes of statutory financial reporting; and
- (d) amounts are to be reported on an EBS Valuation basis.

5. The currency risk charge calculation shall be established in accordance with the following formula-

$$C_{\text{Curr}} = \sum_i \chi_i \times (\text{Currproxybscr}_i + \text{Curliab}_i - \text{Currast}_i) \text{ where -}$$

χ_i = 25% where $(\text{Currast}_i - \text{Curliab}_i - \text{Currproxybscr}_i) < 0$
0% otherwise

Currency_i = refers to currency type that has been translated to the functional currency as expressed in Form 1EBS

- $GrossCurrast_i$ = value of assets corresponding to $Currency_i$ as reported on Form 1EBS Line 15
- $Currast_i$ = value of assets corresponding to $Currency_i$ as reported on Form 1EBS Form 1EBS Line 15 adjusted to allow for currency hedging arrangements
- $GrossCurrliab_i$ = value of liabilities corresponding to $Currency_i$ as reported on Form 1EBS Line 39 .
- $Currliab_i$ = value of liabilities corresponding to $Currency_i$ as reported on Form 1EBS Line 39 adjusted to allow for currency hedging arrangements
- $Currproxybscrclass_i$ = refers to the product of $GrossCurrliab_i$ and BSCR Proxy factor
- BSCR Proxy factor = greater of:
- the Enhanced Capital Requirement divided by Form 1EBS Line 39 Total Liabilities for the preceding year;
 - the average of the above ratio for the preceding 3 years.
- where there are no prior submissions available, the BSCR proxy factor is the above ratio that would be obtained from the current submission without taking into account the currency risk charge.

Table 4 – Capital charge factors for Currency Risk

Currency	$GrossCurrast_i$	$Currast_i$	$GrossCurrliab_i$	$Currliab_i$	$Currproxybscr_i$
Currency 1	Schedule XX, Column A, Line 1	Schedule XX, Column B, Line 1	Schedule XX, Column C, Line 1	Schedule XX, Column D, Line 1	$GrossCurrliab_1$ x BSCR Proxy Factor
Currency 2	Schedule XX, Column A, Line 2	Schedule XX, Column B, Line 2	Schedule XX, Column C, Line 2	Schedule XX, Column D, Line 2	$GrossCurrliab_2$ x BSCR Proxy Factor
Currency 3	Schedule XX, Column A, Line 3	Schedule XX, Column B, Line 3	Schedule XX, Column C, Line 3	Schedule XX, Column D, Line 3	$GrossCurrliab_3$ x BSCR Proxy Factor
Currency n	Schedule XX, Column A, Line n	Schedule XX, Column B, Line n	Schedule XX, Column C, Line n	Schedule XX, Column D, Line n	$GrossCurrliab_n$ x BSCR Proxy Factor

INSTRUCTIONS AFFECTING TABLE 4: Capital charge factors for Currency Risk

- where the insurer uses currency hedging arrangements to manage its currency risk, then $Currast_i$ and $Currliab_i$ may reflect the impact of those arrangements on $GrossCurrast_i$ and $GrossCurrliab_i$ of a 25% adverse movement in foreign exchange currency rates, otherwise the amounts $GrossCurrast_i$ and $GrossCurrliab_i$ shall apply;
- any adjustment to reflect currency hedging arrangements shall not apply to the calculation of $Currproxybscr_i$;

- (c) “currency hedging arrangements” means derivative or other risk mitigation arrangements designed to reduce losses due to foreign currency exchange movements, and which meet the Authority’s requirements to be classed as such;
- (d) insurers are to report currencies representing at least 95% of their economic balance sheet liabilities; and
- (e) amounts are to be reported on an EBS Valuation basis.

6. The concentration risk charge calculation shall be established in accordance with the following formula-

$$C_{Conc} = \sum_i \chi_i \times Concastclass_i \text{ where}$$

χ_i = the capital charge factors prescribed in Table 5 for each type of $Concastclass_i$ and

$Concastclass_i$ = value of corresponding asset in Asset Class

Table 5 – Capital charge factors for $Concastclass_i$

Asset Class	Statement Source	Capital Factor
	These Rules	χ_i
<i>Cash and Cash Equivalents</i>		
BSCR rating 0	Schedule XXI, Column D	0.0%
BSCR rating 1	Schedule XXI, Column D	0.1%
BSCR rating 2	Schedule XXI, Column D	0.2%
BSCR rating 3	Schedule XXI, Column D	0.3%
BSCR rating 4	Schedule XXI, Column D	0.5%
BSCR rating 5	Schedule XXI, Column D	1.5%
BSCR rating 6	Schedule XXI, Column D	4.0%
BSCR rating 7	Schedule XXI, Column D	6.0%
BSCR rating 8	Schedule XXI, Column D	9.0%
<i>Corporate & Sovereign Bonds</i>		
BSCR rating 0	Schedule XXI, Column D	0.0%
BSCR rating 1	Schedule XXI, Column D	0.4%
BSCR rating 2	Schedule XXI, Column D	0.8%
BSCR rating 3	Schedule XXI, Column D	1.5%
BSCR rating 4	Schedule XXI, Column D	3.0%
BSCR rating 5	Schedule XXI, Column D	8.0%
BSCR rating 6	Schedule XXI, Column D	15.0%
BSCR rating 7	Schedule XXI, Column D	26.3%
BSCR rating 8	Schedule XXI, Column D	35.0%
<i>Residential Mortgage-Backed Securities</i>		
BSCR rating 0	Schedule XXI, Column D	0.0%
BSCR rating 1	Schedule XXI, Column D	0.6%
BSCR rating 2	Schedule XXI, Column D	1.2%
BSCR rating 3	Schedule XXI, Column D	2.0%
BSCR rating 4	Schedule XXI, Column D	4.0%
BSCR rating 5	Schedule XXI, Column D	11.0%
BSCR rating 6	Schedule XXI, Column D	25.0%
BSCR rating 7	Schedule XXI, Column D	35.0%
BSCR rating 8	Schedule XXI, Column D	35.0%
<i>Commercial Mortgage-Backed Securities/Asset Backed Securities</i>		

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BSCR rating 0	Schedule XXI, Column D	0.0%
BSCR rating 1	Schedule XXI, Column D	0.5%
BSCR rating 2	Schedule XXI, Column D	1.0%
BSCR rating 3	Schedule XXI, Column D	1.8%
BSCR rating 4	Schedule XXI, Column D	3.5%
BSCR rating 5	Schedule XXI, Column D	10.0%
BSCR rating 6	Schedule XXI, Column D	20.0%
BSCR rating 7	Schedule XXI, Column D	30.0%
BSCR rating 8	Schedule XXI, Column D	35.0%
<i>Bond Mutual Funds</i>		
BSCR rating 0	Schedule XXI, Column D	0.0%
BSCR rating 1	Schedule XXI, Column D	0.4%
BSCR rating 2	Schedule XXI, Column D	0.8%
BSCR rating 3	Schedule XXI, Column D	1.5%
BSCR rating 4	Schedule XXI, Column D	3.0%
BSCR rating 5	Schedule XXI, Column D	8.0%
BSCR rating 6	Schedule XXI, Column D	15.0%
BSCR rating 7	Schedule XXI, Column D	26.3%
BSCR rating 8	Schedule XXI, Column D	35.0%
<i>Preferred Shares</i>		
BSCR rating 1	Schedule XXI, Column D	0.6%
BSCR rating 2	Schedule XXI, Column D	1.2%
BSCR rating 3	Schedule XXI, Column D	2.0%
BSCR rating 4	Schedule XXI, Column D	4.0%
BSCR rating 5	Schedule XXI, Column D	11.0%
BSCR rating 6	Schedule XXI, Column D	25.0%
BSCR rating 7	Schedule XXI, Column D	35.0%
BSCR rating 8	Schedule XXI, Column D	35.0%
<i>Mortgage Loans</i>		
Insured/Guaranteed Mortgages	Schedule XXI, Column D	0.3%
Other Commercial and Farm Mortgages	Schedule XXI, Column D	5.0%
Other Residential Mortgages	Schedule XXI, Column D	1.5%
Mortgages Not In Good Standing	Schedule XXI, Column D	25.0%
<i>Other Asset Classes</i>		
Quoted and Unquoted Common Stock and Mutual Funds	Schedule XXI, Column D	14.4%
Other Quoted and Unquoted Investments	Schedule XXI, Column D	20.0%
Investment in Affiliates – Unregulated entities that conduct ancillary services	Schedule XXI, Column D	5.0%
Investment in Affiliates – Unregulated non-financial operating entities	Schedule XXI, Column D	20.0%
Investment in Affiliates – Unregulated financial	Schedule XXI, Column D	55.0%

operating entities		
Investment in Affiliates – Regulated non-insurance financial operating entities	Schedule XXI, Column D	55.0%
Investment in Affiliates – Regulated insurance financial operating entities	Schedule XXI, Column D	20.0%
Advances to Affiliates –	Schedule XXI, Column D	5.0%
Policy Loans	Schedule XXI, Column D	0.0%
Real Estate: Occupied by company	Schedule XXI, Column D	10.0%
Real Estate: Other properties	Schedule XXI, Column D	20.0%
Collateral Loans	Schedule XXI, Column D	5.0%

INSTRUCTIONS AFFECTING TABLE 5: Capital charge factors for $Concastclass_i$

- (a) $Concastclass_i$ shall only apply to the insurers 10 largest counterparty exposures based on the aggregate of all instruments included in Table 5 related to that counterparty
- (b) a counterparty shall include all related/connected counterparties defined as:
- (i) control relationship: if the counterparty, directly or indirectly, has control over the other(s); or
 - (ii) economic interdependence: if one of the counterparties were to experience financial problems, in particular funding or repayment difficulties, the other(s) as a result, would also be likely to encounter funding or repayment difficulties; and
- (c) amounts are to be reported on an EBS Valuation basis.

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

$$C_{prem} = \sum [\alpha_i \times geolineprem_i] \times \left[\sum \left\{ \frac{geolineprem_i}{totalprem} \right\}^2 \times \mu + \mathcal{G} \right] - [\varepsilon \times \mu]$$

where –

- α_i = individual $geolineprem_i$ risk capital charge factor as prescribed in Table 6
- $geolineprem_i$ = geographic diversification of premium measure for line of business i as prescribed in Table 6;
- $totalprem$ = total geographic diversification of premium measure over all lines of business (except Property Catastrophe) i.e. $\sum_{i>1} geolineprem_i$;
- μ = additional concentration adjustment factor taking into consideration an insurer's diversified lines of business equal to 40% and allowing for geographic diversification;

- ρ = minimum concentration adjustment factor is equal to 60%; and
 ε = CISSA risk mitigation factor.

Table 6 – Capital charge factors for $geolineprem_i$

Line of business $geolineprem_i$	Statement Source	Capital Factor
	These Rules	χ_i
Property catastrophe	Schedule IV, Line 1	0.0%
Property	Schedule IV, Line 2	49.7%
Property non- proportional	Schedule IV, Line 3	51.6%
Personal accident	Schedule IV, Line 4	34.1%
Personal accident non-proportional	Schedule IV, Line 5	41.2%
Aviation	Schedule IV, Line 6	48.2%
Aviation non- proportional	Schedule IV, Line 7	48.2%
Credit / surety	Schedule IV, Line 8	39.8%
Credit / surety non- proportional	Schedule IV, Line 9	54.4%
Energy offshore /marine	Schedule IV, Line 10	42.1%
Energy offshore / marine non- proportional	Schedule IV, Line 11	47.0%
US casualty	Schedule IV, Line 12	50.3%
US casualty non- proportional	Schedule IV, Line 13	55.6%
US professional	Schedule IV, Line 14	51.2%
US professional non- proportional	Schedule IV, Line 15	53.8%
US specialty	Schedule IV, Line 16	51.4%
US specialty non- proportional	Schedule IV, Line 17	52.7%
International motor	Schedule IV, Line 18	42.2%
International motor non-proportional	Schedule IV, Line 19	48.2%
International casualty non-motor	Schedule IV, Line 20	50.0%
International casualty non-motor non-proportional	Schedule IV, Line 21	53.6%
Retro property	Schedule IV, Line 22	50.8%
Structured / finite reinsurance	Schedule IV, Line 23	27.2%
Health	Schedule IV, Line 24	15.0%

INSTRUCTIONS AFFECTING TABLE 6: Capital charge factors for $geolineprem_i$

- (a) all reported net premiums written for the relevant year by statutory line of business as prescribed in this Schedule that are subject to capital charges within the premium risk charge shall be included;
- (b) all net premiums written by statutory line of business shall be reported on a basis consistent with that used for purposes of statutory financial reporting;
- (c) an insurer may provide premium exposure for all statutory lines of general business, or for particular statutory lines of general business, split by geographic zone as set out in Table 6A. $geolineprem_i$ is then derived from the total premium for that line of business by reducing the total by 25% times

$$\frac{\sum x_i^2}{(\sum x_i)^2} \text{ where } x_i = \text{net premiums written in that line of business for } Zone_i;$$

and where summation covers all zones and

- (d) amounts are to be reported on a consolidated basis.

Table 6A – Underwriting Geographical Zones

Underwriting Zone	Location
Zone 1 - Central & Western Asia	Armenia, Azerbaijan, Bahrain, Georgia, Iraq, Israel, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Oman, Palestinian, Qatar, Saudi Arabia, Saudi Arab Republic, Tajikistan, Turkey, Turkmenistan, United Arab Emirates and Uzbekistan
Zone 2 - Eastern Asia	China, Hong Kong, Japan, Macao, Mongolia, North Korea, South Korea, and Taiwan
Zone 3 - South and South-Eastern Asia	Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, India, Indonesia, Iran, Lao PDR, Malaysia, Maldives, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste, and Vietnam
Zone 4 - Oceania	American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, Niue, Norfolk Island, N. Mariana Islands, Palau, Papua New Guinea, Pitcairn, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis & Futuna Island
Zone 5 - Northern Africa	Algeria, Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Cote d' Ivoire, Egypt, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Saint Helena, Senegal, Sierra Leone, Sudan, Togo, Tunisia, and Western Sahara
Zone 6 - Southern Africa	Angola, Botswana, Burundi, Democratic Republic of Congo, Comoros, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mayotte, Mozambique, Namibia, Republic of Congo, Reunion, Rwanda, Sao Tome & Principe, Seychelles, Somalia, South Africa, Swaziland, Uganda, United Republic of Tanzania, Zambia, and Zimbabwe
Zone 7 - Eastern Europe	Belarus, Bulgaria, Czech Republic, Hungary, Moldova, Poland, Romania, Russian Federation, Slovakia, and Ukraine
Zone 8 - Northern Europe	Aland Islands, Channel Islands, Denmark, Estonia, Faeroe Islands, Finland, Guernsey, Iceland, Republic of Ireland, Isle of Man, Jersey, Latvia, Lithuania, Norway, Svalbard, Jan Mayen, Sweden, United Kingdom
Zone 9 - Southern Europe	Albania, Andorra, Bosnia, Croatia, Cyprus, Gibraltar, Greece, Italy, FYR of Macedonia, Malta, Montenegro, Portugal, San Marino, Serbia, Slovenia, Spain, and Vatican City
Zone 10 - Western Europe	Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands, and Switzerland
Zone 11 - Northern America (Excluding USA)	Bermuda, Canada, Greenland, and St Pierre & Miquelon
Zone 12 - Caribbean & Central America	Anguilla, Antigua & Barbuda, Aruba, Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Costa Rica, Cuba, Dominica, Dominican, El Salvador, Grenada, Guadeloupe, Guatemala, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Puerto Rico, St-Barthelemy, St Kitts & Nevis, St Lucia, St Martin, St Vincent, Trinidad & Tobago, Turks & Caicos Islands, and US Virgin Islands
Zone 13 - Eastern South America	Brazil, Falkland Islands, French Guiana, Guyana, Paraguay, Suriname, and Uruguay
Zone 14 - Northern, Southern and Western South America	Argentina, Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela
Zone 15 - North-	Connecticut, Delaware, District of Columbia, Maine, Maryland,

East United States	Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont
Zone 16 - South-East United States	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virginia, and West Virginia
Zone 17 - Mid-West United States	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin
Zone 18 - Western United States	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming

8. The reserve risk charge calculation shall be established in accordance with the following formula-

$$C_{rsvs} = \sum [\beta_i \times geolinersvs_i] \times \left[\sum \left\{ \frac{geolinersvs_i}{totalrsvs} \right\}^2 \times \mu + \vartheta \right] - [\varepsilon \times \mu] \text{ where -}$$

β_i individual $geolinersvs_i$ risk capital charge factor as prescribed in Table 7;
 $totalrsvs$ = total geographic diversification of reserves over all lines of business, i.e.
 $\sum_{i>1} geolinersvs_i$;
 $geolinersvs_i$ = geographic diversification of reserves for individual line of business i as prescribed in table 7;
 μ = additional concentration adjustment factor taking into consideration an insurer's diversified lines of business equal to 40%;
 ϑ = minimum concentration adjustment factor is equal to 60%; and
 ε = CISSA risk mitigation factor.

Table 7 – Capital charge factors for $geolinersvs_i$

Line of business $geolinersvs_i$	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%
US casualty	Schedule III, Line 12	43.0%
US casualty non- proportional	Schedule III, Line 13	48.8%
US professional	Schedule III, Line 14	46.3%
US professional non- proportional	Schedule III, Line 15	51.5%
US specialty	Schedule III, Line 16	46.5%
US specialty non- proportional	Schedule III, Line 17	48.3%
International motor	Schedule III, Line 18	37.1%

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 7: Capital charge factors for $geoliner_{svs_i}$

- all reported net loss and loss expense provisions for the relevant year by statutory line of business as prescribed in this Schedule are subject to capital charges within the reserve risk charge shall be included;
- all reported net loss and loss expense provisions by statutory line of business shall be reported on a basis consistent with that used for purposes of statutory financial reporting;
- an insurer may provide loss and loss expense provisions exposure for all statutory lines of general business, or for particular statutory lines of general business, split by geographic zone as set out in Table 6A. $geoliner_{svs_i}$ is then derived from the total loss and loss expense provisions for that line of business by reducing the total by 25% times $\frac{\sum x_i^2}{(\sum x_i)^2}$ where x_i = best estimate net loss and loss expense provisions in that line of business for $Zone_i$; and where the summation covers all zones; and
- amounts are to be reported on an EBS Valuation basis.

9. 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 as prescribed in Table 8; and

$debtor_i$ = receivable amount from debtor i as prescribed in Table 8; and

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

Table 8 – Capital charge factors for $debtor_i$

Type of debtor $debtor_i$	Statement Source These Rules	Capital Factor δ_i
<i>Accounts and Premiums Receivable</i>		
In course of collection	Form 1EBS, Line 10(a)	5.0%
Receivables from retrocessional contracts less: collateralized balances	Form 1EBS, Line 10(c) and instruction (c) below	10.0%
<i>Particulars of reinsurance balances</i>		
BSCR rating 0	Schedule XVIII paragraph (d)	0.0%
BSCR rating 1	Schedule XVIII paragraph (d)	0.7%
BSCR rating 2	Schedule XVIII paragraph (d)	1.5%
BSCR rating 3	Schedule XVIII paragraph (d)	3.5%
BSCR rating 4	Schedule XVIII paragraph (d)	7.0%

BSCR rating 5	Schedule XVIII paragraph (d)	12.0%
BSCR rating 6	Schedule XVIII paragraph (d)	20.0%
BSCR rating 7	Schedule XVIII paragraph (d)	17.0%
BSCR rating 8	Schedule XVIII paragraph (d)	35.0%
Less: Diversification adjustment	Schedule XVIII paragraph (d)	40.0%
<i>All Other Receivables</i>		
Accrued investment income	Form 1EBS, Line 9	2.5%
Advances to affiliates	Form 1EBS, Line 4(g)	5.0%

INSTRUCTIONS AFFECTING TABLE 8: Capital charge factors for *debtor_i*

- (a) all accounts and premiums receivable and all other receivables that are subject to capital charges within the credit risk charge shall be included;
- (b) all accounts and premiums receivable, reinsurance balances receivables, all other receivables, and reinsurance recoverable balances shall be reported on a basis consistent with that used for purposes of statutory financial reporting;
- (c) collateralized balances are assets pledged in favour of the insurer relating to accounts and premiums receivable;
- (d) the net qualifying exposure comprises of reinsurance balances receivable and reinsurance recoverable balances less the corresponding reinsurance balances payable and other payables less the qualifying collateral issued in favour of the insurer in relation to the reinsurance balances;
- (e) the net qualifying exposure in instruction (d) shall be subject to the prescribed credit risk capital factor;
- (f) the total capital requirement relating to the reinsurance balances shall be reduced by a diversification adjustment of up to a maximum of 40%;
- (g) the diversification adjustment in instruction (f) is determined as 40% multiplied by 1 minus the ratio of the largest net reinsurance exposure, on an individual reinsurer basis, to total net reinsurance exposure; and
- (h) amounts are to be reported on an EBS Valuation basis.

10. The catastrophe risk charge calculation shall be established in accordance with the following formula-

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

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

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

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

- (a) all reported net probable maximum loss, gross probable maximum loss, average annual loss excluding property catastrophe, property catastrophe premium and arrangements with respect to property catastrophe recoverables as prescribed in Schedule V that are subject to capital charges within the catastrophe risk charge shall be included; and

- (b) the amount of collateral and other funded arrangements with respect to property catastrophe recoverables shall be reported and reduced by 2% to account for the market risk associated with the underlying collateral assets.

11. The operational risk charge calculation shall be established in accordance with the following formula:

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

ρ = an amount between 1% and 10% as determined by the Authority in accordance with Table 9; and

$ACov$ = Class 3A BSCR After Covariance amount or an amount approved by the Authority.

Table 9 – Operational Risk Charge for ρ

Overall Score	Applicable Operational Risk Charge ρ
≤ 800	10.0%
$> 800 \leq 1,200$	9.0%
$> 1,200 \leq 1,400$	8.0%
$> 1,400 \leq 1,600$	7.0%
$> 1,600 \leq 1,800$	6.0%
$> 1,800 \leq 2,000$	5.0%
$> 2,000 \leq 2,200$	4.0%
$> 2,200 \leq 2,400$	3.0%
$> 2,400 \leq 2,600$	2.0%
$> 2,600$	1.0%

INSTRUCTIONS AFFECTING TABLE 9

In this table, “overall score” means an amount equal to the sum of the aggregate score derived from each of tables 9A, and 9B.

TABLE 9A

Corporate Governance Score Table

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

Comments

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INSTRUCTIONS AFFECTING TABLE 9A

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

TABLE 9B
Risk Management Function ('RMF') Score Table

Criterion	Implemented	Score
RMF is independent of other operational units and has direct access to the Board of Directors		200
RMF is entrenched in strategic planning, decision making and the budgeting process		200
RMF ensures that the risk management procedures and policies are well documented and approved by the Board of Directors		200
RMF ensures that the risk management policies and procedures are communicated throughout the organization		200
RMF ensures that operational risk management processes and procedures are reviewed at least annually		200
RMF ensures that loss events arising from operational risks are documented and loss event data is integrated into the risk management strategy		200
RMF ensures that risk management recommendations are documented for operational units, ensures that deficiencies have remedial plans and that progress on the execution of such plans are reported to the Board of Directors at least annually		200
Total		XX

Comments

INSTRUCTIONS AFFECTING TABLE 9B

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

12. The regulatory capital requirement for regulated non-insurance financial operating entities shall be determined in accordance with Schedule XVI - "Schedule of Regulated Non-Insurance Financial Operating Entities". This amount shall be equal to the sum of the insurer's proportionate share of each entity's regulatory capital requirement in accordance with the applicable solvency laws of the jurisdiction where the entity is licensed or registered.

SCHEDULE II
(Paragraph 6)
Schedule of fixed income and equity investments by BSCR rating
[blank] name of Company
As at [blank] (day/month/year)
All amounts are expressed in (currency used)

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

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18	BSCR rating 8								
19	Quoted equity funds								
20	Unquoted equity funds								
21	Total								
Mortgage loans		Mortgage loans (Form 1EBS, 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 insurer shall classify the security according to the most conservative rating;
- (f) unrated securities shall be assigned a BSCR rating of 8;

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- (g) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds shall be classified in a similar manner as corporate bonds;
- (h) debt issued by government-owned and related entities that were explicitly guaranteed by that government, with the exception of mortgage-backed securities, shall be assigned a BSCR rating of 0;
- (i) bond mutual funds shall be classified based on the underlying bond ratings as advised by the fund managers; equity mutual funds shall be classified in a similar manner as direct equity investments while money market funds shall be treated as cash and cash equivalents; and
- (j) amounts are to be reported on an EBS Valuation and unconsolidated basis.

BSCR Rating	Standard & Poor's	Moody's	AM Best	Fitch
1	AAA	Aaa	A++	AAA
2	AA+ to AA-	Aa1 to Aa3	A+	AA+ to AA-
3	A+ to A-	A1 to A3	A	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	A-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	B++ to B	BB+ to BB-
6	B+ to B-	B1 to B3	B- to C+	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	C, C-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below C-	Below CCC-

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SCHEDULE IIA
(Paragraph 6)
Schedule of funds held by ceding reinsurers in segregated accounts/trusts by BSCR rating
[blank] name of Company
As at [blank] (day/month/year)
All amounts are expressed in (currency used)

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

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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 cash equivalents		Cash and cash equivalents									
		20xx (000)	20xx (000)								
27											
28											

INSTRUCTIONS AFFECTING SCHEDULE IIA:

- (a) All funds held by ceding reinsurers (as reflected in Form 1EBS, Line 12(c)) in segregated accounts/trusts with identifiable assets, such as fixed income investments, equity investments, mortgage loans, and cash equivalents, shall be included here;
- (b) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities/asset-backed securities, and bond mutual funds and classified by BSCR rating;
- (c) equity investments, both quoted and unquoted, shall be categorized into common stock, preferred stock and equity mutual funds;
- (d) preferred stock shall be classified by BSCR rating;
- (e) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;

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- (f) where the ratings of a security by different rating agencies differ, the insurer shall classify the security according to the most conservative rating;
- (g) unrated securities shall be assigned a BSCR rating of 8;
- (h) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds shall be classified in a similar manner as corporate bonds;
- (i) debt issued by government-owned and related entities that were explicitly guaranteed by that government, with the exception of mortgage-backed securities, shall be assigned a BSCR rating of 0;
- (j) bond mutual funds shall be classified based on the underlying bond ratings as advised by the fund managers; equity mutual funds shall be classified in a similar manner as direct equity investments while money market funds shall be treated as cash and cash equivalents;
- (k) other investments shall include investments not reported as bond and debentures, common stock, preferred stock or equity mutual funds; and
- (l) amounts are to be reported both on an EBS Valuation and unconsolidated basis.

BSCR Rating	Standard & Poor's	Moody's	AM Best	Fitch
1	AAA	Aaa	A++	AAA
2	AA+ to AA-	Aa1 to Aa3	A+	AA+ to AA-
3	A+ to A-	A1 to A3	A	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	A-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	B++ to B	BB+ to BB-
6	B+ to B-	B1 to B3	B- to C+	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	C, C-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below C-	Below CCC-

SCHEDULE III Paragraph 6
SCHEDULE OF NET LOSS AND LOSS EXPENSE PROVISIONS BY GENERAL BUSINESS

[blank] name of Company

As at [blank] (day/month/year)

All amounts expressed in (currency used)

Schedule Line no				Supplemental Notes to FORM1EBS		
	<i>geolinersvs_i</i>			Bound But Not Incepted (BBNI) Premium	Best Estimate Premium Provision In Respect of BBNI	Discount included in Best Estimate Loss and Loss Expense Provisions
	Gross Loss Reserves	Net Loss Reserves	Geo Loss Reserves			
	[Form 1 EBS, Line 17(a)]	[Form 1 EBS, Line 17(d)]	[Schedule IIIA GEO LR	[Form 1EBS,note Line 16(d)-(i)]	[Form 1EBS,note Line 16(d)-(ii)]	[Form 1EBS, Note Line 17(d)-(i)]
1.	Property catastrophe	XXX	XXX	XXX	XXX	XXX
2.	Property	XXX	XXX	XXX	XXX	XXX
3.	Property non- proportional	XXX	XXX	XXX	XXX	XXX
4.	Personal accident	XXX	XXX	XXX	XXX	XXX
5.	Personal accident non-	XXX	XXX	XXX	XXX	XXX
6.	Aviation	XXX	XXX	XXX	XXX	XXX
7.	Aviation non- proportional	XXX	XXX	XXX	XXX	XXX
8.	Credit / surety	XXX	XXX	XXX	XXX	XXX
9.	Credit / surety non- proportional	XXX	XXX	XXX	XXX	XXX
10.	Energy offshore /marine	XXX	XXX	XXX	XXX	XXX
11.	Energy offshore / marine non-	XXX	XXX	XXX	XXX	XXX
12.	US casualty	XXX	XXX	XXX	XXX	XXX
13.	US casualty non- proportional	XXX	XXX	XXX	XXX	XXX
14.	US professional	XXX	XXX	XXX	XXX	XXX
15.	US professional non-	XXX	XXX	XXX	XXX	XXX
16.	US specialty	XXX	XXX	XXX	XXX	XXX
17.	US specialty non- proportional	XXX	XXX	XXX	XXX	XXX
18.	International motor	XXX	XXX	XXX	XXX	XXX
19.	International motor non-	XXX	XXX	XXX	XXX	XXX
20.	International casualty non-motor	XXX	XXX	XXX	XXX	XXX
21.	International casualty non-motor	XXX	XXX	XXX	XXX	XXX
22.	Retro property	XXX	XXX	XXX	XXX	XXX
23.	Structured / finite reinsurance	XXX	XXX	XXX	XXX	XXX
24.	Health	XXX	XXX	XXX	XXX	XXX
25.	Total	XXX	XXX	XXX	XXX	XXX

INSTRUCTIONS AFFECTING SCHEDULE III:

- (a) amounts shall be reported on both an EBS Valuation and unconsolidated basis, except for the Supplemental Notes to Form 1EBS which shall be reported on an EBS Valuation basis only

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

- (b) the same definition below shall be applied to both proportional and non-proportional statutory lines of general business below;
- (c) where the Class 3A risk factor charges differ in instruction (a), insurers shall make a distinction when completing the statutory filing and using the Class 3A model;
- (d) 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.);
- (e) insurers may in good faith determine the allocation of the statutory lines;
- (f) where an insurance contract involves multiple lines, the insurer shall assign to the various lines in accordance with the proportions written;
- (g) where an insurer is unable to make this determination in instruction (f), the business shall be allocated to the line with the highest proportion;
- (h) where the insurer is unable to make the determination in instruction (g), then the business shall be assigned to the line with the highest capital risk charge; and
- (i) 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	<p>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.</p> <p>Crop / agriculture - coverage of risks including on-shore/off-shore farms, livestock, agriculture and other food production related losses.</p> <p>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.</p>
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	<p>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.</p> <p>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.</p> <p>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.</p> <p>Other - business that does not fit in any other category.</p>
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	<p>Retro property - retrocession cover for risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses.</p> <p>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.</p>

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.

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SCHEDULE IIIA (Paragraph 6) SCHEDULE OF GEOGRAPHIC DIVERSIFICATION OF NET LOSS AND LOSS EXPENSE PROVISIONS BY GENERAL BUSINESS

[blank] name of Parent

As at [blank] (day/month/year)

All amounts expressed in (currency used)

		GEO LR	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	Zone 14	Zone 15	Zone 16	Zone 17	Zone 18
1.	Property catastrophe	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2.	Property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3.	Property non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4.	Personal accident	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5.	Personal accident non-	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6.	Aviation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7.	Aviation non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8.	Credit / surety	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9.	Credit / surety non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10.	Energy offshore /marine	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11.	Energy offshore / marine non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12.	US casualty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13.	US casualty non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
14.	US professional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15.	US professional non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16.	US specialty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
17.	US specialty non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
18.	International motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19.	International motor non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20.	International casualty non-motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
21.	International casualty non-motor non-	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22.	Retro property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
23.	Structured / finite	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
24.	Health	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
	Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

INSTRUCTIONS AFFECTING SCHEDULE IIIA:

- (a) For each line of business, the net loss reserves stated in Schedule IIIA may be split between the 18 geographic zones set out in Table 6A. If included, the total of amounts in zones 1-18 for a given line of business shall equal the corresponding amount of net loss reserves shown in Schedule III;
- (b) GEO LR for a line of business shall be set as the amount $geoliner_{svs_i}$ in line with sub-paragraph (c) of the Instructions affecting Table 7;
- (c) Amounts shall be reported on an EBS Valuation basis only

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SCHEDULE IVA (Paragraph 6)
SCHEDULE OF PREMIUMS WRITTEN BY LINE OF BUSINESS OF GENERAL BUSINESS

[blank] name of Parent

As at [blank] (day/month/year)

All amounts expressed in (currency used)

Schedule Line no		Gross Premiums Written						Net Premiums		geolinepremi Geo NPW ScheduleIVC
		Unrelated		Related		Total		Form 2, Line 3		20XX
		20XX	20X	20XX	20XX	Form 2, Line 1(c) 20XX	20XX	20XX	20XX	
1.	Property catastrophe	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2.	Property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3.	Property non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4.	Personal accident	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5.	Personal accident non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6.	Aviation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7.	Aviation non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8.	Credit / surety	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9.	Credit / surety non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10.	Energy offshore /marine	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11.	Energy offshore / marine non-	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12.	US casualty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13.	US casualty non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
14.	US professional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15.	US professional non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16.	US specialty	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
17.	US specialty non- proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
18.	International motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19.	International motor non-proportional	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20.	International casualty non-motor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
21.	International casualty non-motor non-	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22.	Retro property	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
23.	Structured / finite reinsurance	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
24.	Health	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
25.	Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

INSTRUCTIONS AFFECTING SCHEDULE IVA:

- (a) Amounts shall be reported on both a consolidated and unconsolidated basis, apart from Geo NPW which shall be reported on a consolidated basis only

SCHEDULE IVC (Paragraph 6)
SCHEDULE OF GEOGRAPHIC DIVERSIFICATION OF NET PREMIUMS WRITTEN BY GENERAL BUSINESS

[blank] name of Parent

As at [blank] (day/month/year)

All amounts expressed in (currency used)

		GEO NPW	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	Zone 14	Zone 15	Zone 16	Zone 17	Zone 18
1.	Property catastrophe	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2.	Property	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
3.	Property non-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
4.	Personal accident	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
5.	Personal accident	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
6.	Aviation	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
7.	Aviation non-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
8.	Credit / surety	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
9.	Credit / surety non- proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
10.	Energy offshore	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
11.	Energy offshore / marine non-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
12.	US casualty	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
13.	US casualty non- proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
14.	US professional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
15.	US professional non- proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
16.	US specialty	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
17.	US specialty non- proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
18.	International motor	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
19.	International motor non-proportional	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
20.	International casualty non-motor	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
21.	International casualty non-motor	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
22.	Retro property	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
23.	Structured / finite	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
24.	Health	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
	Total	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

INSTRUCTIONS AFFECTING SCHEDULE IVC:

- (a) For each line of business, the net premiums written for the current year stated in Schedule IVA may be split between the 18 geographic zones set out in Table 6A. If included, the total of amounts in zones 1-18 for a given line of business shall equal the corresponding amount of net premiums written shown in Schedule IVA;
- (b) GEO NPW for a line of business shall be set as the amount geolineprem_i in line with sub-paragraph (c) of the Instructions affecting Table 6;
- (c) Amounts shall be reported on a consolidated basis only

SCHEDULE V
SCHEDULE OF RISK MANAGEMENT

(Paragraph 6)

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

- (a) governance and group structure;
- (b) ten largest exposures to counterparties and any other counterparty exposures exceeding 10% of the insurer's statutory capital and surplus;
- (c) revoked;
- (d) effective duration of assets;
- (e) effective duration of liabilities;
- (f) gross probable maximum loss (if property catastrophe writer);
- (g) net probable maximum loss (if property catastrophe writer)
- (h) average annual loss (if property catastrophe writer);
- (i) actual attritional losses and large claims losses in the relevant year;
- (j) arrangements with respect to property catastrophe recoverables;
- (k) mutual fund disclosures;
- (l) summary of projected performance;
- (m) financial impact and description of stress and scenario tests;
- (n) list of statutory lines and statutory territories that have catastrophe exposures;
- (o) reconciliation from GAAP financial statements to Form 1EBS;
- (p) revoked;
- (q) revoked;
- (r) revoked;
- (s) details of deposit assets and liabilities; and
- (t) details of segregated accounts.

INSTRUCTIONS AFFECTING SCHEDULE V:

Paragraphs (f), (g), (p),(q) and (r) are to be reported on both an EBS Valuation basis and unconsolidated basis. All other requirements are to be reported on an EBS Valuation basis only.

- (a) "governance and group structure" must disclose (on a legal entity and group basis where applicable -
 - (i) the structure of the board of directors including names, role, residence and work experience;
 - (ii) the structure of the management of the insurer including names, roles, work experience, employee arrangement (for example confirm whether employees are hired or outsourced etc.) and description of responsibilities of the chief and senior executive;
 - (iii) terms of reference of the board of directors and its sub-committees;
 - (iv) the jurisdiction(s) where the board of directors of the insurer primarily deliberates on activities including but not limited to—
 - (A) setting the strategic direction of the insurer;

- (B) determining the (re)insurer's risk appetite;
- (C) choosing new lines of business, new products, and market position;
- (D) assessing solvency needs;
- (v) details of every service provider of the insurer including name, jurisdiction of incorporation, and details of the insurer's operations which are primarily being performed in relation to the jurisdiction(s) where the board of directors of the insurer primarily deliberates on activities including but not limited to—
 - (A) underwriting (re)insurance policies;
 - (B) risk management decisions and activities;
 - (C) investment decisions;
 - (D) actuarial functions;
 - (E) compliance audit;
 - (F) internal audit;
- (vi) number of employees resident in Bermuda (non-outsourced positions);
- (vii) the jurisdiction(s) where the parent board primarily deliberates on matters including but not limited to -
 - (A) setting strategic decision;
 - (B) determining the group's risk appetite;
 - (C) choice of corporate structure, including amalgamations, acquisitions and strategic alliances;
 - (D) choice of new lines of business, new products, marketplace positioning;
 - (E) assessing solvency needs;
- (viii) the jurisdictions where the parent board and chief and senior executives primarily reside;
- (ix) the jurisdiction where the insurance group's central control functions reside (i.e. group finance, actuarial, and risk management);
- (x) the insurance group's financial position based on its most recent audited general purpose financial statement regarding its-
 - (A) total assets;
 - (B) total reserves; and
 - (C) capital and surplus;
- (xi) name of reinsurers within the insurance group that have the highest -
 - (A) total assets value;
 - (B) total insurance reserves value; and
 - (C) total capital and surplus based on the group's most recent audited general purpose financial statement;
- (xii) the total values for subparagraph (xi)(A), (B) and (C);
- (xiii) the jurisdiction of incorporation of each reinsurer in subparagraph (xi);
- (xiv) any events which have occurred or decisions made subsequent to the relevant year-end that would materially change, or have materially changed, the

information in subparagraphs (iv) through (xiii) (e.g. amalgamation or acquisition or restructuring, etc.); provide a detailed response and explanation;

- (xv) a copy of the latest group organizational chart.
- (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; 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) counterparties involved, including where they are located;
 - (C) aggregated premium flows between counterparties (gross and net); and
 - (D) 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, excluding those reinsurance exposures disclosed in (c), 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;
- (c) revoke
- (d) "effective duration of assets" must be determined using the aggregate of the bonds and debentures (as reflected in Form 1EBS, Lines 2(b) and 3(b)), preferred stock (as reflected in Form 1EBS, Lines 2(c)(ii) and 3(c)(ii)), and mortgage loans portfolios (as reflected in Form 1EBS, Line 5(c)) as a basis;
- (e) "effective duration of liabilities" must be determined using the reserves (as reflected in Form 1EBS, Lines 17 & 18) as a basis;
- (f) "gross probable maximum loss (if property catastrophe writer)" means the gross probable maximum loss for natural catastrophe losses (prior to reinsurance) must be calculated at the 99.0% Tail Value-at-Risk level for annual aggregate exposure to all property related risks and all perils (for the property cat line only), including reinstatement premiums for the year following the relevant year based upon the insurer's catastrophe model. The support documentation must be retained for at least 5 years once a capital and solvency return has been filed in accordance with paragraph 6 at the registered office of the insurer and shall be presented to the Authority upon request;
- (g) "net probable maximum loss (if property catastrophe writer)" means the net probable maximum loss for natural catastrophe losses (after reinsurance) at the 99.0% Tail

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Value-at-Risk level for annual aggregate exposure to all property related risks and all perils (for the property cat line only), including reinstatement premiums for the year following the relevant year based on the insurer's catastrophe model. The support documentation must be retained for at least 5 years once a capital and solvency return has been filed in accordance with paragraph 6 at the registered office of the insurer and shall be presented to the Authority upon request

- (h) "average annual loss (if property catastrophe writer)" means—
- (i) the expected net natural catastrophe loss (after reinsurance), including reinstatement premiums, for annual aggregate exposure to all property related risks and all perils (for the property cat line only) for the year following the relevant year based on the insurer's catastrophe model;
 - (ii) the calculation should be from the same underlying loss distribution used to determine the gross probable maximum loss and the net probable maximum loss; and
 - (iii) the support documentation must be retained for at least 5 years once a capital and solvency return has been filed in accordance with paragraph 6 at the registered office of the insurer and shall be presented to the Authority upon request;
- (i) "actual attritional losses and large claim losses - relevant year" means the actual aggregate losses (classified by insurers as attritional and large claim losses in accordance with its own policy) experienced by the insurer in the relevant year (not including prior year reserve releases, catastrophic losses or adverse development);
- (j) the arrangements with respect to property catastrophe recoverables shall disclose the amounts of-
- (i) collateral;
 - (ii) catastrophe bonds;
 - (iii) special purpose insurer (indemnity basis);
 - (iv) special purpose insurer (other basis); and
 - (v) total
- (k) mutual fund disclosures shall include the name, type and amount of each mutual fund (as reflected in Form 1EBS Schedule, Lines 2(b), 2(c)(iii), 3(a), and 3(c)(iii)) that were used by the insurer –
- (l) the summary of projected performance by the insurer for the year following the relevant year shall disclose –
- (i) the insurer's latest estimate of annual net premiums written;
 - (ii) the estimated underwriting profit or loss; and
 - (iii) the estimated net income or loss for the insurer or on a group basis with disclosure of the estimated percentage of the insurer's contribution relative to the group.
- (m) 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 directs;
- (n) the list of statutory lines and statutory territories that have catastrophe exposures as set out below-

Zone	Territories
1	Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New

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	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 Zones 1 to 12

- (o) a reconciliation of amounts reported in total assets, total liabilities and total statutory economic capital and surplus comprising of any adjustments applied to the GAAP financial statements to arrive at the amounts disclosed in Form 1EBS;
- (p) revoke
- (q) revoke
- (r) revoke
- (s) In respect of business for which deposit accounting approaches have been followed: a description of business, total assets held in trust or other collateral, lines of business written, gross premiums written for the period, net premiums written for the period, limits (maximum exposure). For business that has limited exposure, provide the results at a 99.0% TVaR and for business with unlimited exposure, provide details of such business.
- (t) in respect of segregated account business, details of each by net loss reserves by statutory lines of business: segregated account cell name, total assets, total liabilities, statutory capital and surplus, cash and investments, net loss reserves, reinsurance recoverable, statutory lines of business written, gross premium written, net premium written, currency, details if the insurance or re-insurance contract has limited recourse language, details of inter-relationship between segregated account cells (if any), details of the segregated account cell's access to the general account (if any) and details where a segregated account cell is in a deficit, insolvent or subject to litigation

SCHEDULE VI
Schedule of fixed income securities

(Paragraph 6)

The schedule of fixed income securities shall–

- (a) represent the amounts stated in the Form 1EBS, Lines 2(b) and 3(b);
- (b) include the following information according to security type–
 - (i) security type;
 - (ii) amount contributing to (as reflected in) the Form 1EBS, Lines 2(b) or (b);
 - (iii) face value;
 - (iv) fair value;
 - (v) average effective yield to maturity;
 - (vi) average rating of the security type (if applicable) and
- (c) amounts are to be reported on both an EBS Valuation and unconsolidated basis.

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

The Schedule of CISSA shall provide particulars of the following matters on a consolidated basis—

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

TABLE 8A
CISSA Capital Summary

Risk categories	(a) CISSA capital	(b) Regulatory capital
Underwriting risk		
Market risk		
Credit risk		
Liquidity risk		
Group, Concentration, Reputational and Strategic risk		
Other (specify)		
Total capital pre-diversification between risk categories		
Diversification credit between risk categories		
Total capital after diversification between risk categories 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-SME or an approved internal capital model at 99.0% Tail Value-at-Risk ("TVaR") over a one year time horizon.

Table 8A 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. _____ (Please provide a description)
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	<u>XXX</u>

INSTRUCTIONS AFFECTING TABLE 8A:

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

TABLE 8B

CISSA General Questions

1. Is the CISSA and its underlying information integrated (i.e.; considered when making key strategic decisions) into the insurer’s strategic and risk management decision-making processes? If yes, how is CISSA and its underlying information used? (select all that apply)
- Strategic planning
 - Annual business planning
 - Setting risk limits
 - Defining risk appetite
 - Evaluation of capital adequacy
 - Allocation of capital to business segments and lines of business
 - Capital management
 - Determination of rates of return for pricing and underwriting guidelines
 - Reinsurance purchase
 - Determination of investment policies and strategies
 - Meeting regulatory requirements
 - Improving credit rating
 - Improving investor relations
 - Assessing risk adjusted product profitability
 - Performance measurement and assessment
 - Improving mergers and acquisition decisions
 - Others (provide description)
2. CISSA Mitigation Risk:

This section will automatically score and aggregate the results

- Is there a potential for the insurer to have an accumulation of losses to material lines of business outside of the property catastrophe line that will threaten the solvency of the insurer? If yes, what are the potential cause(s) of the accumulation of losses - list below? (Egs. a severe event; a series of many small events or individual claims; over concentration of exposure to one product, one source of business, to one line; or a common cause across many underwriting years (e.g. asbestos, pollution, silicon, etc.))
 - Does the insurer have absolute limitations set on individual policies or groups of policies to avoid threatening its solvency (such as limitations on a geographical basis, product basis, line of business basis, source of business basis, etc.)?
 - If yes to the above, are the limitations assessed for reasonableness and effectiveness in reducing the threat to solvency?
 - Does the insurer have procedures in place to assess the adequacy of the reinsurance purchased both from a severity and frequency perspective for solvency purposes, and ensure that there are no significant mismatches between the policies issued by the insurer and the reinsurance programme (e.g. that basis risk does not exist, etc.)?
 - Does the insurer have access to additional capital and surplus to cover loss and loss adjustment expenses (eg. letters of credit, parental guarantees, other contingent capital sources, etc.)?
 - Are policies, processes and procedures in place that employ benchmarking and stress and scenario testing to assess, review, and approve underwriting strategies and tolerance limits?
 - Are policies, processes and procedures in place to ensure that underwriting strategies are effectively aligned with risk tolerance levels?
 - Are policies, processes and procedures in place to identify, evaluate, and monitor risks arising from insurance policies, and ensure compliance with risk tolerance levels?
 - Are systems in place to capture, maintain, and analyse underwriting data; and ensure that relevant and accurate data is used to price underwriting contracts, establish adequate reserves, and appropriately settle claims?
3. Related Business:
- What percentage of the gross premiums written cover an ultimate related policyholder?
 - Comments (optionally, the insurer may provide comments in the box below to support its responses above):
4. Has the insurer applied reverse stress testing to both identify the scenarios that could cause business failure and the required actions to manage such situations? (Yes or No)
5. Is the CISSA process clearly documented and regularly amended for changes in strategic direction, risk management framework, and market developments? (Yes or No)
6. How often is the information underlying CISSA discussed and reviewed by the board and chief and senior executives?
7. 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 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.
- Independent verification shall be conducted by an internal or external auditor or any other appropriately skilled internal or external function; as long as they have not been responsible

for the part of the CISSA process they review, and are therefore deemed to be independent in their assessment.

TABLE 8C

CISSA Assessment of Material Risks of the Insurer

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

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

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

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. The risk measure, time horizon, and confidence level (if any) used to determine the CISSA capital.
12. An explanation of the primary reasons for any material deviations between the CISSA capital as it pertains to the risk (if holding capital against the risk) and the regulatory capital charge for the risk, if the deviation is greater than 15%.

SCHEDULE X

(Paragraph 6)

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

The schedule of catastrophe risk return shall provide particulars of the following matters on a consolidated basis:

- (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

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

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	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

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	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.

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- 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 Total

- 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	

- Significant sources of catastrophe risk and associated loss included in the EP Curves:

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	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

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	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; and
- 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 loss	Net loss
	(\$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 paragraph (q)) and statutory lines of business (Schedule IV) that is exposed to with regards to the following region-perils.

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

	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

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

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?

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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	Net limit provided	Contract count	Gross limit provided	Net limit provided	Contract count	Gross limit provided	Net limit provided
		(\$M)	(\$M)		(\$M)	(\$M)		(\$M)	(\$M)
Modelable									
Not modelable									
Total									

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

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

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

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

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deficient									
Other									
Total									

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

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

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

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

INSTRUCTIONS AFFECTING TABLE 9E:

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

TABLE 9F
Reinsurance Disclosures

Reinsurance or Retro information:

	US Specific Contracts		Worldwide contracts		All other contracts	
	Premium (\$M)	Occurrence Limit provided (\$M)	Premium (\$M)	Occurrence Limit provided (\$M)	Premium (\$M)	Occurrence Limit provided (\$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.

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TABLE 9G

Conventional Insurance Terrorism Exposure – 150m Defined Geographical Radius

Conventional terrorism exposure		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)
	1								
	2								
	3								
	4								
	5								
	6								
	7								
	8								
	9								
	10								

TABLE 9G cont'd

NBCR Insurance Terrorism Exposure – State/Country

NBCR terrorism exposure		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)
	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

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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

Conventional terrorism exposure		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 recoveries if any (\$M)	Total net reinsurance limits exposed to terrorism (\$M)
	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

TABLE 9H cont'd

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NBCR terrorism exposure		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 recoveries if any (\$M)	Total net reinsurance limits exposed to terrorism (\$M)
	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.

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(Paragraph 6)

SCHEDULE XII

Schedule of Eligible Capital

The schedule of eligible capital shall provide particulars of the following matters on an EBS Valuation basis:

- (a) Tier 1, Tier 2 and Tier 3 eligible capital (Table 12); 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 12

Total statutory economic capital and surplus (Form 1EBS, line 40 plus applicable adjustments)	XXX
Less: Encumbered assets not securing policyholder obligations (Notes to Form 1EBS, STMT LINE 15)	XXX
Less: relative liability or contingent liability (Form 1EBS) for which the encumbered assets are held	XXX
Subtotal:	XXX

Tier 1 – basic capital

(a) Fully paid common shares (Form 8, STMT LINE 1(a)(i))	XXX
(b) Contributed surplus or share premium (Form 8, STMT LINE 1(b))	XXX
(c) Statutory economic surplus- End of Year (Form 1EBS, line 40 less Form 8, STMT LINE 1(d))	XXX
(d) Capital adjustments	XXX
(e) Hybrid capital instruments: Perpetual or fixed term preference shares (Form 8, STMT LINE 1(a)(ii))	XXX
(f) Other:	XXX
(g) Less: Treasury shares (Form 8, STMT LINE 1(a)(iii))	XXX
(h) Less: Difference between encumbered assets for policyholder obligations and policyholder obligations, calculated as follows:	XXX

	Policyholder obligations (Column (A))	Encumbered (pledged) assets (Column (B))
(i) Contracts where pledged assets exceed the policyholder obligations	XXX	XXX
(ii) Contracts where pledged assets are equal to the policyholder obligations	XXX	XXX
(iii) Contracts where pledged assets are less than the policyholder obligations	XXX	XXX
(iv) Contracts where policyholder obligations are not collateralized	XXX	XXX
(v) Total	XXX	XXX
(vi) Excess encumbered assets i.e. contracts where pledged assets exceed the policyholder obligations (Column (B)(i) - Column (A)(i))		XXX
(vii) Capital requirement applicable to the encumbered assets under (i) above (equal to the contribution of the pledged assets to the ECR)		XXX
(viii) Capital requirement applicable to the policyholder obligations under (i) above (equal to the contribution of the policyholder obligations to the ECR)		XXX
(ix) Excess encumbered assets transferable to Tier 2 ((vi)-(vii)-(viii))		XXX
(x) Policyholder obligations that are fully collateralized (Column (A)(i)+ Column (A)(ii) + Column (B)(iii))		XXX
(xi) Total policyholder obligations (Column (A)(v))		XXX
(xii) Proportion of policyholder obligations that are not collateralized (1 – (x)/(xi))		XXX
(xiii) Excess encumbered assets transferred to Tier 2 ((ix) x (xii))		XXX
(i) Encumbered assets not securing policyholder obligations (Notes to Form 1EBS, STMT LINE 15)		XXX

Less: relative liability or contingent liability (Form 1EBS) for which the

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encumbered assets are held	
(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 – ancillary capital	
(a) Perpetual or fixed term subordinated debt (Form 8, STMT LINE 1(c)(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 1(a)(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 -ancillary capital	
(a) Unpaid and callable common shares (Form 8, STMT LINE 1(c)(i))	XXX
(b) Qualifying unpaid and callable hybrid capital (Form 8, STMT LINE 1(c)(i))	XXX
(c) Qualifying unpaid and callable perpetual or fixed term preference shares (Form 8, STMT LINE 1(c)(i))	XXX
(d) Perpetual or fixed term subordinated debt (Form 8, STMT LINE 1(c)(i))	XXX
(e) Approved letters of credit (Form 8, STMT LINE 1(c)(ii))	XXX
(f) Approved guarantees (Form 8, STMT LINE 1(c)(ii))	XXX
Total Tier 2 available capital	XXX
Tier 3 -basic capital	XXX
(a) Short-term subordinated debt (Form 8, STMT LINE 1(c)(i))	XXX
(b) Approved letters of credit (Form 8, STMT LINE 1(c)(ii))	XXX
(c) Approved guarantees (Form 8, STMT LINE 1(c)(ii))	XXX
Total Tier 3 available capital	XXX

INSTRUCTIONS AFFECTING TABLE 12:

- Table 12 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 (as reflected in Form 8, Line 3 of the Insurance Accounts Regulations 1980) subject to adjustments made under Section 6D of the Act in Table 12 in accordance with the provisions of Eligible Capital Rules.
- Amounts shall be reported on a consolidated basis

Table 12A

Description of capital instrument	Date of issue	Maturity date (as applicable)	Date approved by the Authority	Value of the capital instrument	Eligible capital Tier
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INSTRUCTIONS AFFECTING TABLE 12A:

The insurer to include every capital instrument contributing to the amount reported in Form 8, STMT LINE 1(c) of the Insurance Accounts Regulations 1980 in Table 12A in accordance with the provisions of Eligible Capital Rules.”

Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011**SCHEDULE XIV (Paragraph 6)****CLASS 3A STATUTORY ECONOMIC BALANCE SHEET**

Schedule XIV Class 3A Statutory Economic Balance Sheet (EBS), shall provide particulars of the following matters—

Form 1EBS**CLASS 3A STATUTORY ECONOMIC BALANCE SHEET**

[blank] name of insurer

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

expressed in [blank] (currency used)

Line No		20XX	20XX-1
1.	CASH AND CASH EQUIVALENTS	XXX	XXX
2.	QUOTED INVESTMENTS:		
(b)	Total Bonds and Debentures	XXX	XXX
(c)	Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
(d)	Total equities	XXX	XXX
(e)	Other quoted investments	XXX	XXX
(f)	Total quoted investments	XXX	XXX
3.	UNQUOTED INVESTMENTS:		
(b)	Total Bonds and Debentures	XXX	XXX
(c)	Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual Funds	XXX	XXX
(d)	Total equities	XXX	XXX
(e)	Other unquoted investments	XXX	XXX
(f)	Total unquoted investments	XXX	XXX
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES (Equity)		
(a)	Unregulated entities that conduct ancillary services	XXX	XXX
(b)	Unregulated non-financial operating entities	XXX	XXX
(c)	Unregulated financial operating entities	XXX	XXX
(d)	Regulated non-insurance financial operating entities	XXX	XXX
(e)	Regulated insurance financial operating entities	XXX	XXX
(f)	Total investments in affiliates	XXX	XXX
(g)	Advances to affiliates	XXX	XXX

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(h)	Total investments in and advances to affiliates	XXX	XXX
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a)	First liens	XXX	XXX
(b)	Other than first liens	XXX	XXX
(c)	Total investment in mortgage loans on real estate	XXX	XXX
7.	REAL ESTATE:		
(a)	Occupied by the insurer (less encumbrances)	XXX	XXX
(b)	Other properties (less encumbrances)	XXX	XXX
(c)	Total real estate	XXX	XXX
8.	COLLATERAL LOANS	XXX	XXX
9.	INVESTMENT INCOME DUE AND ACCRUED	XXX	XXX
10.	ACCOUNTS AND PREMIUMS RECEIVABLE		
(a)	In course of collection	XXX	XXX
(c)	Receivables from retrocessional contracts	XXX	XXX
(d)	Total accounts and premiums receivable	XXX	XXX
11.	REINSURANCE BALANCES RECEIVABLE		
(a)	Foreign affiliates	XXX	XXX
(b)	Domestic affiliates	XXX	XXX
(c)	Pools & associations	XXX	XXX
(d)	All other insurers	XXX	XXX
(e)	Total reinsurance balance receivable	XXX	XXX
12.	FUNDS HELD BY CEDING REINSURERS		
(a)	Affiliated	XXX	XXX
(b)	Non-affiliated	XXX	XXX
(c)	Total funds held by ceding reinsurers	XXX	XXX
13.	SUNDRY ASSETS:		
(a)	Derivative instruments	XXX	XXX
(d)	Segregated accounts - General business	XXX	XXX
(e)	Deposit assets	XXX	XXX
(f)	Balances receivable on sale of investments	XXX	XXX
(g)	Intangible assets	XXX	XXX
(h)	Deferred tax assets	XXX	XXX
(i)	Pension Benefit Surplus	XXX	XXX
(j)	Other sundry assets (please specify)	XXX	XXX
(k)	Total other assets	XXX	XXX
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit	XXX	XXX
(b)	Guarantees	XXX	XXX
(c)	Other instruments	XXX	XXX
(d)	Total letters of credit, guarantees and other instruments	XXX	XXX

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15.	TOTAL ASSETS	XXX	XXX
	GENERAL BUSINESS INSURANCE TECHNICAL PROVISIONS		
16.	BEST ESTIMATE PREMIUM PROVISIONS		
(a)	Gross premium provisions	XXX	XXX
(b)	Less: Reinsurance recoverable balance		
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other reinsurers	XXX	XXX
(c)	Total reinsurance recoverable balance	XXX	XXX
(d)	Net premium provisions	XXX	XXX
17.	BEST ESTIMATE LOSS AND LOSS EXPENSE PROVISIONS		
(a)	Gross loss and loss expense provisions	XXX	XXX
(b)	Less: Reinsurance recoverable balance		
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other reinsurers	XXX	XXX
(c)	Total reinsurance recoverable balance	XXX	XXX
(d)	Net loss and loss expenses provisions	XXX	XXX
18.	RISK MARGIN - GENERAL INSURANCE BUSINESS	XXX	XXX
19.	TOTAL GENERAL BUSINESS INSURANCE TECHNICAL PROVISIONS	XXX	XXX
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	XXX	XXX
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	XXX	XXX
30.	LOANS AND NOTES PAYABLE	XXX	XXX
31.	TAX LIABILITIES		
	(a) INCOME TAXES PAYABLE	XXX	XXX
	(b) DEFERRED INCOME TAXES	XXX	XXX
32.	AMOUNTS DUE TO AFFILIATES	XXX	XXX
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	XXX	XXX
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS		
(a)	Affiliated	XXX	XXX
(b)	Non-affiliated	XXX	XXX
(c)	Total funds held under reinsurance contracts	XXX	XXX

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35.	DIVIDENDS PAYABLE	XXX	XXX
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments – held for hedging purposes	XXX	XXX
(b)	Derivative instruments – not held for hedging purposes	XXX	XXX
(e)	Segregated accounts - General business	XXX	XXX
(f)	Deposit liabilities	XXX	XXX
(g)	Pension benefit obligations	XXX	XXX
(h)	Balances payable for purchase of investments	XXX	XXX
(i)	Other sundry liabilities (please specify)	XXX	XXX
(j)	Total sundry liabilities	XXX	XXX
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit	XXX	XXX
(b)	Guarantees	XXX	XXX
(c)	Other instruments	XXX	XXX
(d)	Total letters of credit, guarantees and other instruments	XXX	XXX
38.	TOTAL OTHER LIABILITIES	XXX	XXX
39.	TOTAL INSURANCE TECHNICAL PROVISIONS AND OTHER LIABILITIES	XXX	XXX
	STATUTORY ECONOMIC CAPITAL AND SURPLUS		
40.	TOTAL STATUTORY ECONOMIC CAPITAL AND SURPLUS	XXX	XXX
41.	TOTAL	XXX	XXX

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NOTES TO FORM 1EBS

The notes to the statutory economic balance sheet shall include the following, and any other information which in the opinion of the insurer's directors is required to be disclosed if the insurer statutory economic financial statements are not to be misleading -

Additional Disclosures		20XX
Line 10	Details of the amount of any collateral placed in favour of the insurer	XXX
Line 11(e)	Details of the amount of any collateral placed in favour of the insurer	XXX
Line 17(c)-(ii)	Details of the amount of any collateral placed in favour of the insurer	XXX
Line 13(j)	Details of the assets included as "other sundry assets" as part of Line 13(j).	XXX
Line 36(i)	Details of the liabilities included as "other sundry liabilities" as part of Line 36(i).	XXX
Line 15	The total amount of encumbered assets that are not securing policyholder obligations shall be disclosed, split between the following items, and stating the purpose of the encumbrance: Line 1: Cash and cash equivalents Line 2(f): Total quoted investments Line 3(f): Total unquoted investments Line 12: Funds held by ceding reinsurers Other assets	XXX
Line 13(e)	Details of business treated under deposit accounting techniques as an asset	XXX
Line 36(f)	Details of business treated under deposit accounting techniques as a liability	XXX
Line 37	Details of the basis used to derive the amounts disclosed on this line, including the undiscounted amounts of the liabilities.	XXX
Line 40	A reconciliation between Line 40 of Form 1EBS and Line 40 of Form 1 required under Schedule 1 of the Insurance (Class 3A) Rules 2011	XXX

General Business Provisions Additional Disclosures		
Line 16(c)	The adjustment included in the best estimate of reinsurance recoveries that was made to reflect expected losses due to counterparty default (for whatever reason, including reinsurer insolvency or contractual disputes)	XXX
Line 17(c)-(i)	The adjustment included in the best estimate of reinsurance recoveries that was made to reflect expected losses due to counterparty default (for whatever reason, including reinsurer insolvency or contractual disputes)	XXX
Line 16(d)-(i)	The amount of premium included as 'Bound But Not Incepted' (as defined in paragraph 12 of the Instructions Affecting Form 1EBS) in the calculation of line 16(d),	XXX
Line 16(d)-(ii)	The amount of best estimate premium included in line 16(d) in respect of the 'Bound but Not Incepted' business identified above. The amount shall be separately split between the statutory lines of general business set out in Schedule III.	XXX
Line 17(d)-(i)	The amount by which the best estimate loss and loss expense provisions were reduced as a result of discounting.	XXX
Line 17(d)-(ii)	The amount of best estimate loss and loss expense provisions calculated using the scenario-based approach (as set out in paragraph 17 of the Instructions Affecting Form 1EBS) included in line 17(d), along with details of the business it was applied to.	XXX

General Business Reserves:

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	20XX
Net best estimate loss and loss expense provisions at start of year (line 17(d) prior year)	XXX
Net loss and loss expenses incurred related to business written in prior years	XXX
Foreign exchange and other adjustments	XXX
Unwind discount (start year discount curve)	XXX
Impact of change in discount curve	XXX
Net loss and loss expenses incurred related to prior years	XXX
Net best estimate loss and loss expense provisions at end of year related to prior years	XXX
Net loss and loss expenses incurred related to business written in current year	XXX
Net loss and loss expenses paid or payable related to current year	XXX
Net best estimate loss and loss expense provisions at end of year related to current year	XXX
Net best estimate loss and loss expense provisions at end of year (line 17(d))	XXX

INSTRUCTIONS AFFECTING FORM 1EBS

Economic Balance Sheet valuation principles

1. The economic balance sheet (EBS) shall be produced on a consolidated basis in line with GAAP principles adopted by the insurer, as notified and agreed by the Authority (“GAAP Principles”). Except where specifically mentioned below, the consolidated assets and liabilities shall be assessed and fair-valued in line with the GAAP principles adopted by the insurer, as notified to and agreed by the Authority.
2. For cases where the GAAP principles permit both a fair value model and a non-economic valuation model for valuing an asset or liability, the insurer shall apply the fair value model.
3. For cases where the GAAP principles do not require an economic valuation the insurer shall fair value the asset or liability using the following hierarchy of high level principles of valuation of assets and liabilities:
 - (a) Quoted market prices in active markets for the same or similar assets or liabilities must be used whenever possible;
 - (b) Where the use of quoted market prices for the same assets or liabilities is not possible, quoted market prices in active markets for similar assets and liabilities with adjustments to reflect differences shall be used;
 - (c) If there are no quoted market prices in active markets available, mark-to-model techniques, which are alternative valuation techniques that have to be benchmarked, extrapolated or otherwise calculated as far as possible from a market input, should be used and;
 - (d) Maximum use must be made of relevant observable inputs and market inputs and rely as little as possible on undertaking-specific inputs, minimising the use of unobservable inputs.
4. When valuing liabilities, no adjustments shall be made to take account of the own credit standing of the insurer.
5. Insurers shall follow the GAAP principles it has adopted in the treatment of insurance contracts that do not transfer significant insurance risk,
6. The exceptions to these principles are mainly related to line items affecting the valuation of insurance technical provisions.
7. All contractual liabilities or contingent liabilities arising from off-balance sheet arrangements are to be recognised on the EBS. Contractual liabilities should be valued consistently with GAAP principles. In cases where the GAAP principles do not require fair value, the insurer should value the contractual liabilities using the valuation hierarchy in paragraph 3. Contingent liabilities shall be valued based on the expected present value of future cash-flows required to settle the contingent liability over the lifetime of that contingent liability, using the basic risk-free interest rate. Where the present value of contingent obligations cannot be determined, the liability should be valued at its undiscounted value.

Economic Balance Sheet valuation principles – technical provisions

8. Technical provisions shall be valued at an economic value using the best estimate of probability weighted cash flows, with an additional risk margin. Cash flows, for this purpose, shall take into account all future cash in and out flows required to settle the insurance obligations attributable to the remaining lifetime of the policy. In particular, they shall include:
 - (a) All claims payments / benefit payments expected to be made to policyholders, third party claimants or other beneficiaries;
 - (b) All expenses that are expected to be incurred in servicing insurance and reinsurance obligations over their lifetime, including:
 - (i) Claims management expenses;
 - (ii) Acquisition costs;

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- (iii) Administrative expenses;
 - (iv) Investment management expenses;
 - (v) Overhead costs associated with the above;
 - (c) Any expected future premiums due after the valuation date;
 - (d) Any expected salvage and subrogation recoveries;
 - (e) Any taxation payments which are, or are expected to be, charged to policyholders or are required to settle the insurance obligations; and
 - (f) Any expected cash flows (both inwards and outwards) related to outwards reinsurance arrangements, making due allowance for any expected shortfall in amounts to be collected due to counterparty default (for whatever reason, including reinsurer insolvency or contractual dispute).
9. The remaining lifetime of the policy referred to in paragraph 8 above is defined to continue up to the point at which:
- (a) The insurer is no longer required to provide coverage;
 - (b) The insurer has the right or the practical ability to reassess the risk of the particular policyholder and, as a result, can set a price that fully reflects that risk; and
 - (c) The insurer has the right or the practical ability to reassess the risk of the portfolio that contains the policy and, as a result can set a price that fully reflects the risk of that portfolio.
10. Technical provisions shall be calculated gross of reinsurance, with a separate assessment of amounts expected to be recovered from reinsurers consistent with the gross assessment.
11. Best estimate provisions shall be determined separately in respect of business for which claims have yet to occur (premium provisions) and for claims which have already occurred whether reported to the insurer or not (loss and loss expense provisions).
12. Where the insurer has committed to write a policy with an inception date after the valuation date, and the terms of that policy cannot be changed unilaterally by the insurer, then that policy shall be included in the best estimate ("Bound But Not Incepted" business or BBNI business).
13. Assumptions underlying the calculation of technical provisions shall be based on current expected experience, using expert judgment where necessary, and shall reflect expected policyholder behaviour and future management actions.
14. The best estimate shall take into account all material guarantees and contractual options included in the policy, and in particular those whose value could be influenced by changes in prevailing economic conditions.
15. The valuation shall reflect the time value of money, using a risk free discount rate curve, which may be adjusted to reflect certain risk characteristics of the liability. The Authority will supply risk free discount curves for a number of the major currencies, and these shall be used where appropriate. However insurer may use alternative risk free curves (eg those approved for use in Solvency II) provided that they obtain prior approval from the Authority. Details of the approach used for determining the risk free discount rate curves will be directed by the Authority.
16. Insurers will be permitted to include an adjustment to the risk-free discount rate curve to partially reflect the illiquidity premium implicit in typical underlying assets, as well as making allowance for the prevention of pro-cyclical investment behaviour (the 'standard approach'). The Authority will supply discount curves including this adjustment for a number of major currencies, and provide further details of the approach adopted so that insurers can produce rates for other currencies if needed. Details of the approach used for determining the 'standard approach' discount rate curves will be directed by the Authority.

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17. Insurers may also elect to adopt the ‘scenario based approach’ for some or all of their business. This approach is designed to capture both the sensitivity to interest rates and the degree to which assets and liabilities are cash flow matched. It consists of a base scenario using the actual portfolio of assets supporting the business (adjusted for expected default costs) and a range of interest rate stresses to determine the amount by which the market yield should be reduced to reflect interest rate risk and asset-liability mismatching. Details of the approach, including the conditions under which it may be adopted will be directed by the Authority.
18. The risk margin shall be calculated using the cost of capital method, and reflect the cost of holding an ECR level of capital in respect of insurance risk, credit risk, and operational risk . A 6% cost of capital rate shall be used. The assessment shall cover the full period needed to run-off the insurance liabilities (excluding those determined based on the approach set out in paragraph 17 and be discounted using the risk free discount curve. The risk margin shall not be split between premiums provisions and loss and loss expense provisions and should make allowance for the effects of the diversification of regulatory capital requirements within the insurer.
19. Subject to prior approval of the Authority, insurers may elect to produce some or all of their EBS using Solvency II principles, or such other economic valuation principles that the Authority has approved in advance for this purpose.

Line of statutory economic balance sheet	Instructions	
1. Cash and cash equivalents	Cash and cash equivalents (maturities of less than 90 days) as at balance sheet shall be included here. This includes restricted cash	
2. Quoted investments	There shall be disclosed severally -	
	(b)	Total bonds and debentures;
	(c)	Equities –
	(i)	common stock: investments in quoted common shares
	(ii)	preferred shares: investments in quoted preferred shares; and
	(iii)	mutual funds: investments in quoted mutual funds, etc
	(d)	Total equities: The total of (c)(i), (ii) and (iii).
	(e)	Other quoted investments: Other quoted investments not included in 2(b) and 2(d) e.g. alternative funds.
	(f)	Total quoted investments: The total of 2(b), (d) and (e).
3. Unquoted investments	There shall be disclosed severally -	
	(b)	Total bonds and debentures;
	(c)	Equities –
	(i)	common stock: investments in unquoted common shares
	(ii)	preferred shares: investments in unquoted preferred shares; and
	(iii)	mutual funds: investments in unquoted mutual funds, etc
	(d)	Total equities: The total of (c)(i), (ii) and (iii).
	(e)	Other unquoted investments: Other unquoted investments not included in 3(b) and 3(d) e.g. alternative funds.
	(f)	Total unquoted investments:

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		The total of 3(b), (d) and (e).
4. Investment in and advances to affiliates (equity)		<p>All investments where the insurer does not hold a majority equity interest but has the ability to exercise significant influence (generally at least a 20% interest or a general partner interest) over operating and financial matters shall be included here and should be accounted for under the equity method of accounting.</p> <p>Economic Balance Sheet valuation principles shall be applied to the affiliates before deriving values to be included here.</p> <p>There shall be disclosed severally</p>
	(a)	Unregulated entities that conduct ancillary services : All unregulated entities that conduct ancillary services accounted for under equity method shall be included here;
	(b)	Unregulated non-financial operating entities: All unregulated non-financial operating entities accounted for under equity method shall be included here;
	(c)	Unregulated financial operating entities: All unregulated financial operating entities accounted for under equity method shall be included here;
	(d)	Regulated non-insurance financial operating entities: All regulated non-insurance financial operating entities accounted for both under control and equity method shall be included here;
	(e)	Regulated insurance financial operating entities: All regulated insurance financial operating entities accounted for under equity method shall be included here.
	(f)	Total investments in affiliates: The total of (a) to (e) inclusive.
5. Investments in mortgage loans on real estate		<p>Residential and commercial investment loans shall be included here.</p> <p>There shall be disclosed severally</p>
	(a)	First liens.
	(b)	Liens other than first liens.
	(c)	Total investments in mortgage loans on real estate: The total of (a) and (b).
7. Real estate		Commercial investments occupied by insurer shall be included here.
	(a)	Occupied by the insurer (less encumbrances): Both land and buildings and any other commercial investments occupied by the insurer shall be included here.
	(b)	Other properties (less encumbrances): Other residential and commercial investments.
	(c)	Total real estate: The total of (a) and (b).
8. Collateral loans		Other loans shall be included here.
9. Investment income due and accrued		Accrued investment income shall be included here.
10. Accounts and premiums receivable		<p>Amounts due in more than one year shall be discounted at the relevant risk free rate.</p> <p>There shall be disclosed severally:</p>
	(a)	In course of collection: Insurance balances receivable and accounts receivable. Note that amounts not yet due should not be included here as they will be reflected in the insurance technical provisions
	(c)	Receivables from retrocessional contracts: Insurance balances receivable

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	(d)	Total accounts and premiums receivable: The total of (a) to (c) inclusive.
11. Reinsurance balances receivable		Amounts due in more than one year shall be discounted at the relevant risk free rate. The amount of any collateral placed in favour of the insurer shall be disclosed in a supplementary note. There shall be disclosed severally -
	(a)	Foreign affiliates: reinsurance balance received from foreign affiliates
	(b)	Domestic affiliates: reinsurance balance received from domestic affiliates
	(c)	Pools and associations: Reinsurance balances receivables from pools and associations
	(d)	All other insurers
	(e)	Total reinsurance balances receivable: The total of (a) to (d) inclusive.
12. Funds held by ceding		Funds held by ceding reinsurers shall be included here. Any amounts deemed uncollectible shall be deducted.
	(a)	Affiliated reinsurers
	(b)	Non-affiliated reinsurers
	(c)	This shall be the total of (a) and (b)
13. Sundry assets		Any asset not accounted for in lines 1 to 12 and 14 may be included here if it has a readily realisable value. There shall be disclosed severally –
	(a)	Derivative instruments: Derivative instruments with a favourable position shall be included here
	(d)	Segregated accounts – General business
	(e)	Deposit assets.
	(f)	Balances receivable on the sale of investments
	(g)	Intangible assets: These shall only be recognised if it is probable that the expected future economic benefits will flow to the insurer and the value of the assets can be reliably measured. The assets must be separable and there should be evidence of exchange transactions for the same or similar assets indicating they are saleable in the market place. If a fair value assessment of an intangible asset is not possible then such asset should be valued at nil. Goodwill shall be valued at nil.
	(h)	Deferred tax assets
	(i)	Pension Benefit surplus
	(j)	Any other assets – please provide details in a supplementary note
	(k)	Total sundry assets: The total of (a) to (j) inclusive.
14. Letters of credit, guarantees and other instruments		These are contractual rights arising from off-balance sheet arrangements to receive financial assets through:
	(a)	Letters of Credit
	(b)	Guarantees
	(c)	Other instruments

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	(d)	Total letters of credit, guarantees and other instruments: The total of (a) to (c).
		Such assets may, with the approval of the Authority obtained on an application made for that purpose, be recorded and the capital increased by a corresponding amount. Letters of credit, guarantees or other instruments in favour of the insurer which relate to insurance or reinsurance contracts shall not be recorded.
15. Total Assets		<ul style="list-style-type: none"> This shall be the total of lines 1 to 14 inclusive. The total amount of encumbered assets that are not securing policyholder obligations shall be disclosed, stating the purpose of the encumbrance.
General Business Insurance Technical Provisions		
16. Best Estimate Premium Provisions		<p>Best estimate premium provisions shall be assessed using the Economic Balance Sheet valuation principles, and shall cover all claims events that are expected to be incurred after the valuation date in respect of all contracts written on or before the valuation date – this includes business which has been written on or before the valuation date and incepts after the valuation date ('bound but not incepted' business). They shall also take into account any guaranteed options included in these contracts for future coverage on rates and terms and conditions which are fixed and which the Group is unable to change.</p> <p>Cash flows to be considered here include all those referred to in paragraph 8 of the EBS valuation principles</p> <p>There shall be disclosed severally -</p>
	(a)	Gross premium provisions: Gross premium provisions assessed on the Economic Balance Sheet valuation principles
	(b)	<p>Less: reinsurance recoverable balances): Amounts expected to be recoverable from reinsurers assessed on the Economic Balance Sheet valuation principles on a basis consistent with the gross assessment. Allowance shall be made for any reinstatement premiums that may be payable to reinsurers. Allowance shall be made for expected uncollectable amounts (for whatever reason).</p> <p>The amounts shall be subdivided between:</p>
	(i)	Foreign affiliates
	(ii)	Domestic affiliates
	(iii)	Pools and associations
	(iv)	All other reinsurers
	(c)	<p>Total reinsurance recoverable balance:</p> <p>The total of (b) (i) to (iv).</p> <p>The adjustment to the best estimate of reinsurance recoveries that was made to reflect expected losses due to counterparty default shall be disclosed in a supplementary note.</p>
	(d)	Net premium provisions: The total of (a) and (c).
17. Best Estimate Loss and loss expense provisions		Best Estimate loss and loss expense provisions shall be assessed on the Economic Balance Sheet valuation principles. It shall include all unpaid amounts in respect of claim events that have occurred on or before the valuation date, whether reported to the insurer or not.

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	There shall be disclosed severally -	
	(a)	Gross loss and loss expense provisions: Gross unpaid loss and loss expenses assessed on the Economic Balance Sheet valuation principles
	(b)	Less: reinsurance recoverable balances): Losses and loss expenses recoverable shall be assessed on the Economic Balance Sheet valuation principles on a basis consistent with the gross assessment. Allowance shall be made for any reinstatement premiums that may be payable to reinsurers. Allowance shall be made for expected uncollectable amounts (for whatever reason). The amounts shall be subdivided between:
	(i)	Foreign affiliates
	(ii)	Domestic affiliates
	(iii)	Pools and associations
	(iv)	All other reinsurers
	(c)	Total reinsurance recoverable balance: The total of (b) (i) to (iv). The adjustment to the best estimate of reinsurance recoveries that was made to reflect expected losses due to counterparty default shall be disclosed in a supplementary note. The amount of any collateral placed in favour of the insurer shall be disclosed in a supplementary note.
	(d)	Net loss and loss expense provisions: The total of (a) and (c).
18. Risk Margin – General Insurance Business	The risk margin shall be calculated using the cost of capital method, using a 6% cost of capital, as per the Economic Balance Sheet valuation principles. It shall not be split between premium provisions, loss provisions and other reserves, and may be calculated at an aggregate level for general business, making allowance for the effects of the diversification effects of regulatory capital requirements within the general business of the insurer.	
19. Total general insurance business technical provisions	This shall be the total of lines 16(d), 17(d), and 18 inclusive.	
Other Liabilities		
28. Insurance and Reinsurance balances payable	These are amounts payable to reinsurers (eg, premiums received in advance, reinsurance premiums payable. etc.) Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
29. Commissions, expenses, fees and taxes payable	All unearned commissions shall be included here. Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
30. Loans and notes payable	Loans and notes payable shall be included here. This shall include subordinated debt. Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
31. Tax liabilities		Amounts payable in more than one year shall be discounted at the relevant risk free rate. There shall be disclosed severally:
	(a)	Income taxes payable
	(b)	Deferred income taxes
32. Amounts due to	All amounts due to affiliates shall be included here.	

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affiliates	Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
33. Accounts payable and accrued liabilities	All accounts payable and accrued liabilities shall be included here Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
34. Funds held under reinsurance contracts	Funds held under reinsurance contracts shall be included here, and shall be included at amounts consistent with the fair value of the underlying assets.	
	(a)	Affiliated reinsurers
	(b)	Non-affiliated reinsurers
	(c)	This shall be the total of (a) and (b)
35. Dividends payable	All dividends payable shall be included here	
36. Sundry liabilities	There shall be disclosed severally:	
	(a)	Those derivative instruments which are held for hedging purposes, with an unfavourable position shall be included here;
	(b)	Other derivative instruments (ie those which are not held for hedging purposes), with an unfavourable position shall be included here.
	(e)	Segregated accounts – General business
	(f)	Deposit liabilities
	(g)	Pension benefit obligations
	(h)	Balances payable for purchase of investments
	(i)	Any other liabilities – please provide details in a supplementary note
	(j)	This shall be the total of (a) to (i) inclusive
37. Letters of credit, guarantees and other instruments	<p>All contractual liabilities or contingent liabilities arising from off-balance sheet arrangements are reported in this line. A liability is recorded decreasing the statutory capital and surplus equal to the expected present value of such contingent obligations discounted to take into consideration the time value of money at an appropriate rate (to be disclosed).</p> <p>Material contingent liabilities shall be recognised and recorded on this line. The Contingent liabilities shall be valued based on the expected present value of future cash-flows required to settle the contingent liability over the lifetime of that contingent liability, using the basic risk-free interest rate.</p> <p>Where the present value of contingent obligations cannot be determined, the amount of the liability must be recorded at its undiscounted value. Letters of credit, guarantees or other instruments not in favour of the insurer which relate to the insurer's insurance or reinsurance contracts shall not be recorded.</p> <p>Details of the basis used to derive amounts disclosed shall be set out in a supplementary note, including the undiscounted amounts of the liabilities.</p> <p>There shall be disclosed severally -</p>	
	(a)	Letters of credit
	(b)	Guarantees
	(c)	Other instruments
	(d)	This shall be the total of (a) to (c) inclusive
38. Total other liabilities	This shall be the total of lines 28 to 37 inclusive	
39. Total insurance technical provisions and other liabilities	This shall be the total of lines 19, and 38 inclusive	

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40. Total statutory economic capital and surplus	<p>This is the capital and surplus total as at the valuation date.</p> <p>It is derived as line 15 less line 39</p> <p>A reconciliation between this amount and Line 40 for Form 1A as required under Schedule I of the Insurance Accounts Regulations 1980 shall be shown in a supplementary note.</p>
41. Total	<p>This shall be the total of lines 39 and 40.</p> <p>It should equal Line 15.</p>

SCHEDULE XV (Paragraph 6)

LOSS RESERVE SPECIALIST'S OPINION

- 1 The loss reserve specialist's Opinion must state whether or not, in the opinion of the loss reserve specialist, the aggregate amount of technical provisions shown at Line 19 in the Statutory Economic Balance Sheet as at the end of the relevant financial year:
 - (a) meets the requirements of the Insurance Act 1978 and related rules and regulations;
 - (b) makes reasonable provision for the total technical provisions of the group under the terms of its insurance contracts and agreements.
- 2 The loss reserve specialist shall state their own best estimates (and/or ranges for the best estimates) and confirm that such estimates have been determined in accordance with the requirements set out in Schedule XIV. The loss reserve specialist shall also state (but is not limited to) their best estimates for following matters (as applicable):
 - (a) Line 16(a)
 - (b) Line 16(d)
 - (c) Line 17(a)
 - (d) Line 17(d)
- 3 The loss reserve specialist is required to state their estimates for the risk margin (Line 18) and state whether or not, in their opinion, these amounts have been calculated in accordance with the requirements of Schedule XIV.
- 4 In relation to Lines 16(a), the loss reserve specialist shall provide commentary on the assumptions made in relation to Bound But Not Incepted business, as described in paragraph 12 of the Economic Balance Sheet valuation principles as set out in Schedule XIV.
- 5 The loss reserve specialist shall provide commentary for Lines 16(d) and 17(d) on the assumptions made for expected losses due to counterparty default (for whatever reason, including reinsurer insolvency or contractual dispute) in relation to reinsurance recoveries.
- 6 Where the loss reserve specialist has not used risk discount curves provided by the Authority they shall state the rates used for calculation and provide commentary on how they were derived.
- 7 The loss reserve specialist shall provide commentary on any aspects of the technical provisions of the insurer which give rise to greater levels of uncertainty than would typically be associated with the insurer's business.
- 8 The loss reserve specialist Opinion shall further confirm:
 - (a) the loss reserve specialist's name, employer and professional designations attained (which qualifies them to issue the opinion and formed the basis for their application to the Authority for approval as Loss Reserve Specialist) ;
 - (b) whether or not the loss reserve specialist continues to be a qualified member in good standing of all official actuarial bodies included in their application to the Authority for approval;
 - (c) whether or not the loss reserve specialist is in full compliance with the most recent Continuing Professional Development requirements of their official actuarial body;
 - (d) whether or not the loss reserve specialist has any perceived conflicts of interest relative to providing the opinion; and
 - (e) whether or not the work supporting the Opinion complies with applicable standards of actuarial practice.

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- 9 Working papers supporting the loss reserve specialist's Opinion are required to be made available to the Authority by the loss reserve specialist upon request and should be sufficient in and of themselves to enable the completion of an independent review of the Opinion and supporting analysis by another unrelated but experienced actuary.
- 10 The Opinion shall be signed and dated by the loss reserve specialist and must include their current contact information, including but not limited to, telephone number and email address.

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SCHEDULE XVI

(Paragraph 6)

Schedule Of Regulated Non-Insurance Financial Operating Entities

Entity name	Jurisdiction	Sector classification	Strategic purpose	Entity type	Products & services offered	Participation	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
								<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

INSTRUCTIONS AFFECTING SCHEDULE XVI:

- (a) the insurer's regulatory capital requirement for regulated non-insurance financial operating entities, where the insurer exercises either control or significant influence, shall be calculated in accordance with Schedule XIII and shall form part of the insurer's BSCR – where “control” and “significant influence” has the same meaning given in sub-paragraph 19(4) of the Insurance (Group Supervision) Rules 2011”;
- (b) the name of the entity and its jurisdiction of incorporation are required to be provided;
- (c) the “Sector” and “Industries in Sector” classification of each of the insurer's “Regulated non-insurance financial operating entities” are 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 retailing 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

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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

- (d) the description of the strategic purpose of each entity is required to be provided;
- (e) the entity type is required to be provided (i.e., holding company; operating entity or branch);
- (f) the description of the products and services offered to external parties of each entity is required to be provided;
- (g) the insurer's participation should be categorized as to whether control or significant influence is exerted over each entity is listed;
- (h) the percent of participating interest of the insurer on each entity is required to be provided;
- (i) the total assets of each entity is required to be provided;
- (j) the investment amount shall be the equity value of the insurer's investment in such entities where the insurance group has significant influence and has accounted under the equity method of accounting as aggregated in Form 1EBS, Line 4(d); and the net asset value of the insurer's investment in such entities where the insurer exercises control or significant influence shall be provided;
- (k) 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;
- (l) the insurer's proportionate share of each entity's RCR.

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SCHEDULE XVII (paragraph 6)

SCHEDULE OF SOLVENCY

[blank] name of Insurer

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

All amounts are expressed in _(currency used)

Affiliate Name	Jurisdiction	Entity Type	Percent of Participation Interest	Gross Premiums Written	Net Premiums Written	Total Assets	Net Assets	Regulatory Capital Requirement

INSTRUCTIONS AFFECTING SCHEDULE XVII:

The insurer shall provide the following information to calculate the minimum margin of solvency the:

- (a) name of the entity over whom the insurer exercises control or significant influence;
- (b) name of the jurisdiction in which the entity is registered;
- (c) entity type (i.e., holding company; operating entity or branch);
- (d) percentage of participation interest by the insurer in each entity;
- (e) gross and net premium written for each the entity;
- (f) total assets of the subsidiaries of the insurer using the valuation basis required in the jurisdictions where the subsidiary is licensed;
- (g) “net asset valuation” of the subsidiaries of the insurer using the valuation basis required in the jurisdictions where the subsidiary is licensed;
- (h) regulatory capital requirement for each registered entity as determined by the jurisdiction where the entity is licensed or registered.

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Schedule XVIII - Schedule of Particulars of Ceded Reinsurance

(Paragraph 6)

[blank] name of Company

As at [blank] (day/month/year)

All amounts expressed in (currency used)

		(A)	(B)	(C)	(D)	(E)
Name of Reinsurer	BSCR Rating	Reinsurance Assets Form 1EBS Lines 11(e), 12(c) and 17(c)	Reinsurance Payable Form 1EBS Line 28, 29, 33 and 34(c)	Collateral Notes to Form 1EBS Line 11(e) and Line 17(c)	Qualifying Collateral	Net Qualifying Exposure

Exposure By BSCR Rating	Reinsurance Assets	Reinsurance Payable	Collateral	Qualifying Collateral	Net Qualifying Exposure
BSCR Rating 0					
BSCR Rating 1					
BSCR Rating 2					
BSCR Rating 3					
BSCR Rating 4					
BSCR Rating 5					
BSCR Rating 6					
BSCR Rating 7					
BSCR Rating 8					
Single Consolidated Exposure					

INSTRUCTIONS AFFECTING SCHEDULE XVIII:

- (a) Particulars of reinsurance balances shall disclose at least the ten largest reinsurance exposures with the remaining reinsurance exposures grouped according to BSCR ratings and/or a single consolidated reinsurance exposure, including basis —
- (i) the name of reinsurer;
 - (ii) the BSCR rating;

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- (iii) the amount of reinsurance balances receivable, funds held by ceding reinsurers, and reinsurance recoverable balance (as reflected in Form 1EBS, Lines 11(e), 12(c) and 17(c));
- (iv) funds held by ceding reinsurers (as reflected in Form 1EBS, Line 12(c), in paragraph (iii) above), shall be included only to the extent that they are not already included under Schedule IIA;
- (v) the amount of reinsurance balances payable and other payables (as reflected in Form 1EBS, Lines 28, 29, 33, and 34(c)) to the extent that they are attributable to that particular reinsurer or reinsurance exposure balance;
- (vi) the amount of any collateral placed in favour of the insurer relating to the reinsurance balances (as reflected in Notes to Form 1EBS, Lines 11(e) and 17(c));
- (vii) the amount of qualifying collateral shall be the collateral amount in (vi) less a 2% reduction to account for the market risk associated with the underlying collateral assets but, at all times, the qualifying collateral shall not exceed the net exposure, which is the difference between amounts in (iii) and (v);
- (viii) the net qualifying exposure shall be the amount under (iii) less the amounts under both (v) and (vii) above; and
- (ix) for the purposes of this Schedule, the appropriate BSCR rating shall be determined as follows—
 - (A) based on either the rating of the reinsurer or the rating of the letters of credit issuer, if any, whichever is higher;
 - (B) 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;
 - (C) where the reinsurer is a domestic affiliate, it shall be assigned a BSCR rating of 0 regardless of
 - (D) where a reinsurer is not rated but is regulated in a jurisdiction that applies the International Association of Insurance Supervisors' Insurance Core Principles ("IAIS' ICPs") and in particular imposes both a minimum capital requirement ("MCR") 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
 - (E) where the insurer has disclosed a single consolidated reinsurance exposure, that exposure shall be assigned a BSCR rating of 8;

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-

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Schedule XIX - Schedule of Cash and Cash Equivalent Counterparty Analysis

(Paragraph 6)

[blank] name of Company

As at [blank] (day/month/year)

All amounts expressed in (currency used)

Cash and Cash Counterparty Balance for 10 Largest Exposures	BSCR Rating	Asset Value (A)

Exposure By BSCR Rating	Asset Value (A)
BSCR Rating 0	
BSCR Rating 1	
BSCR Rating 2	
BSCR Rating 3	
BSCR Rating 4	
BSCR Rating 5	
BSCR Rating 6	
BSCR Rating 7	
BSCR Rating 8	
Single Consolidated Exposure	

INSTRUCTIONS AFFECTING SCHEDULE XIX:

- (i) cash and cash equivalent balances are to be reported based on its BSCR Rating;
- (ii) an insurer may disclose at least the top 10 cash and cash counterparty exposures (as reflected in Form 1EBS and Schedule IIA Column 1, Line 27);
- (iii) the remaining balance may be grouped according to BSCR rating;
- (iv) all unreconciled balances shall be allocated to the single consolidated exposure balance that receives a BSCR Rating of 8;
- (v) cash and cash equivalents issued by a country that is rated AA- or better in its own currency shall be classified under BSCR rating class 0;
- (vi) insurers may allocate BSCR Rating based on the table below or with the allocation detailed in Schedule II; and
- (vii) amounts shall be reported on both an EBS Valuation and unconsolidated basis.

BSCR Ratings	Standard & Poor's	Moody's	AM Best	Fitch
Class 2	A1, A1+	P1	AMB-1,1+	F1,F1+
Class 4	A2	P2	AMB-2	F2
Class 6	A3	P3	AMB-3	F3
Class 8	Unrated short-term investments and all other ratings			

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Schedule XX - Schedule of Currency Risk

[blank] name of Company

As at [blank] (day/month/year)

All amounts expressed in (currency used)

Currency	$GrossCurrast_i$ (A)	$Currast_i$ (B)	$GrossCurrliab_i$ (C)	$Currliab_i$ (D)
Financial Year	<u>Liabilities</u>	<u>ECR Charge</u>		
	<u>Form 1EBS, Line 39</u>	<u>Summary Schedule</u>		
XXX-1				
XXX-2				
XXX-3				

INSTRUCTIONS AFFECTING SCHEDULE XX:

- (i) Insurers are to report currencies representing at least 95% of their economic balance sheet liabilities
- (ii) $GrossCurrast_i$ and $GrossCurrliab_i$ shall be valued in line with the Economic Balance Sheet principles set out in Schedule XIV;
- (iii) where an insurer uses currency hedging arrangements to manage its currency risk, then $Currast_i$ and $Currliab_i$ may be adjusted to reflect the impact of those arrangements on $GrossCurrast_i$ and $GrossCurrliab_i$ of a 25% adverse movement in foreign exchange rates, otherwise the amounts $GrossCurrast_i$ and $GrossCurrliab_i$ shall apply;
- (iv) a 'currency hedging arrangement' means derivative or other risk mitigation arrangements designed to reduce losses due to foreign currency exchange movements, and which meet the Authority's requirements to be classed as such"; and
- (v) amounts shall be reported on both an EBS Valuation and unconsolidated basis.

Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011**Schedule XXI - Schedule of Concentration Risk****(Paragraph 6)****[blank] name of Company****As at [blank] (day/month/year)**

All amounts expressed in (currency used)

Name of Exposure	Asset Type (A)	Asset sub-type (B)	BSCR Rating (C)	Asset Value (D)

INSTRUCTIONS AFFECTING SCHEDULE XXI:

- (i) Disclosure of an insurer's 10 largest exposures to single counterparty risk by reporting the name, the exposure and allocation by asset type, bond / mortgage type (if applicable), BSCR Rating (if applicable) and asset value consistent with Form 1EBS.
- (ii) a counterparty shall include all related/connected counterparties defined as:
 - (A) Control relationship: if the counterparty, directly or indirectly, has control over the other(s); or
 - (B) Economic interdependence: if one of the counterparties were to experience financial problems, in particular funding or repayment difficulties, the other(s) as a result, would also be likely to encounter funding or repayment difficulties.
- (iii) Asset Type (Column A) shall be one of the following lines taken from Form 1EBS;
 - (A) Cash and cash equivalents (Line 1)
 - (B) Quoted Investments (Line 2)
 - (C) Unquoted investments (Line 3)
 - (D) Investments in and Advances to Affiliates (Line 4)
 - (E) Investments in Mortgage Loans on Real estate (Line 5)
 - (F) Policy Loans (Line 6)
 - (G) Real Estate (Line 7)
 - (H) Collateral Loans (Line 8)
 - (I) Funds held by ceding reinsurers (Line 12)
- (iv) Asset sub-type (Column B) shall provide further details of the type of asset as included in Table 1, Table 2 or Table 8 as appropriate;
- (v) BSCR Rating (Column C) shall be the BSCR rating that was allocated to the asset when it was included in Table 1, Table 2 or Table 8 as appropriate;
- (vi) Asset Value (Column D) shall be the value of the asset as required by the Economic Balance Sheet valuation principles as set out in Schedule XIV; and
- (vii) Amounts shall be reported on both an EBS Valuation and unconsolidated basis.