

## BERMUDA

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

## BR 77 / 2011

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

## Citation

1 These Rules may be cited as the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011.

## Interpretation

2 In these Rules-
"accident and health insurance" means an insurance that pays a benefit or benefits in the event of the person insured incurring an insured injury, illness or infirmity;

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"Act" means the Insurance Act 1978;
"annuity" means an insurance that provides savings or income benefits during the lifetime of the person insured or some limited period thereafter;
"approved group internal capital model" means an internal model approved under paragraph 5;
"available statutory capital and surplus"[revoked]
"available statutory economic capital and surplus" means the amount shown in Line 40 of Form 1EBS as set out in these Rules";
"business continuity risk" includes a risk of an event that threatens or disrupts an insurance group's continuous operations;
"business processes risk" includes a risk of errors arising from data entry, data processing, or application design;
"catastrophe risk" means the risk of a single catastrophic event or series of catastrophic events that lead to a significant deviation in actual claims from the total expected claims;
"compliance risk" includes a risk of legal or regulatory breaches or both;
"concentration risk" means the risk of exposure to losses associated with inadequate diversification of portfolios of assets or obligations;
"credit risk" includes the risk of loss arising from an insurance group's inability to collect funds from debtors;
"critical illness insurance" means a form of accident and health insurance that pays a benefit if the person insured incurs a predefined major illness or injury;
"currency risk" means the risk of losses resulting from movements in foreign currency exchange risks;
"deferred annuity" means an insurance that provides benefits at a future date which may be fixed deferred annuities where specified amounts are payable or variable annuities where the benefits are dependent on the performance of an investment fund or funds;
"disability income insurance" means an accident and health insurance that pays a benefit for a fixed period of time during disability;
"distribution channels risk" includes a risk of disruption to an insurance group's distribution channel arising from employment of inexperienced or incapable brokers or agents;
"double or multiple gearing" means the same capital being used towards satisfying regulatory capital requirements in two or more entities within an insurance group;
"ECR" means the enhanced capital requirement as defined in section 1(1) of the Act;

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"encumbered assets" means assets held for security or as collateral against a liability or contingent liability of the insurance group or other person or any other use restriction, excluding encumbered assets for the insurance group's policyholder obligations;
"encumbered assets for policyholder obligations" means the total assets held for security or as collateral or otherwise restricted to meet the liabilities to the policyholders of the insurance group in the event of a loss;
"Form 1"[revoked]
"Form 1EBS" means Schedule XIV Group Statutory Economic Balance Sheet set out in these Rules;
"fraud risk" includes a risk of misappropriation of assets, information theft, forgery or fraudulent claims;
"Group BSCR model" means the Bermuda Solvency Capital Requirement model established in accordance with paragraph 4 and Schedule I;
"group life, health and disability insurance" means insurance that is issued to persons insured through a group arrangement such as through an employer or association;
"group risk" means any risk of any kind, arising from membership of a group;
"Group Rules" means the Insurance (Group Supervision) Rules 2011;
"human resources (or "HR") risk" includes a risk of employment of unethical staff, inexperienced or incapable staff, failure to train or retain experienced staff, and failure to adequately communicate with staff;
"information technology (or "IT") risk" includes a risk of unauthorized access to systems and data, data loss, utility disruptions, software and hardware failures, and inability to access information systems;
"insurance" includes reinsurance;
"insurance underwriting risk" means the risk of fluctuations or deterioration in the experience factors affecting the cost of benefits payable to policyholders or impacting upon the amounts held to provide for policyholder obligations including premium risk, catastrophe risk and reserve risk;
"interest rate risk" means the risk that asset values are adversely affected by changes in current interest rates;
"investment risk" means the risk that the actual return from an asset deviates from the expected return;
"legal risk" means the risk arising from the failure of a parent or any member of the insurance group to-
(a) comply with statutory or regulatory obligations;
(b) comply with its bye-laws; or

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(c) comply with any contractual agreement;
"life insurance" means insurance of risks on the mortality (risk of death) of the life insured; and term insurance, whole life insurance, and universal life insurance are construed accordingly;
"liquidity risk" means-
(a) the risk arising from an insurance group's inability to meet its obligations as they fall due; or
(b) an insurance group's inability to meet such obligations except at excessive cost;
"longevity risk" means the risk of fluctuations or improvements in mortality that cause benefits on payout annuities to be paid for longer than expected;
"market risk" means the risk arising from fluctuations in values of, or income from, assets or interest rates or exchange rates, and includes investment risk;
"material intra-group transaction" means-
(a) an intra-group transaction where the total value is greater than or equal to $5 \%$ of the insurance group's available capital and surplus;
(b) a series of linked intra-group transactions that have a cumulative value that is greater than or equal to $10 \%$ of the insurance group's available capital and surplus; or
(c) an intra-group transaction where the qualitative risk characteristics of an intra-group transaction are assessed as high risk (including liquidity and solvency risk implications) and may adversely impact existing policyholders even though the quantitative impact remains unknown;
"morbidity risk" means the risk of fluctuations or deterioration of morbidity experience causing increased claims on accident and health insurance coverages;
"mortality risk" means the risk of fluctuations or deterioration of mortality experience causing increased claims on life insurance coverages;
"non-proportional insurance" means coverage of risk that is not shared at a given layer or that attach above an insured layer;
"operational risk" means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk;
"outsourcing risk" includes a risk of miscommunication of responsibilities in relation to outsourcing, breach of outsource service agreements, or entering into inappropriate outsource service agreements;
"parent company" or "parent" has the meaning given to it in paragraph 2 of the Group Rules;

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"payout annuity" including "contingent annuity" and "pension block" means an insurance that provides a series of payments to annuitants during their lifetime and/or for a fixed benefit period;
"premium risk" means the risk that premium is insufficient to meet future obligations;
"relevant year" in relation to an insurance group, means its financial year;
"reputational risk" includes risk of adverse publicity regarding an insurance group's business practices and associations;
"reserve risk" means the risk that an insurance group's technical provisions would be insufficient to satisfy its obligations;
"stop loss insurance risk" means the risk that total claims experience deteriorates or is more volatile than expected, thereby increasing the likelihood and amount by which actual claims experience exceeds a predefined level;
"strategic risk" means the risk of a parent company's inability to implement appropriate business plans and strategies, make decisions, allocate resources, or adapt to changes in the business environment;
"Tail Value-at-Risk (or "TVaR")" means the conditional average potential given that the loss outcome exceeds a given threshold;
"variable annuity guarantees" means insurance that provides a minimum investment guarantee on variable annuities.
[Paragraph 2 definitions "available statutory capital and surplus" and "Form 1" revoked, "reserve risk" amended and "available statutory economic capital and surplus", "currency risk" and "Form 1EBS" inserted by BR 57 / 2015 rule 2 effective 1 January 2016]

## ECR

3
(1) An insurance group's ECR shall be calculated at the end of its relevant year by reference to the following-
(a) the Group BSCR model; or
(b) an approved group internal capital model,
provided that the ECR shall at all times be an amount equal to, or exceeding, the minimum margin of solvency within the meaning of paragraph 19 of the Group Rules.
(2) The ECR applicable to an insurance group shall be-
(a) the ECR as calculated at the end of its most recent relevant year; or
(b) the ECR calculated after an adjustment has been made by the Authority under section 6D of the Act and has not otherwise been suspended under section $44 \mathrm{~A}(4)$ of the Act,
whichever is later.

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(3) Every insurance group shall maintain available statutory economic capital and surplus to an amount that is equal to or exceeds the value of the ECR.
(4) Available statutory economic capital and surplus is determined by calculating the total capital and surplus reported on Form 1EBS, Line 40 and-
(a) adding the capital contribution as applicable and entered by the insurance group; and
(b) deducting capital reduction for entities with insufficient data as reported on Schedule XI(D).
(c) [revoked]
(5) [revoked]
[Paragraph 3 subparagraph (5) inserted by BR 94 / 2012 para. 2 effective 1 January 2013; subparagraphs (3) and (4) amended by BR 57 / 2015 rule 3 effective 1 January 2016; subparagraph (5) revoked by BR 9 / 2016 rule 2 effective 15 March 2016]

## Group BSCR model

4
The Group BSCR model, set out in Schedule I, has effect.

## Approved group internal capital model

5 (1) A designated insurer may apply to the Authority on behalf of the group of which it is a member for approval of a group internal capital model to be used in substitution of the Group BSCR model.
(2) Where the Authority is satisfied, having regard to subparagraph (3) that it is appropriate to do so, it may approve the group internal capital model and may make its approval subject to conditions.
(3) In considering an application for approval of a group internal capital model the Authority shall have regard to the following matters-
(a) the appropriateness of the group internal capital model for the determination of the insurance group's capital requirement;
(b) the extent to which the internal capital model has been integrated into the insurance group's risk management program; and
(c) the appropriateness of controls applicable to the creation and maintenance of the insurance group's internal capital model.
(4) The Authority shall serve notice on the designated insurer of the following matters-
(a) its decision to approve the group internal capital model; or
(b) its decision to not approve the group internal capital model and the reason for its decision.
(5) A designated insurer served with a notice under subparagraph (4)(b) may, within a period of 28 days from the date of the notice, make written representations to the

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Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to confirm its decision not to approve the group internal capital model.
(6) The Authority may revoke the approval given under subparagraph (2) if it is satisfied that the insurance group has breached a condition of the approval or where the approved group internal capital model is deemed by the Authority no longer appropriate for the determination of the group's ECR.
(7) The Authority shall serve notice on the designated insurer of its proposal to revoke its approval of the insurance group's internal capital model and the reason for its proposal.
(8) A designated insurer served with a notice under subparagraph (7) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to revoke its approval.

## Insurance group capital and solvency return

6 (1) Schedules II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IVA, IVB, IVC, IVD, IVE, V, VI, VII, VIII, VIIIA, IX, X, XIA, XIB, XIC, XID, XII, XIII, XIV, XV, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA and XXIII have effect.
(2) Every insurance group must prepare a group capital and solvency return in accordance with Schedules I, II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IVA, IVB, IVC, IVD, IVE, V, VI, VII, VIII, VIIIA, IX, X, XIA, XIB, XIC, XID, XII, XIII, XIV, XV, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA and XXIII.
(3) An insurance group capital and solvency return shall comprise the following-
(a) both an electronic version and a printed version of the Group BSCR model;
(b) both an electronic version and a printed version of the returns prescribed in Schedules I, II, IIA, III, IIIA, IVA, IVB, IVC, V, VI, VII, VIII, VIIIA, IX, X, XIA, XIB, XIC, XID, XII, XIII, XV, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA and XXIII; and
(c) where applicable, a printed copy of an approved group internal capital model.
(3A) Where the group maintains its accounts in foreign currency all amounts reported in a group capital and solvency return must be shown in the Bermuda equivalent.
(3B) For the purposes of subparagraph (3A)-
(a) the Bermuda equivalent of an amount in foreign currency is the Bermuda dollar equivalent of that amount as converted into Bermudian dollars at the rate of exchange used by any licensed bank in Bermuda in relation to purchases by that bank of that foreign currency on the last day of the group's financial year;

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(b) notwithstanding clause (a), the Bermuda dollar equivalent of one U.S. dollar will be deemed to be one Bermuda dollar.
(4) A designated insurer must furnish to the Authority an insurance group capital and solvency return in respect of the insurance group of which it is a member, on or before its filing date.
(5) A designated insurer shall keep a copy of the insurance group's capital and solvency return at its principal office for a period of five years beginning with its filing date, and shall produce it to the Authority, if so directed by it, on or before a date specified in the direction.
(6) In this paragraph, "filing date" has the meaning given in paragraph 25 of the Group Rules.
[Paragraph 6 subparagraphs (3A) and (3B) inserted by BR 94 / 2012 para. 3 effective 1 January 2013; subparagraphs (1), (2) and (3)(b) amended by BR $114 / 2013$ para. 2 effective 1 January 2014; subparagraphs (1), (2) and (3)(b) amended by BR $57 / 2015$ rule 4 effective 1 January 2016; subparagraphs (1), (2) and (3)(b) amended by BR 73 / 2016 para. 2 effective 1 January 2017; subparagraphs (1), (2) and 3(b) amended by BR 69 / 2018 rule 2 effective 1 January 2019]

## Declaration of insurance group capital and solvency return

7 Every group capital and solvency return submitted by a designated insurer on behalf of the group of which it is a member shall be accompanied with a declaration signed by-
(a) two directors of the parent company, one of which may be the chief executive; and
(b) either the chief risk officer of the parent company, or the chief financial officer of the parent company,
declaring that to the best of their knowledge and belief, the return fairly represents the financial condition of the insurance group in all material respects.
[Paragraph 7 revoked and replaced by BR 94 / 2012 para. 4 effective 1 January 2013; Paragraph 7(a) amended by BR 114 / 2013 para. 3 effective 1 January 2014]

## Quarterly financial return

8 (1) Every insurance group shall prepare and file annually, quarterly financial returns no later than the end of the months of-
(a) May for the first quarter;
(b) August for the second quarter; and
(c) November for the third quarter.
(2) A quarterly financial return shall comprise the following-
(a) quarterly unaudited (consolidated) group financial statements in respect of its business for each financial quarter, where such statements are the

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most recent produced by the group, and must not reflect a financial position that exceeds two months;
(b) intra-group transactions and risk concentrations which will include-
(i) details of material intra-group transactions that have materialized since the most recent quarterly or annual financial returns prepared and filed as the case may be, with the Authority by the insurer including (where applicable)-
(A) exposure value (face value or market value, if the latter is available);
(B) counterparties involved including where they are located;
(C) summary details of the transactions including purpose, terms and transaction costs;
(D) duration of the transaction; and
(E) performance triggers;
(ii) details surrounding all intra-group reinsurance and retrocession arrangements, and other intra-group risk transfer insurance business arrangements that have materialized since the most recent quarterly or annual financial returns prepared and filed as the case may be, with the Authority by the insurer including-
(A) aggregated values of the exposure limits (gross and net) by counterparties broken down by counterparty rating;
(B) aggregated premium flows between counterparties (gross and net); and
(C) the proportion of the insurer's insurance business exposure covered by internal reinsurance, retrocession and other risk transfer insurance business arrangements;
(iii) details of the ten largest exposures to unaffiliated counterparties and any other unaffiliated counterparty exposures or series of linked unaffiliated counterparty exposures exceeding $10 \%$ of the insurer's statutory capital and surplus, including-
(A) name of unaffiliated counterparty, including where the counterparty is located;
(B) exposure values (face value or market value, if the latter is available); and
(C) transaction type.
(3) Quarterly unaudited group financial statements shall minimally include a Balance Sheet and Income Statement.

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(4) The information required to be included in the quarterly unaudited group financial statements shall be information calculated to fulfil (in addition to any other purposes for which Group Rules may require) the following purposes-
(a) to give as early warning as possible to any person examining the said statements (whether by way of notice of the observance or non-observance by the group of any ECR, or in any other way) of any financial or operational difficulties into which the insurance group's business has fallen or might appear likely to fall;
(b) to provide the basis on which the Authority or any other authority may in good time take action under the Act or any other statutory provision to exercise any statutory power available to it for the safeguarding of any element of the public interest involved in or affected by the insurance group's business.
[Paragraph 8 subparagraph (2)(b) revoked and replaced by BR $94 / 2012$ para. 5 effective 1 January 2013]

## Offences

9 Every person who knowingly or recklessly makes a false or misleading statement or return shall be guilty of an offence and is liable on summary conviction to a fine up to \$50,000.

## Commencement

10 (1) Except for paragraph 3, these Rules come into operation on 16 January 2012.
(2) Paragraph 3 comes into operation on 1 January 2013.

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## SCHEDULES

The Schedules to these Rules have been omitted.
They are available for inspection at the offices of the Bermuda Monetary Authority or on the website www.bma.bm
[Schedules amended by BR 69 / 2018 rule 3 and rule 4 effective 1 January 2019; Schedules II, IIA, IIB, IIC, IID, IIE, IIF, XVIII, XIX and XIXA amended by BR 123 / 2019 paras. 2 - 11 effective 1 January 2020]

Made this 30th day of December 2011

Chairman
The Bermuda Monetary Authority

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[Amended by:
    BR 94 / 2012
    BR 114 / 2013
    BR 91 / 2014
    BR 57 / 2015
    BR 9 / 2016
    BR 73 / 2016
    BR 117 / 2016
    BR 69 / 2018
    BR 123 / 2019
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SCHEDULE I
(Paragraph 4)

## Group Bermuda Solvency Capital Requirement

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

$$
\begin{aligned}
& B S C R=\sqrt{C_{f i}^{2}+C_{\text {eq }}^{2}+C_{\text {int }}^{2}+C_{\text {curr }}^{2}+C_{\text {conc }}^{2}+C_{\text {prem-gb }}^{2}+\left[\frac{1}{2} C_{\text {cred }}+C_{\text {rsvs-gb }}\right]^{2}+\left[\frac{1}{2} C_{\text {cred }}\right]^{2}+\left(C_{\text {LTmort }}+C_{L T s l}+C_{L T r}\right)^{2}} \\
& \text { cont'd } \sqrt{-.5 \times\left(C_{L T m o r t}+C_{L T s l}+C_{L T r}\right) \times C_{L T l o n g}+C_{L T l o n g}^{2}+C_{L T m o r b}^{2}+C_{L T V A}^{2}+C_{L T o t h e r}^{2}+C_{\text {cat-gb }}^{2}}+C_{o p}+C_{\text {adj }} \\
& +\left[B S C R_{\text {corr }}-\left(\sqrt{C_{\text {fi }}^{2}+C_{\text {eq }}^{2}+C_{\text {int }}^{2}+C_{\text {curr }}^{2}+C_{\text {conc }}^{2}+C_{\text {prem-gb }}^{2}+\left[\frac{1}{2} C_{\text {cred }}+C_{\text {rsvs-gb }}\right]^{2}+\left[\frac{1}{2} C_{\text {cred }}\right]^{2}+\left(C_{\text {LTMort }}+C_{\text {LTsl }}+C_{\text {LTr }}\right)^{2}}\right.\right. \\
& \text { cont'd } \left.\left.\sqrt{-.5 \times\left(C_{L T m o r t}+C_{L T s l}+C_{L T r}\right) \times C_{L T l o n g}+C_{L T l o n g}^{2}+C_{L T m o r b}^{2}+C_{L T V A}^{2}+C_{L T o t h e r}^{2}+C_{\text {cat-gb }}^{2}}+C_{o p}+C_{\text {adj }}\right)\right]
\end{aligned}
$$

| Where- |
| :--- |
| $C_{f i}$ |
| $C_{e q}$ |
| $C_{\text {int }}$ |
| $C_{\text {Curr }}$ |
| $C_{\text {Conc }}$ |
| $C_{p r e m-g b}$ |
| $C_{r s v s-g b}$ |
| $C_{c r e d}$ |
| $C_{\text {cat-gb }}$ |
| $C_{L T o t h e r}$ |
| $C_{L T m o r t}$ |
| $C_{L T s l}$ |
| $C_{L T r}$ |
| $C_{L T m o r b}$ |
| $C_{L T l o n g}$ |
| $C_{L T V A}$ |
| $C_{o p}$ |
| $C_{a d j}$ |

= fixed income investment risk charge as calculated in accordance with paragraph 2;
= equity investment risk charge as calculated in accordance with paragraph 3;
= interest rate / liquidity risk charge as calculated in accordance with paragraph 4;
$=$ currency risk charge as calculated in accordance with paragraph 5;
$=$ concentration risk charge as calculated in accordance with paragraph 6;
= premium risk charge for general business as calculated in accordance with paragraph 7;
= reserve risk charge for general business as calculated in accordance with paragraph 8 ;
$=$ credit risk charge as calculated in accordance with paragraph 9;
= catastrophe risk charge for general business as calculated in accordance with paragraph 10;
= other insurance risk charge for long-term business as calculated in accordance with paragraph 11;
= insurance risk - mortality charge for long-term business as calculated in accordance with paragraph 12;
= insurance risk - stop loss charge for long-term business as calculated in accordance with paragraph 13;
= insurance risk - riders charge for long-term business as calculated in accordance with paragraph 14;
= insurance risk - morbidity and disability charge for long-term business as calculated in accordance with paragraph 15;
= insurance risk - longevity charge for long-term business as calculated in accordance with paragraph 16;
= variable annuity guarantee risk charge for long-term business as calculated in accordance with paragraph 17;
$=$ operational risk charge as calculated in accordance with paragraph 18; and
$=$ charge for capital adjustment, calculated as the sum of (i), (ii) and (iii) where:
(i) Regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with

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paragraph 19; and
(ii) Capital requirement for unregulated entities as determined in accordance with paragraph 20; and
(iii) Capital adjustment for the loss-absorbing capacity of deferred taxes calculated as determined in accordance to paragraph 49;
BSCR $_{\text {Corr }}$
TransitionalFactor
$=$ as calculated in accordance with paragraph 21 and
TransitionalFactor $=$ The transitional factor is calculated in accordance to subparagraphs ito iii for insurance groups and increases in equal steps from $1 / T$ on for the financial year beginning on or after $1^{\text {st }}$ January 2019 to $100 \%$ by the end of the transitional period T in financial year beginning on or after year $2018+\mathrm{T}$. The length of the transitional period, T, for insurance groups is based on relative proportions of long term and P\&C risks and will be determined as follows:
i. The proportions of insurance risks that apply only to P\&C and only to long-term business are calculated as follows:
LT Proportion $=C_{L T} /\left(C_{L T}+C_{P \& C}\right)$
P\&C Proportion $=1$ - LT Proportion Where-
$C_{P \& C}=$ The P\&C risk module charge as calculated in paragraph 24.
$C_{L T}=$ The Long-Term risk module charge as calculated in paragraph 25.
ii. The transitional period is calculated by taking a weighted average of the three year P\&C transitional period and the ten year LT transitional period, using as weights the P\&C and LT Proportions, respectively, calculated in point i. above, and the result is rounded to the nearest integer. The transitional period is always between three and ten years.
iii. The transitional period will remain fixed.
2. The fixed income investment risk charge calculation shall be determined in accordance with the following formula-

| $C_{f i}=\sum_{i} \chi_{i} \times$ FIastclass ${ }_{i} \times \mu_{r}$ where |
| :--- |
|  |
| $\chi_{i}=$ the capital charge factors prescribed in Table 1 for each type of FIastclass $_{i} ;$ and |
| FIastclass $_{i} \quad$$=$ value of investment in corresponding asset Class i <br> $\mu_{r}$= additional diversification adjustment factor applied to cash and cash equivalent <br> balances, or 1 for other asset classes. |

Table 1 - Capital charge factors for FIastclass $_{i}$

| Type of fixed income <br> investments <br> FIastclass $_{i}$ | Statement Source <br> These Rules | Capital Factor <br> $\chi_{i}$ |
| :--- | :--- | :---: |
| Corporate and Sovereign Bonds |  | $0.0 \%$ |
| BSCR rating 0 | Schedule II \& IIA, Line 1, Column (1) | $0.4 \%$ |
| BSCR rating 1 | Schedule II \& IIA, Line 2, Column (1) | $0.8 \%$ |
| BSCR rating 2 | Schedule II \& IIA, Line 3, Column (1) | $1.5 \%$ |
| BSCR rating 3 | Schedule II \& IIA, Line 4, Column (1) | $3.0 \%$ |
| BSCR rating 4 | Schedule II \& IIA, Line 5, Column (1) | $8.0 \%$ |
| BSCR rating 5 | Schedule II \& IIA, Line 6, Column (1) | $15.0 \%$ |
| BSCR rating 6 | Schedule II \& IIA, Line 7, Column (1) |  |

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| BSCR rating 7 | Schedule II \& IIA, Line 8, Column (1) | 26.3\% |
| :---: | :---: | :---: |
| BSCR rating 8 | Schedule II \& IIA, Line 9, Column (1) | 35.0\% |
| Residential Mortgage-Backed Securities |  |  |
| BSCR rating 1 | Schedule II \& IIA, Line 2, Column (3) | 0.6\% |
| BSCR rating 2 | Schedule II \& IIA, Line 3, Column (3) | 1.2\% |
| BSCR rating 3 | Schedule II \& IIA, Line 4, Column (3) | 2.0\% |
| BSCR rating 4 | Schedule II \& IIA, Line 5, Column (3) | 4.0\% |
| BSCR rating 5 | Schedule II \& IIA, Line 6, Column (3) | 11.0\% |
| BSCR rating 6 | Schedule II \& IIA, Line 7, Column (3) | 25.0\% |
| BSCR rating 7 | Schedule II \& IIA, Line 8, Column (3) | 35.0\% |
| BSCR rating 8 | Schedule II \& IIA, Line 9, Column (3) | 35.0\% |
| Commercial Mortgage-Backed Securities/Asset-Backed Securities |  |  |
| BSCR rating 1 | Schedule II \& IIA, Line 2, Column (5) | 0.5\% |
| BSCR rating 2 | Schedule II \& IIA, Line 3, Column (5) | 1.0\% |
| BSCR rating 3 | Schedule II \& IIA, Line 4, Column (5) | 1.8\% |
| BSCR rating 4 | Schedule II \& IIA, Line 5, Column (5) | 3.5\% |
| BSCR rating 5 | Schedule II \& IIA, Line 6, Column (5) | 10.0\% |
| BSCR rating 6 | Schedule II \& IIA, Line 7, Column (5) | 20.0\% |
| BSCR rating 7 | Schedule II \& IIA, Line 8, Column (5) | 30.0\% |
| BSCR rating 8 | Schedule II \& IIA, Line 9, Column (5) | 35.0\% |
| Bond Mutual Funds |  |  |
| BSCR rating 0 | Schedule II \& IIA, Line 1, Column (7) | 0.0\% |
| BSCR rating 1 | Schedule II \& IIA, Line 2, Column (7) | 0.4\% |
| BSCR rating 2 | Schedule II \& IIA, Line 3, Column (7) | 0.8\% |
| BSCR rating 3 | Schedule II \& IIA, Line 4, Column (7) | 1.5\% |
| BSCR rating 4 | Schedule II \& IIA, Line 5, Column (7) | 3.0\% |
| BSCR rating 5 | Schedule II \& IIA, Line 6, Column (7) | 8.0\% |
| BSCR rating 6 | Schedule II \& IIA, Line 7, Column (7) | 15.0\% |
| BSCR rating 7 | Schedule II \& IIA, Line 8, Column (7) | 26.3\% |
| BSCR rating 8 | Schedule II \& IIA, Line 9, Column (7) | 35.0\% |
| Mortgage Loans |  |  |
| Insured/guaranteed mortgages | Schedule II \& IIA, Line 22, Column (1) | 0.3\% |
| Other commercial and farm mortgages | Schedule II \& IIA, Line 23, Column (1) | 5.0\% |
| Other residential mortgages | Schedule II \& IIA, Line 24, Column (1) | 1.5\% |
| Mortgages not in good standing | Schedule II \& IIA, Line 25, Column (1) | 25.0\% |
| Other Fixed Income Investments |  |  |
| Other loans | Form 1EBS, Line 8 | 5.0\% |
| Cash and cash equivalents |  |  |
| 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 FIastclass $_{i}$

(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; and
(c) all bonds and debentures, loans, and other miscellaneous investments shall be reported on a basis consistent with that used for purposes of statutory financial reporting.
(d) the capital requirements relating to cash and cash equivalents shall be reduced by a diversification adjustment of up to a maximum of $40 \%$; and
(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
3. The equity investment risk charge calculation shall be established in accordance with the following formula-
$C_{e q}=\sum_{i} \chi_{i} \times$ Eqastclass $_{i}$ where -
$\chi_{i} \quad=$ 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 Eqastclass $_{i}$ | Statement Source <br> These Rules | Capital Factor $\chi_{i}$ |
| :---: | :---: | :---: |
| Common stocks |  |  |
| 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\% |
| Preferred stocks |  |  |
| BSCR rating 1 | Schedule II \& IIA, Line 11, Column (3) | 0.6\% |
| BSCR rating 2 | Schedule II \& IIA, Line 12, Column (3) | 1.2\% |
| BSCR rating 3 | Schedule II \& IIA, Line 13, Column (3) | 2.0\% |
| BSCR rating 4 | Schedule II \& IIA, Line 14, Column (3) | 4.0\% |
| BSCR rating 5 | Schedule II \& IIA, Line 15, Column (3) | 11.0\% |
| BSCR rating 6 | Schedule II \& IIA, Line 16, Column (3) | 25.0\% |
| BSCR rating 7 | Schedule II \& IIA, Line 17, Column (3) | 35.0\% |


| BSCR rating 8 | Schedule II \& IIA, Line 18, <br> Column (3) | $35.0 \%$ |
| :--- | :--- | :---: |
| Other equity investments |  | $10.0 \%$ |
| Company-occupied real <br> estate less: <br> encumbrances | Form 1EBS, Line 7(a) | $20.0 \%$ |
| Real estate investments <br> less: encumbrances | Form 1EBS, Line 7(b) | $20.0 \%$ |
| Other equity <br> investments |  <br> Schedule IIA, Line 21 Column <br> (7) | $20.0 \%$ |
| Other tangible assets <br> net of segregated <br> accounts | Form 1EBS, Lines 13(k), 14(d) <br> \& 36(f) Less 13(b), 13(c), 13(d) <br> and 13(h) | $20.0 \%$ |
| Investments in affiliates | $5.0 \%$ |  |
| Unregulated entities <br> that conduct ancillary <br> services | Form 1EBS, Line 4(a) | $5.0 \%$ |
| Unregulated non- <br> financial operating <br> entities | Form 1EBS, Line 4(b) | $20.0 \%$ |
| Unregulated financial <br> operating entities | Form 1EBS, Line 4(c) |  |
| Regulated insurance <br> financial operating <br> entities | Form 1EBS, Line 4(e) | 2 |

## 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) all investments in unregulated entities for which the insurance group exercises significant influence shall be included in the equity investment risk charge, except regulated non-insurance financial operating entities.
4. The interest rate / liquidity risk charge calculation shall be established in accordance with the following formula-

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

bonds
duration
$=$ quoted and unquoted value of total bonds and debenture, preferred stock, or mortgage loans;
= the higher of
(a) 1 ; or
(b) the insurance group's effective asset duration less the insurance group's effective liability duration; or
(c) the insurance group's effective liability duration less the insurance group's effective asset duration;

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(d) the statement source for the insurance group's effective asset duration and effective liability duration is Schedule V paragraphs (e) and (f), respectively, of these Rules; and
marketdecline $=$ assumed interest rate adjustment prescribed in Table 3.
Table 3 - Interest rate adjustment for bond

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

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

(a) all assets comprising of total bonds and debentures (other), preferred stock, and mortgage loans investments that are subject to capital charges within the interest rate / liquidity risk charge shall be included;
(b) all quoted and unquoted total bonds and debentures and preferred stock shall be included in the interest rate/liquidity risk charge; and
(c) 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.
5. The currency risk charge calculation shall be established in accordance with the following formula -

| $C_{C u r r}=\sum_{i} \chi$ | Currproxybscr $_{i}+$ Currliab $_{i}-$ Currast $\left._{i}\right)_{\text {where }-~}^{\text {- }}$ |
| :---: | :---: |
| $\chi_{i}$ | $=25 \%$ where ( Currast $_{i}-$ Currliab $_{i}-$ Currproxybscr $\left._{i}\right)<0$ |
|  | 0\% otherwise |
| Currency $_{i}$ | = refers to a currency used by the insurance group |
| GrossCurrast $_{i}$ | $=$ value of assets corresponding to Currency $y_{i}$ as reported on Form 1EBS Line 15 |
| Currast $_{\text {i }}$ | $=$ value of assets corresponding to Currency ${ }_{i}$ as reported on Form 1EBS <br> 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 ${ }_{\text {i }}$ | $=$ value of liabilities corresponding to Currency $y_{i}$ as reported on Form 1EBS Line 39 adjusted to allow for currency hedging arrangements |
| Currproxybscr ${ }_{i}$ | $=$ refers to the product of GrossCurrliab ${ }_{i}$ and BSCR Proxy factor |
| BSCR Proxy factor | = greater of: <br> i. the Enhanced Capital Requirement divided by Form 1EBS Line 39 Total Liabilities for the preceding year; <br> ii. the average of the above ratio for the preceding 3 years. Where there are no prior submissions available, the BSCR proxy |

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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 $_{\text {i }}$ | Currproxybscr ${ }_{i}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Currency <br> 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 $_{i} \mathrm{x}$ <br> BSCR Proxy <br> 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 $_{i} \mathrm{x}$ <br> BSCR Proxy <br> 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 $_{i} \mathrm{x}$ <br> BSCR Proxy <br> Factor |
| Currency <br> 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 $_{i} \mathrm{x}$ <br> BSCR Proxy <br> Factor |

## INSTRUCTIONS AFFECTING TABLE 4: Capital charge factors for Currency Risk

(a) where the insurance group 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;
(b) 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; and
(d) insurance groups are to report currencies representing at least 95\% of their economic balance sheet liabilities
6. The concentration risk charge calculation shall be established in accordance with the following formula-
$C_{\text {Conc }}=\sum_{i} \chi_{i} \times$ Concastclass $_{i}$ where -
$\chi_{i} \quad=$ 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 These Rules | Capital Factor $\chi_{i}$ |
| :---: | :---: | :---: |
| Cash and Cash Equivalents |  |  |
| 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\% |
| Corporate \& Sovereign Bonds |  |  |
| 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\% |
| Residential Mortgage-Backed Securities |  |  |
| 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\% |
| Commercial Mortgage-Backed Securities/Asset Backed Securities |  |  |
| 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\% |
| Bond Mutual Funds |  |  |
| 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\% |
| Preferred Shares |  |  |
| 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\% |

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| 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\% |
| Mortgage Loans |  |  |
| 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\% |
| Other Asset Classes |  |  |
| 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 operating entities | Schedule XXI, Column D | 55.0\% |
| Investment in Affiliates Regulated non-insurance financial operating entities | Schedule XXI, Column D | 55.0\% |
| Investment in Affiliates - <br> 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\% |

## 

(a) Concastclass shall only apply to the insurance group's 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.
7. The premium risk charge calculation for general business shall be established in accordance with the following formula-

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$$
C_{\text {prem }}=\left[\sum_{i>1} \alpha_{i} \times \text { geolineprem }_{i}\right] \times\left[\max _{i}\left\{\frac{\text { geolineprem }_{i}}{\text { totalprem }}\right\} \times \mu+\vartheta\right]-\left[\text { avgpremcap } \times \frac{\text { avgannloss }}{\text { catlossratio }}\right]
$$

where -

| $\alpha_{i}$ | $=$ individual general business geolineprem $_{i}$ risk capital charge factor as prescribed |
| :--- | :--- |
| in table 6; |  |


|  | in table $6 ;$ <br>  <br> = total geographic diversification of premium measure over all lines of business <br> total $_{i}$ |
| :--- | :--- |
| (except Property Catastrophe) i.e. $\sum_{i>1}$ geolineprem $_{i} ;$ |  |


| geolineprem $_{i}$ | ographic diversification of premium measure for line of general business $i_{i}$ as |
| :---: | :---: |
| avgpremcap $_{i}$ | prescribed in Table 6; <br> $=$ weighted average general business premium risk capital charge factor (excluding the Property Catastrophe line of business and after concentration adjustment and allowing for geographic diversification); |
| avgannloss | = average annual loss estimated with catastrophe models for general business; |
| catlossratio | $=$ expected industry average catastrophe loss ratio for general business prescribed by the Authority; |
| $\mu$ | = additional concentration adjustment factor taking into consideration an insurance group's diversified lines of general business equal to $40 \%$; and |
| $\vartheta$ | $=$ minimum concentration adjustment factor is equal to $60 \%$ |

Table 6 - Capital charge factors for geolineprem ${ }_{i}$

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

${\text { INSTRUCTIONS AFFECTING TABLE 6: Capital charge factors for } \text { geolineprem }_{i}}^{\text {a }}$
(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 general business shall be reported on a basis consistent with that used for purposes of statutory financial reporting; and
(c) a insurance group 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 is then derived from the total premium for that line of business by reducing the total by $25 \%$ times $\frac{\sum x_{i}^{2}}{\left(\sum x_{i}\right)^{2}}$ where $x_{i}=$ net premiums written in that line of business for Zone ${ }_{i}$; and where the summation covers all zones.

Table 6A - Underwriting Geographic Zones

| Underwriting Zone | Location |
| :---: | :---: |
| Zone 1 - Centeral \& 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, TimorLeste, 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 Africar 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 \& Centeral 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-East United States | Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont |
| Zone 16 - South-Eas 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 for general business shall be established in accordance with the following formula-
$C_{r s v s-g b}=\left[\sum_{i} \beta_{i} \times\right.$ geolinersvs $\left._{i}\right] \times\left[\max _{i}\left\{\frac{\text { geolinerss }_{i}}{\text { totalrsvs }}\right\} \times \mu+\vartheta\right]$ where -
$\beta_{i} \quad=$ individual geolinersvs ${ }_{i}$ risk capital charge factor as prescribed in Table 6;
totalrsvs $\quad=$ total geographic diversification of reserves over all lines of general business, i.e. $\sum_{i}$ geolinersvs $_{i} ;$

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geolinersvs $_{i}$
$\mu \quad=$ additional concentration adjustment factor taking into consideration an insurance group's diversified lines of general business equal to $40 \%$; and
$\boldsymbol{Q} \quad=$ minimum concentration adjustment factor is equal to $60 \%$

Table 7 - Capital charge factors for geolinersvs $_{i}$

| Line of General Business <br> geolinersvs | Statement Source | Capital Factor |
| :--- | :---: | :---: |
| Property catastrophe | $\beta_{i}$ |  |
| Property | Schedule III, Line 1 | $46.2 \%$ |
| Property non- proportional | Schedule III, Line 2 | $43.8 \%$ |
| Personal accident | Schedule III, Line 3 | $49.7 \%$ |
| Personal accident non-proportional | Schedule III, Line 4 | $29.7 \%$ |
| Aviation | Schedule III, Line 5 | $34.9 \%$ |
| Aviation non- proportional | Schedule III, Line 6 | $46.0 \%$ |
| Credit / surety | Schedule III, Line 7 | $48.3 \%$ |
| Credit / surety non- proportional | Schedule III, Line 8 | $38.4 \%$ |
| Energy offshore /marine | Schedule III, Line 9 | $43.5 \%$ |
| Energy offshore / marine non- proportional | Schedule III, Line 10 | $39.5 \%$ |
| US casualty | Schedule III, Line 11 | $43.9 \%$ |
| US casualty non- proportional | Schedule III, Line 12 | $43.0 \%$ |
| US professional | Schedule III, Line 13 | $48.8 \%$ |
| 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- <br> 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 $^{\text {geoliners }} \boldsymbol{s}_{i}$
(a) all reported net loss and loss expense provisions for the relevant year by statutory line of general business as prescribed in this Schedule are subject to capital charges within the reserve risk charge shall be included;
(b) all reported net loss and loss expense provisions by statutory line of general business shall be reported on a basis consistent with that used for purposes of statutory financial reporting; and
(c) a insurance group 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 5A. geolinersvs $s_{i}$ is then derived from the total loss and loss expense provisions for that line of business by reducing the total by $25 \%$ times $\frac{\sum x_{i}{ }^{2}}{\left(\sum x_{i}\right)^{2}}$ where $x_{i}=$

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best estimate net loss and loss expense provisions in that line of business for Zone $_{i}$; and where the summation covers all zones
9. The credit risk charge calculation shall be established in accordance with the following formula-

$$
\begin{aligned}
& C_{\text {cred }}=\sum_{i} \delta_{i} \times \text { debtor } \times \mu_{r} \text { where - } \\
& \delta_{i} \quad \begin{array}{l}
\text { = the credit risk capital charge factor for type of } \text { debtor }_{i} \text { as prescribed in Table } \\
\text { 8; and } \\
\text { debtor } r_{i} \quad \begin{array}{l}
\text { receivable amount from debtor i net of any collateral placed in favour of the } \\
\text { insurer; and. } \\
\text { = additional diversification adjustment factor applied to reinsurance balances } \\
\mu_{r}
\end{array} \quad \begin{array}{l}
\text { only taking into consideration diversification by number of reinsurers, equal to } \\
40 \%
\end{array}
\end{array} . \begin{array}{l}
\text { 40\% }
\end{array}
\end{aligned}
$$

Table 8 - Capital charge factors for debtor $_{i}$

| Type of debtor <br> debtor | Statement Source <br> These Rules | Capital Factor <br> $\delta_{i}$ |  |  |
| :--- | :--- | :---: | :---: | :---: |
| Accounts and Premiums Receivable |  |  |  |  |
| In course of collection | Form 1EBS, Line 10(a) | $5.0 \%$ |  |  |
| Receivables from <br> retrocessional contracts <br> less: collateralized balances | Form 1EBS, Line 10(c) and instruction <br> (c) below | $10.0 \%$ |  |  |
| Particulars of reinsurance balances |  |  |  |  |
| 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 <br> adjustment | Schedule XVIII paragraph (d) | $40.0 \%$ |  |  |
| All Other Receivables |  |  |  |  |
| Accrued investment income | Form 1EBS, Line 9 | $2.5 \%$ |  |  |
| Advances to affiliates | Form 1EBS, Line 4(g) | $5.0 \%$ |  |  |
| Policy loans | Form 1EBS, Line 6 | $0.0 \%$ |  |  |

## INSTRUCTIONS AFFECTING TABLE 8: Capital charge factors for debtor ${ }_{i}$

(i) all accounts and premiums receivable and all other receivables that are subject to capital charges within the credit risk charge shall be included;
(ii) 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;
(iii) collateralized balances are assets pledged in favour of the insurer relating to accounts and premiums receivable;
(iv) assets accounted in Form 1EBS, Line 37 shall not be included in instruction (c);

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(v) 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;
(vi) the net qualifying exposure in instruction (e) shall be subject to the prescribed credit risk capital factor;
(vii) the total capital requirement relating to the reinsurance balances shall be reduced by a diversification adjustment of up to a maximum of $40 \%$; and
(viii) the diversification adjustment in instruction (vii) 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.
10. The catastrophe risk charge calculation for general business shall be established in accordance with the following formula-

$$
\begin{aligned}
& C_{c a t-g b}=N e t P M L-N e t c a t p r e m+C R_{P M L} \text { where - } \\
& \text { NetPML = net probable maximum loss as prescribed in Schedule V paragraph (i); } \\
& \text { Netcatprem = average annual loss for general insurance excluding Property Catastrophe } \\
& \text { as prescribed in Schedule V paragraph (j) / \{(estimated industry } \\
& \text { catastrophe loss ratio of } 40 \% \text { as prescribed in this Schedule) + property } \\
& \text { catastrophe premium as included in Schedule IVA, Line } 1 \text { of these rules;; } \\
& \text { and } \\
& C R_{P M L} \quad=\{\text { gross probable maximum loss as prescribed in Schedule V paragraph (h) } \\
& \text { less net probable maximum loss as prescribed in Schedule V paragraph (i) } \\
& \text { less arrangements with respect to property catastrophe recoverables as } \\
& \text { prescribed in Schedule V paragraph (l)(v) of these Rules) x (Credit risk } \\
& \text { charge, equal to } 10 \% \text {, associated with reinsurance recoveries of ceded } \\
& \text { catastrophe losses for general business)\}. }
\end{aligned}
$$

(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 other insurance risk charge for long-term business calculation shall be established in accordance with the following formula -

$$
C_{\text {LToth }}=\sum_{i} \alpha_{i} \times B A R_{i}
$$

Where:

$$
\begin{array}{ll}
\alpha_{i} & =\text { individual } B A R_{i} \text { capital charge factor as prescribed in Table } 9 ; \text { and } \\
B A R_{i} & =\text { the BSCR adjusted reserves for other insurance risk for long-term } \\
\text { business as described in Table } 9 .
\end{array}
$$

Table 9 - Capital charge factors for $B A R_{i}$

| BSCR adjusted reserves | Statement Source | Capital Factor |
| :--- | :---: | :---: |
| $B A R_{i}$ | These Rules | $\alpha_{i}$ |

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| Mortality (term insurance, <br> whole life, universal life) | Schedule VII, Column (7), Line 1 | $2.0 \%$ |
| :--- | :--- | :---: |
| Critical illness (including <br> accelerated critical illness <br> products) | Schedule VII, Column (7), Line 2 | $2.0 \%$ |
| Longevity (immediate pay- <br> out annuities, contingent <br> annuities, pension pay-outs) | Schedule VII, Column (7), Line 3(f) | $0.5 \%$ |
| Longevity (deferred pay-out <br> annuities, future contingent <br> annuities, future pension <br> pay- outs) | Schedule VII, Column (7), Line 4(g) | $0.5 \%$ |
| Annuities certain only | Schedule VII, Column (7), Line 5 |  |
| Deferred accumulation <br> annuities | Schedule VII, Column (7), Line 6 | $0.5 \%$ |
| Disability income: active <br> lives - including waiver of <br> premium and long-term <br> care | Schedule VII, Column (7), Line 7(d) | $2.0 \%$ |
| Disability income: active <br> lives - other accident and <br> sickness | Schedule VII, Column (7), Line 8 |  |
| Disability income: claims in <br> payment - including waiver <br> of premium and long-term <br> care | Schedule VII, Column (7), Line 9 | $2.0 \%$ |
| Disability income: claims in <br> payment - other accident <br> and sickness | Schedule VII, Column (7), Line 10 | $0.5 \%$ |
| Group life | Schedule VII, Column (7), Line 11 | $0.5 \%$ |
| Group disability | Schedule VII, Column (7), Line 12 | $0.5 \%$ |
| Group health | Schedule VII, Column (7), Line 13 | $0.5 \%$ |
| Stop loss | Schedule VII, Column (7), Line 14 | $2.0 \%$ |
| Rider (other product riders <br> not included above) | Schedule VII, Column (7), Line 15 | $2.0 \%$ |

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

| $C_{\text {Lrmort }}=\left[\sum_{i}\right.$ | $]+\left[\sum_{i} \alpha 2_{i} \times N A A R 2_{i}\right]$ Where |
| :---: | :---: |
| $\alpha 1_{i}$ | = capital charge factor for adjustable mortality long-term business as prescribed in Table 10; |
| $N A A R 1{ }_{i}$ | $=$ the Net Amount at Risk of all adjustable mortality long-term business as prescribed in Schedule VII, Column (9), Line 1 of these Rules; |
| $\alpha 2_{i}$ | = capital charge factor for non-adjustable mortality long-term business as prescribed in Table 10; |
| $N A A R 2{ }_{i}$ | $=$ the Net Amount at Risk of all non-adjustable mortality long-term business as prescribed in Schedule VII, Column (10), Line 1 of these Rules; |

Table 10 - Capital charge factors for $N A A R 1_{i}$ or $N A A R 2_{i}$

| Net Amount at Risk <br> $N A A R 1_{i}$ or $N A A R 2_{i}$ | Capital Factor <br> $\alpha 1_{i}$ | Capital Factor <br> $\alpha 2_{i}$ |
| :--- | :---: | :---: |
| First $\$ 1$ billion | 0.00199 | 0.00397 |
| Next $\$ 4$ billion | 0.00090 | 0.00180 |

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| Next $\$ 5$ billion | 0.00072 | 0.00144 |
| :--- | :--- | :--- |
| Next $\$ 40$ billion | 0.00065 | 0.00129 |
| Excess over $\$ 50$ billion | 0.00057 | 0.00113 |

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

|  | $=50 \% \times$ net annual premium for stop loss covers as prescribed in |
| :--- | :--- |
| Schedule VII, Column (11), Line 14 of these Rules. |  |

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

| $C_{L T r}$ | $=25 \%$ x net annual premium for insurance product riders not |
| :--- | :--- |
| included elsewhere as prescribed in Schedule VII, Column (11), Line |  |
| 15 of these Rules. |  |

15. The insurance risk - morbidity and disability charge calculation for long-term business shall be established in accordance with the following formula -
$C_{\text {LTMOrb }}=(a)+(b)+(c)+(d)+(e)$ Where:
$=7.00 \% \times \mathrm{BSCR}$ adjusted reserves for disability income claims in
(a) payment on waiver of premium and long-term care as prescribed in Schedule VII, Column (7), Line 9 of these Rules;
$=10 \% \times$ BSCR adjusted reserves for disability income claims in
(b) payment on other accident and sickness products as prescribed in Schedule VII, Column (7), Line 10 of these Rules;
(c) $\quad=\left[\sum_{i} \alpha_{i} \times N A P_{i}\right]$

Where -
$\alpha_{i}=$ individual $N A P_{i}$ capital charge factor as prescribed in Table 11;
$N A P_{i}=$ the Net Annual Premium for disability income business active lives as described in Table 11;

Table 11 - Capital charge factors for $N A P_{i}$

| Net Annual Premium <br> $N A P_{i}$ | Statement Source <br> These Rules | Capital Factor <br> $\alpha 1_{i}$ |
| :--- | :---: | :---: |
| Benefit period less than or equal <br> to two years, premium <br> guarantee less than or equal to 1 <br> year | Schedule VII, Column (9), Line 7(a) | $9.0 \%$ |
| Benefit period less than or equal <br> to two years, premium <br> guarantee of more than 1 year <br> but less than or equal to 5 years | Schedule VII, Column (9), Line 7(b) | $15.0 \%$ |
| Benefit period less than or <br> equal to two years, premium <br> guarantee of more than 5 years | Schedule VII, Column (9), Line 7(c) | $22.5 \%$ |
| Benefit period greater than two <br> years, premium guarantee less <br> than or equal to 1 year | Schedule VII, Column (10), Line 7(a) | $12.0 \%$ |
| Benefit period greater than two <br> years, premium guarantee of <br> more than 1 year but less than <br> or equal to 5 years | Schedule VII, Column (10), Line 7(b) | $20.0 \%$ |
| Benefit period greater than two | Schedule VII, Column (10), Line 7(c) | $30.0 \%$ |

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| years, premium guarantee of <br> more than 5 years |  |  |
| :--- | :--- | :--- |

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

$$
=\left[\sum_{i} \alpha 1_{i} \times N A A R 1_{i}\right]+\left[\sum_{i} \alpha 2_{i} \times N A A R 2_{i}\right]
$$

Where -
$\alpha 1_{i}=$ capital charge factor for adjustable critical illness insurance business as prescribed in Table 12;
$N A A R 1_{i}=$ the Net Amount at Risk of all adjustable critical illness insurance business in force as in Schedule VII, Column (9), Line 2; $\alpha 2_{i}=$ capital charge factor for non-adjustable critical illness insurance business as prescribed in Table 12;
$N A A R 2_{i}=$ the Net Amount at Risk of all non-adjustable critical illness insurance business in force as in Schedule VII, Column (10), Line 2.

Table 12 - Capital charge factors for $N A A R 1_{i}$ or $N A A R 2_{i}$

| Net Amount at Risk <br> $N A A R 1_{i}$ Or $N A A R 2_{i}$ | Capital Factor <br> $\alpha 1_{i}$ | Capital Factor <br> $\alpha 2_{i}$ |
| :--- | :---: | :---: |
| First $\$ 1$ billion | 0.00596 | 0.01191 |
| Next $\$ 4$ billion | 0.00270 | 0.00540 |
| Next $\$ 5$ billion | 0.00216 | 0.00432 |
| Next $\$ 40$ billion | 0.00194 | 0.00387 |
| Excess over $\$ 50$ billion | 0.00170 | 0.00339 |

16. The insurance risk - longevity charge calculation for long-term business shall be established in accordance with the following formula -
$C_{\text {LTlong }}=\sum_{i} \alpha_{i} \times B A R_{i}$ Where:
$\boldsymbol{\alpha}_{i} \quad=$ capital charge factor as prescribed in Table 13; and
$B A R_{i} \quad=$ th
the BSCR adjusted reserves for longevity risk as described in Table

Table 13 - Capital charge factors for $B A R_{i}$

| BSCR adjusted reserves | Statement Source | Capital Factor |
| :--- | :---: | :---: |
| $B A R_{i}$ | These Rules | $\alpha_{i}$ |

Longevity (immediate pay-out annuities, contingent annuities, pension blocks) - Attained age of annuitant:

| 0-55 years | Schedule VII, Column (7), Line 3(a) | $2.0 \%$ |
| :--- | :---: | :---: |
| $56-65$ years | Schedule VII, Column (7), Line 3(b) | $3.0 \%$ |
| 66-70 years | Schedule VII, Column (7), Line 3(c) | $4.0 \%$ |
| $71-80$ years | Schedule VII, Column (7), Line 3(d) | $5.0 \%$ |
| 81+ years | Schedule VII, Column (7), Line 3(e) | $6.0 \%$ |
| Longevity (deferred pay-out annuities, future contingent annuities, future pension pay- <br> outs) - Age at which annuity benefits commence: |  |  |
| $0-55$ years | Schedule VII, Column (7), Line 4(a) | $2.0 \%$ |


| $56-60$ years | Schedule VII, Column (7), Line 4(b) | $3.0 \%$ |
| :--- | :--- | :--- |
| $61-65$ years | Schedule VII, Column (7), Line 4(c) | $4.0 \%$ |
| $66-70$ years | Schedule VII, Column (7), Line 4(d) | $5.0 \%$ |
| $71-75$ years | Schedule VII, Column (7), Line 4(e) | $6.0 \%$ |
| $76+$ years | Schedule VII, Column (7), Line 4(e) | $7.0 \%$ |

## INSTRUCTIONS AFFECTING TABLE 13: Capital charge factors for $B A R_{i}$

For joint and survivor annuities, the youngest age should be used.
17. The variable annuity guarantee risk charge calculation for long-term business shall be established in accordance with the following formula -

$$
C_{L T V A}=\text { either }\left(\sum_{i} \operatorname{TotalBSReq}_{i}-\operatorname{TotalBAR}-\operatorname{TotalGMB}_{a d j}\right) \text { or }\left(I M C R e q_{L T V A}\right)
$$

Wherein:
(i) TotalBSReq $_{i}=$ higher of (a) $\left(\alpha 1_{i} \times G V 1_{i}+\alpha 2_{i} \times G V 2_{i}+\alpha 3_{i} \times G V 3_{i}\right)$ and

$$
\text { (b) }\left(\alpha 4_{i} \times N A R 1_{i}+\alpha 5_{i} \times N A R 2_{i}+\alpha 6_{i} \times N A R 3_{i}\right) \text {; }
$$

(ii) TotalBAR $=$ the total BSCR adjusted reserves for variable annuity guarantee risk. The statement source for TotalBAR is Schedule VII, line 17, column (7) of these Rules;
(iii) TotalGMB adj $=$ the capital requirement charged on guaranteed minimum death benefit (GMDB) policies multiplied by the percentage of GMDB with multiple guarantees. The statement source for the percentage of GMDB with multiple guarantees is Schedule VIII, line 32, column (4) of these Rules;
(iv) $I_{M C R e q}^{L T V A}$ $=$ the capital requirement for variable annuity guarantee risk determined in accordance with an insurance group's internal capital model, if applicable. The statement source for
$I M C \operatorname{Re} q_{L T V A}$ is Schedule VIIIA, line 1, column (7) of these Rules;
(v) $\left(G V 1_{i}, G V 2_{i}, G V 3_{i}, N A R 1_{i}, N A R 2_{i}, N A R 3_{i}\right)$ have the statement source identified in Table 14; and
(vi) $\left(\alpha 1_{i}, \alpha 2_{i}, \alpha 3_{i}, \alpha 4_{i}, \alpha 5_{i}, \alpha 6_{i}\right)$ are the capital factors as prescribed in Table 15.

Table 14 - Capital charge factors for $\left(G V 1_{i}, G V 2_{i}, G V 3_{i}, N A R 1_{i}, N A R 2_{i}, N A R 3_{i}\right)$

| Variable Annuity Benefit Type | Statement Source These Rules $G V 1_{i}$ | Statement Source These Rules $G V 2_{i}$ | Statement Source These Rules $G V 3_{i}$ | Statement Source These Rules $\operatorname{Nar}_{1}$ | Statement Source These Rules Nar $2_{i}$ | Statement Source These Rules $N a r 3_{i}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Guaranteed minimum death benefit: Return of premium, ratchet and reset | Schedule VIII, <br> lines 1 and <br> 16 , column (2) | Schedule VIII, <br> lines 1 and <br> 16 , column (3) | Schedule VIII, lines 1 and 16 , column (4) | Schedule VIII, lines 1, column (5) | Schedule VIII, lines 1 , column (6) | Schedule VIII, lines 1, column (7) |
| Guaranteed minimum death benefit: Enhanced benefits (roll up) | Schedule VIII, Lines 2 and 17 , column (2) | Schedule VIII, <br> Lines 2 and <br> 17 , column (3) | Schedule VIII, <br> Lines 2 and <br> 17 , column (4) | Schedule VIII, Lines 2, column (5) | Schedule VIII, Lines 2, column (6) | Schedule VIII, Lines 2, column (7) |
| Guaranteed minimum income benefit | Schedule VIII, <br> Lines 3 and <br> 18, column (2) | Schedule VIII, <br> Lines 3 and <br> 18 , column (3) | Schedule VIII, Lines 3 and <br> 18, column (4) | Schedule VIII, Lines 3, column (5) | Schedule VIII, Lines 3, column (6) | Schedule VIII, Lines 3, column (7) |
| Guaranteed minimum withdrawal benefit | Schedule VIII, Lines 4 and <br> 19, column (2) | Schedule VIII, Lines 4 and <br> 19, column (3) | Schedule VIII, Lines 4 and <br> 19, column (4) | Schedule VIII, Lines 4, column (5) | Schedule VIII, Lines 4, column (6) | Schedule VIII, Lines 4, column (7) |
| Guaranteed enhanced earnings benefit | Schedule VIII, <br> Lines 5 and <br> 20, column (2) | Schedule VIII, <br> Lines 5 and <br> 20, column (3) | Schedule VIII, Lines 5 and 20, column (4) | Schedule VIII, Lines 5, column (5) | Schedule VIII, Lines 5, column (6) | Schedule VIII, Lines 5, column (7) |
| Guaranteed minimum accumulation benefit with 1 year or less to maturity | Schedule VIII, Lines 6 and <br> 21, column (2) | Schedule VIII, Lines 6 and <br> 21, column (3) | Schedule VIII, Lines 6 and <br> 21, column (4) | Schedule VIII, Lines 6, column (5) | Schedule VIII, Lines 6, column (6) | Schedule VIII, Lines 6, column (7) |
| Guaranteed minimum accumulation benefit with more than 1 year but less than or equal to 2 years to maturity | Schedule VIII, Lines 7 and <br> 22, column (2) | Schedule VIII, Lines 7 and <br> 22, column (3) | Schedule VIII, Lines 7 and <br> 22, column (4) | Schedule VIII, Lines 7, column (5) | Schedule VIII, Lines 7, column (6) | Schedule VIII, Lines 7, column (7) |
| Guaranteed minimum accumulation benefit with more than 2 years but less than or equal to 3 years to maturity | Schedule VIII, Lines 8 and 23, column (2) | Schedule VIII, Lines 8 and <br> 23, column (3) | Schedule VIII, Lines 8 and 23, column (4) | Schedule VIII, Lines 8, column (5) | Schedule VIII, Lines 8, column (6) | Schedule VIII, Lines 8, column (7) |
| Guaranteed minimum accumulation benefit with more than 3 years but less than or equal to 4 years to maturity | Schedule VIII, Lines 9 and <br> 24, column (2) | Schedule VIII, Lines 9 and <br> 24, column (3) | Schedule VIII, Lines 9 and <br> 24, column (4) | Schedule VIII, Lines 9, column (5) | Schedule VIII, Lines 9, <br> column (6) | Schedule VIII, Lines 9, column (7) |
| Guaranteed minimum accumulation benefit with more than 4 years but less than or equal to 5 years to maturity | Schedule VIII, Lines 10 and 25, column (2) | Schedule VIII, Lines 10 and 25 , column (3) | Schedule VIII, Lines 10 and 25, column (4) | Schedule VIII, Lines 10, column (5) | Schedule VIII, Lines 10, column (6) | Schedule VIII, Lines 10, column (7) |
| Guaranteed minimum accumulation benefit with more than 5 years but less than or equal to 6 years to maturity | Schedule VIII, Lines 11 and 26 , column (2) | Schedule VIII, <br> Lines 11 and <br> 26 , column (3) | Schedule VIII, <br> Lines 11 and <br> 26, column (4) | Schedule VIII, Lines 11, column (5) | Schedule VIII, <br> Lines 11, column (6) | Schedule VIII, Lines 11, column (7) |
| Guaranteed minimum accumulation benefit with more than 6 years but less than or equal to 7 years to maturity | Schedule VIII, Lines 12 and 27, column (2) | Schedule VIII, Lines 12 and 27, column (3) | Schedule VIII, Lines 12 and 27, column (4) | Schedule VIII, Lines 12, column (5) | Schedule VIII, Lines 12, column (6) | Schedule VIII, Lines 12, column (7) |
| Guaranteed minimum accumulation benefit with more than 7 years but less than or equal to 8 years to maturity | Schedule VIII, Lines 13 and 28, column (2) | Schedule VIII, Lines 13 and 28, column (3) | Schedule VIII, Lines 13 and 28, column (4) | Schedule VIII, Lines 13, column (5) | Schedule VIII, Lines 13, column (6) | Schedule VIII, Lines 13, column (7) |

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| Guaranteech minimum aceumulation benefit with more than \& years but less than or equal to 9 years to maturity | Schedule VIII, <br> Lines 14 and <br> 29, column (2) | Schedule VIII, <br> Lines 14 and <br> 29, column (3) | Schedule VIII, Lines 14 and 29, column (4) | Schedule VIII, Lines 14, column (5) | Schedule VIII, Lines 14, column (6) | Schedule VIII, Lines 14, column (7) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Guaranteed minimum accumulation benefit with more than 9 years to maturity | Schedule VIII, Lines 15 and 30 , column (2) | Schedule VIII, Lines 15 and 30, column (3) | Schedule VIII, Lines 15 and 30, column (4) | Schedule VIII, Lines 15, column (5) | Schedule VIII, Lines 15, column (6) | Schedule VIII, Lines 15, column (7) |

Table 15 - Capital charge factors for $\left(\alpha 1_{i}, \alpha 2_{i}, \alpha 3_{i}, \alpha 4_{i}, \alpha 5_{i}, \alpha 6_{i}\right)$

| Variable Annuity Benefit Type | Capital Charge $\alpha 1$ | Capital Charge $\alpha 2$ | Capital Charge $\alpha 3$ | Capital Charge $\alpha 4$ | Capital Charge $\alpha 5$ | Capital Charge $\alpha 6$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Guaranteed minimum death benefit: Return of premium, ratchet and reset | 0.25\% | 0.50\% | 0.75\% | 4.00\% | 8.50\% | 13.00\% |
| Guaranteed minimum death benefit: Enhanced benefits (roll up) | 0.75\% | 1.00\% | 1.25\% | 12.00\% | 16.50\% | 21.00\% |
| Guaranteed minimum income benefit | 5.00\% | 6.50\% | 8.00\% | 100.00\% | 130.00\% | 160.00\% |
| Guaranteed minimum withdrawal benefit | 3.25\% | 4.25\% | 5.00\% | 60.00\% | 75.00\% | 90.00\% |
| Guaranteed enhanced earnings benefit | 0.00\% | 0.50\% | 1.00\% | 1.00\% | 9.00\% | 17.00\% |
| Guaranteed minimum accumulation benefit with 1 year or less to maturity | 3.20\% | 5.00\% | 9.00\% | 90.00\% | 130.00\% | 250.00\% |
| Guaranteed minimum accumulation benefit with more than 1 year but less than or equal to 2 years to maturity | 3.00\% | 5.00\% | 8.90\% | 80.00\% | 115.00\% | 200.00\% |
| Guaranteed minimum accumulation benefit with more than 2 years but less than or equal to 3 years to maturity | 3.00\% | 5.00\% | 8.90\% | 70.00\% | 105.00\% | 160.00\% |
| Guaranteed minimum accumulation benefit with more than 3 years but less than or equal to 4 years to maturity | 2.80\% | 5.00\% | 8.80\% | 60.00\% | 95.00\% | 135.00\% |
| Guaranteed minimum accumulation benefit with more than 4 years but less than or equal to 5 years to maturity | 2.40\% | 4.30\% | 8.00\% | 55.00\% | 85.00\% | 115.00\% |
| Guaranteed minimum accumulation benefit with more than 5 years but less than or equal to 6 years to maturity | 2.00\% | 3.50\% | 6.80\% | 50.00\% | 75.00\% | 100.00\% |
| Guaranteed minimum accumulation benefit with more than 6 years but less than or equal to 7 years to maturity | 1.70\% | 2.80\% | 5.90\% | 45.00\% | 65.00\% | 90.00\% |
| Guaranteed minimum accumulation benefit with more than 7 years but less than or equal to 8 years to maturity | 1.40\% | 2.10\% | 4.90\% | 40.00\% | 55.00\% | 80.00\% |
| Guaranteed minimum accumulation benefit with more than 8 years but less than or equal to 9 years to maturity | 1.10\% | 1.70\% | 4.30\% | 35.00\% | 50.00\% | 70.00\% |
| Guaranteed minimum accumulation benefit with more than 9 years to maturity | 1.00\% | 1.40\% | 3.90\% | 30.00\% | 45.00\% | 60.00\% |

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18. The operational risk charge calculation shall be established in accordance with the following formula:
$C_{o p}=\rho \times A \operatorname{Cov}$ where-
$\rho \quad=$ an amount between $1 \%$ and $10 \%$ as determined by the Authority in accordance with Table 16; and
ACov $=$ Group BSCR after Covariance amount or an amount prescribed by the Authority.

Table 16 - Operational Risk Charge for $\rho$

| Overall Score | Applicable Operational Risk Charge $\boldsymbol{\rho}$ |
| :---: | :---: |
| $<=5200$ | $10.0 \%$ |
| $>5200<=6000$ | $9.0 \%$ |
| $>6000<=6650$ | $8.0 \%$ |
| $>6650<=7250$ | $7.0 \%$ |
| $>7250<=7650$ | $6.0 \%$ |
| $>7650<=7850$ | $5.0 \%$ |
| $>7850<=8050$ | $4.0 \%$ |
| $>8050<=8250$ | $3.0 \%$ |
| $>8250<=8450$ | $2.0 \%$ |
| $>8450$ | $1.0 \%$ |

INSTRUCTIONS AFFECTING TABLE 16
In this table, "overall score" means an amount equal to the sum of the aggregate score derived from each of tables 16A, 16B, 16C, 16D, 16E, and 16F.

TABLE 16A - Insurance Group Corporate Governance Score Table

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

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

TABLE 16B - Insurance Group Risk Management Function ('RMF') Score Table

| TABLE 16B - Insurance Group Risk Management Function ('RMF') Score Table |  |  |
| :--- | :---: | :---: |
| Criterion | Implemented | Score |
| RMF is independent of other operational units and has direct <br> access to the parent company's Board of Directors |  | 150 |
| RMF is entrenched in strategic planning, decision making <br> and the budgeting process |  | 150 |
| RMF ensures that the risk management procedures and <br> policies are well documented and approved by the parent <br> company's Board of Directors |  | 150 |
| RMF ensures that the risk management policies and <br> procedures are communicated throughout the insurance <br> group | 150 |  |
| RMF ensures that operational risk management processes <br> and procedures are reviewed at least annually | 150 |  |
| RMF ensures that loss events arising from operational risks <br> are documented and loss event data is integrated into the <br> risk management strategy | 150 |  |
| RMF ensures that risk management recommendations are <br> documented for operational units, ensures that deficiencies |  | 150 |
| have remedial plans and that progress on the execution of <br> such plans are reported to the parent company's Board of <br> Directors at least annually |  | $\mathbf{X X}$ |
| Total |  |  |

## Comments

## INSTRUCTIONS AFFECTING TABLE 16B

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

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REQUIREMENT) RULES 2011
TABLE 16C - Insurance Group Risk Identification Processes ('RIP') Score Table

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

## Comments

## INSTRUCTIONS AFFECTING TABLE 16C

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurance group's implementation in respect of its RIP;
(b) where the insurance group's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurance group shall be deemed to have met the criterion of the lower stage; and
(c) where an operational risk area is not applicable to the insurance group's operations, the insurance group shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

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TABLE 16D - Insurance Group Risk Measurement Processes ('RMP') Score Table

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

## Comments

## INSTRUCTIONS AFFECTING TABLE 16D

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurance group's implementation in respect of its RMP;
(b) where the insurance group's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurance group shall be deemed to have met the criterion of the lower stage; and
(c) where an operational risk area is not applicable to the insurance group's operations, the insurance group shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

TABLE 16E - Insurance Group Risk Response Processes ('RRP’) Score Table

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

## Comments

## INSTRUCTIONS AFFECTING TABLE 16E

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurance group's implementation in respect of its RRP;
(b) where the insurance group's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurance group shall be deemed to have met the criterion of the lower stage; and
(c) where an operational risk area is not applicable to the insurance group's operations, the insurance group shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

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TABLE 16F - Insurance Group Risk Monitoring and Reporting Processes ('RMRP') Score Table

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

## Comments

## INSTRUCTIONS AFFECTING TABLE 16F

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurance group's implementation in respect of its RMRP;
(b) where the insurance group's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurance group shall be deemed to have met the criterion of the lower stage; and
(c) where an operational risk area is not applicable to the insurance group's operations, the insurance group shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage
19. The regulatory capital requirement for regulated non-insurance financial operating entities shall be determined in accordance with Schedule XIA - "Schedule of regulated non-insurance financial operating entities". This amount shall be equal to the sum of the insurance group's proportionate share of each registered entity's regulatory capital requirement in accordance with the applicable solvency laws of the jurisdiction where the entity was licensed or registered.
20. (1) The capital requirement for unregulated entities, where the parent company exercises control as defined in subparagraph 19(4) of the Group Rules, shall be determined in accordance with Schedule XIB - "Schedule of unregulated entities where the group exercises control"
(2) This amount shall be equal to the sum of the capital requirement based on the capital charges applied to each unregulated entity's net assets as follows-
(a) 0\% to unregulated entities that conduct ancillary services to members of the group;
(b) $15 \%$ to unregulated non-financial operating entities; and
(c) $50 \%$ to unregulated financial operating entities.
21. The $B S C R_{\text {Corr }}$ shall be established on an economic balance sheet (EBS) valuation basis in accordance with the following formula-

$$
B S C R_{\text {Corr }}=\text { Basic BSCR }+C_{\text {operational }}+C_{\text {regulatoryadj }}+A d j_{\text {Other }}+A d j_{T P} ;
$$

[^0]Basic BSCR = Basic BSCR risk module charge as calculated in accordance with paragraph 22;
$C_{\text {operationd }} \quad=$ operational risk charge as calculated in accordance with paragraph 45;
$C_{\text {regulatoryadj }} \quad=$ regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraphs 46 and 47;
$=$ adjustment for the loss-absorbing capacity of technical provisions as calculated in accordance with paragraph 48 and
$=$ adjustment for the loss absorbing capacity of deferred taxes as calculated in accordance with paragraph 49.
22. The Basic BSCR risk module charge calculation shall be determined in accordance with the following formula-
Basic BSCR $=\sqrt{\sum_{i, j} \operatorname{CorrBBSCR}}{ }_{i, j} \times C_{i} \times C_{j} ; ;$
Where-

$$
\begin{aligned}
& C^{C o r r B B S C R} \\
& i, j \\
& C_{i} \text { and } C_{j} \\
& C_{\text {Market }} \\
& C_{\mathrm{P} \& C} \\
& C_{L T}
\end{aligned}
$$

$$
i, j \quad=\quad \text { the sum of the different terms should cover all possible }
$$

$$
\text { combinations of } i \text { and } j
$$

$$
C_{\text {Market }} \quad=\quad \text { market risk module charge as calculated in accordance with }
$$

$$
\text { paragraph } 23
$$

$$
C_{\mathrm{P} \& \mathrm{C}} \quad=\quad \mathrm{P} \& \mathrm{C} \text { risk module charge as calculated in accordance with }
$$

$$
\text { paragraph } 24 ;
$$

$C_{\text {Credit }}=$| credit risk module charge as calculated in accordance with |
| :--- |
| paragraph 36. |

Table A - Basic BSCR Correlation Matrix

| CorrBBSCR |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: |
| $i, j$ | $C_{\text {Market }}$ | $C_{\text {Credit }}$ | $C_{\mathrm{P} \& \mathrm{C}}$ | $C_{L T}$ |
| $C_{\text {Market }}$ | 1 |  |  |  |
| $C_{\text {Credit }}$ | 0.25 | 1 |  |  |
| $C_{\text {P\&C }}$ | 0.125 | 0.50 | 1 |  |
| $C_{L T}$ | 0.125 | 0.25 | 0.00 | 1 |

23. The market risk module risk module charge calculation shall be determined in accordance with the following formula-
$C_{\text {Market }}=\sqrt{\sum_{i, j} \text { Market }_{i, j} \times C_{i} \times C_{j}^{j}}$
Where-

| CorrMark |
| :---: |
| $i, j$ |
| $C_{i}$ and $C_{j}$ |
| $C_{\text {fixedIncone }}$ |
| $C_{\text {equity }}$ |
| $C_{\text {interest }}$ |
| $C_{\text {currency }}$ |
| $C_{\text {concentration }}$ |

$=$ the correlation factors of the market risk module in accordance with Table B ; where $\mathrm{A}=0$ if interest rate / liquidity risk charge is calculated using the shock-based approach in accordance with paragraph 29 and the risk charge is being determined based on the interest rate up shock, and $\mathrm{A}=0.25$ otherwise;
$=$ the sum of the different terms should cover all possible combinations of i and j ;
$=$ risk charge $i$ and risk charge $j$ which are replaced by the following:

$$
C_{\text {fixedIncone }}, C_{\text {equity }}, C_{\text {interest }}, C_{\text {currency }}, C_{\text {concentration }}
$$

$=$ fixed income investment risk charge as calculated in accordance with paragraph 26;
$=$ equity investment risk charge as calculated in accordance with paragraph 27;
$=$ interest rate / liquidity risk charge as calculated in accordance with paragraph 29;
$=$ currency risk charge as calculated in accordance with paragraph 30; and
$=$ concentration risk charge as calculated in accordance with paragraph 31.

Table B - Market Risk Module Correlation Matrix

| CorrMarket $_{i, j}$ | $C_{\text {fixedIncone }}$ | $C_{\text {equity }}$ | $C_{\text {interest }}$ | $C_{\text {currency }}$ | $C_{\text {concentration }}$ |
| :--- | :---: | :---: | :---: | :---: | :---: |
| $C_{\text {fixedIncone }}$ | 1 |  |  |  |  |
| $C_{\text {equity }}$ | 0.50 | 1 |  |  |  |
| $C_{\text {interst }}$ | A | A | 1 |  |  |
| $C_{\text {currency }}$ | 0.25 | 0.25 | 0.25 | 1 |  |
| $C_{\text {concentration }}$ | 0.00 | 0.00 | 0.00 | 0.00 | 1 |

24. The $\mathrm{P} \& \mathrm{C}$ risk module charge calculation shall be determined in accordance with the following formula-
$C_{\mathrm{P} \mathrm{\& C}}=\sqrt{\sum_{i, j} \operatorname{Corr} P \& C_{i, j} \times C_{i} \times C_{j}}$

Where-

CorrP \& $C_{i, j}$
$i, j$
$C_{i}$ and $C_{j}$
$C_{\text {premium }}$
$C_{\text {reserve }}$
$C_{\text {catastrophe }}$
$=$ the correlation factors of the $\mathrm{P} \& \mathrm{C}$ risk module correlation matrix in accordance with Table C;
$=$ the sum of the different terms should cover all possible combinations of $i$ and $j$;
$=$ risk charge $i$ and risk charge $j$ which are replaced by the following:

$$
C_{\text {premium }}, \quad C_{\text {reserve }}, C_{\text {catastroph }}
$$

$=$ premium risk charge as calculated in accordance with paragraph 32;
$=$ reserve risk charge as calculated in accordance with paragraph 34; and
= catastrophe risk charge as calculated in accordance with paragraph 37.

Table C - P\&C Risk Module Correlation Matrix

| CorrP\& $C_{i, j}$ | $C_{\text {premium }}$ | $C_{\text {reserve }}$ | $C_{\text {catastrophe }}$ |
| :--- | :---: | :---: | :---: |
| $C_{\text {premium }}$ | 1 |  |  |
| $C_{\text {reserve }}$ | 0.25 | 1 |  |
| $C_{\text {catastrophe }}$ | 0.125 | 0.00 | 1 |

25. The Long-Term risk module charge calculation shall be determined in accordance with the following formula-
$C_{\mathrm{LT}}=\sqrt{\sum_{i, j} \operatorname{Corr} L T_{i, j} \times C_{i} \times C_{j}} ;$

Where-
$\operatorname{Corr} L T_{i, j}$
$i, j$
$C_{i}$ and $C_{j}$
$C_{\text {LTmortality }}$
$C_{\text {LTstoploss }}$
$C_{\text {LTrider }}$
$C_{\text {LTmorbidity }}$
$C_{\text {LTlongevity }}$
$C_{\text {LTVariableAnnuity }}$
$C_{\text {LTotherrisk }}$
= the correlation factors of the Long-Term risk module correlation matrix in accordance with table D;
$=$ the sum of the different terms should cover all possible combinations of i and j ;
$=$ risk charge $i$ and risk charge $j$ which are replaced by the following:

$$
\begin{aligned}
& C_{\text {LTmortality }}, C_{L T s t o p l o s s}, C_{L T r i d e r}, C_{L T m o r b i d i t y}, C_{\text {LTlongevity }}, C_{\text {LTVariableAnnuity }} \\
& C_{\text {LTotherrisk }}
\end{aligned}
$$

= insurance risk - mortality charge for long-term business as calculated in accordance with paragraph 38;
= insurance risk - stop loss charge for long-term business as calculated in accordance with paragraph 39;
= insurance risk - riders charge for long-term business as calculated in accordance with paragraph 40;
= insurance risk - morbidity and disability charge for long-term business as calculated in accordance with paragraph 41;
= insurance risk - longevity charge for long-term business as calculated in accordance with paragraph 42;
= variable annuity guarantee risk charge for long-term business as calculated in accordance with paragraph 43; and
= other insurance risk charge for long-term business as calculated in accordance with paragraph 44.

Table D - Long-Term Risk Module Correlation Matrix
26. The fixed income investment risk charge calculation shall be determined in accordance with the following formula-

$$
C_{\text {fixedncone }}=\sum_{i} \chi_{i} \times \text { Flastclass }_{i} \times \mu_{r}+\text { Credit Derivatives; }
$$

## Where-

| CorrLT $_{i, j}$ | $C_{\text {LTmortality }} C_{\text {LTstoploss }}$ | $C_{\text {LTrider }}$ | $C_{\text {LTmorbidit }}$ | $C_{\text {LTlongevity }}$ | $C_{\text {LTVariableAnnuif }} C_{\text {LTotherrisk }}$ |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $C_{\text {LTmortality }}$ | 1 |  |  |  |  |  |  |
| $C_{\text {LTstoploss }}$ | 0.75 | 1 |  |  |  |  |  |
| $C_{\text {LTrider }}$ | 0.75 | 0.75 | 1 |  |  |  |  |
| $C_{\text {LTmorbidity }}$ | 0.25 | 0.00 | 0.00 | 1 |  |  |  |
| $C_{\text {LTlongevity }}$ | -0.50 | -0.50 | -0.50 | 0.00 | 1 |  | 1 |
| $C_{\text {LTVariableAnnuity }}$ | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1 |  |
| $C_{\text {LTotherrisk }}$ | 0.125 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |

$\chi_{i}$

FIastclass $_{i}$
$\mu_{r}$

## Credit Derivatives

CreditDerivatives

CreditDerivatives ShockUp
CreditDerivatives $_{\text {ShockU }_{p}}$
CreditDerivatives $_{\text {ShockDown }}$
CreditDerivatives $_{\text {ShockDown }}$

$$
L C D_{i}^{B S h o c k}
$$

$L C D_{i}^{\text {AShock }}\left(\chi_{i}\right)$

$$
\begin{gathered}
S C D_{i}^{B S h o c k} \\
S C D_{i}^{A S h o c k}\left(\chi_{i}\right)
\end{gathered}
$$

= the capital charge factors prescribed in Table 1A for each
$=$ value of investment in corresponding asset class $_{i}$; and
$=$ additional diversification adjustment factor applied to cash and cash equivalent balances, or 1 for other asset classes; and
= the spread risk charge for credit derivatives calculated as per the following formula:
= greater of:
i. CreditDerivatives ShockUp ;
ii. CreditDerivatives ShockDown ; and
iii. 0 .
$=$ the spread risk charge for credit derivatives resulting from an upward credit spread shock calculated as per the following formula:
$=\sum_{i}\left[\left(L C D_{i}^{\text {BShock }}-\operatorname{LCD} D_{i}^{\text {AShock }}\left(\chi_{i}\right)\right)+\left(S C D_{i}^{\text {BShock }}-\operatorname{SCD}_{i}^{\text {AShock }}\left(\chi_{i}\right)\right)\right]$
$=$ the spread risk charge for credit derivatives resulting from an downward credit spread shock calculated as per the following formula:
$=\sum_{i}\left[\left(L C D_{i}^{B S h o c k}-L C D_{i}^{\text {AShock }}\left(\chi_{i}\right)\right)+\left(S C D_{i}^{\text {BShock }}-\operatorname{SCD}_{i}^{\text {AShock }}\left(\chi_{i}\right)\right)\right]$
$=$ refers to the valuation of long exposures for credit derivatives before applying the instantaneous shock $\chi_{i}$ as per table 1B
$=$ refers to the valuation of long exposures for credit derivatives after applying instantaneous shock $\chi_{i}$ as per table 1B
$=$ refers to the valuation of short exposures for credit derivatives before applying the instantaneous shock $\chi_{i}$ as per table 1B
$=$ refers to the valuation of short exposures for credit derivatives after applying the instantaneous shock $\chi_{i}$ as per table 1B

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Table 1A - Capital charge factors for FIastclass $_{i}$

| Type of fixed income investments FIastclass $_{i}$ | Statement Source <br> These Rules | Capital Factor $\chi_{i}$ |
| :---: | :---: | :---: |
| Corporate and Sovereign Bonds |  |  |
| BSCR rating 0 | Schedule IIB, Column (1), Line 1, Schedule IIC, Column (1), Line 1, (Schedule IID, Column (1), Line 1 - Column (2), Line 1), Schedule IIE, Column (1), Line 1, Schedule IIF, Column (1), Line 1 | 0.0\% |
| BSCR rating 1 | Schedule IIB, Column (1), Line 2, Schedule IIC, Column (1), Line 2, (Schedule IID, Column (1), Line 2 - Column (2), Line 2), Schedule IIE, Column (1), Line 2, Schedule IIF, Column (1), Line 2 | 0.4\% |
| BSCR rating 2 | Schedule IIB, Column (1), Line 3, Schedule IIC, Column (1), Line 3, (Schedule IID, Column (1), Line 3 - Column (2), Line 3), Schedule IIE, Column (1), Line 3, Schedule IIF, Column (1), Line 3 | 0.8\% |
| BSCR rating 3 | Schedule IIB, Column (1), Line 4, Schedule IIC, Column (1), Line 4, (Schedule IID, Column (1), Line 4 - Column (2), Line 4), Schedule IIE, Column (1), Line 4, Schedule IIF, Column (1), Line 4 | 1.5\% |
| BSCR rating 4 | Schedule IIB, Column (1), Line 5, Schedule IIC, Column (1), Line 5, (Schedule IID, Column (1), Line 5 - Column (2), Line 5), Schedule IIE, Column (1), Line 5, Schedule IIF, Column (1), Line 5 | 3.0\% |
| BSCR rating 5 | Schedule IIB, Column (1), Line 6, Schedule IIC, Column (1), Line 6, (Schedule IID, Column (1), Line 6 - Column (2), Line 6), Schedule IIE, Column (1), Line 6, Schedule IIF, Column (1), Line 6 | 8.0\% |
| BSCR rating 6 | Schedule IIB, Column (1), Line 7, Schedule IIC, Column (1), Line 7, (Schedule IID, Column (1), Line 7 - Column (2), Line 7), Schedule IIE, Column (1), Line 7, Schedule IIF, Column (1), Line 7 | 15.0\% |
| BSCR rating 7 | Schedule IIB, Column (1), Line 8, Schedule IIC, Column (1), Line 8, (Schedule IID, Column (1), Line 8 - Column (2), Line 8), Schedule IIE, Column (1), Line 8, Schedule IIF, Column (1), Line 8 | 26.3\% |
| BSCR rating 8 | Schedule IIB, Column (1), Line 9, Schedule IIC, Column (1), Line 9, (Schedule IID, Column (1), Line 9 - Column (2), Line 9), Schedule IIE, Column (1), Line 9, Schedule IIF, Column (1), Line 9 | 35.0\% |
| Residential Mortgage-Backed Securities |  |  |
| BSCR rating 1 | Schedule IIB, Column (3), Line 2, Schedule IIC, Column (3), Line 2, (Schedule IID, Column (3), Line 2 - Column (4), Line 2), Schedule IIE, Column (3), Line 2, Schedule IIF, Column (3), Line 2 | 0.6\% |
| BSCR rating 2 | Schedule IIB, Column (3), Line 3, Schedule IIC, Column (3), Line 3, (Schedule IID, Column (3), Line 3 - Column (4), Line 3), Schedule IIE, Column (3), Line 3, Schedule IIF, Column (3), Line 3 | 1.2\% |
| BSCR rating 3 | Schedule IIB, Column (3), Line 4, Schedule IIC, Column (3), Line 4, (Schedule IID, Column (3), Line 4 - Column (4), Line 4), Schedule IIE, Column (3), Line 4, Schedule IIF, Column (3), Line 4 | 2.0\% |
| BSCR rating 4 | Schedule IIB, Column (3), Line 5, Schedule IIC, Column (3), Line 5, (Schedule IID, Column (3), Line 5 - Column (4), Line 5), Schedule IIE, Column (3), Line 5, Schedule IIF, Column (3), Line 5 | 4.0\% |
| BSCR rating 5 | Schedule IIB, Column (3), Line 6, Schedule IIC, Column (3), Line 6, (Schedule IID, Column (3), Line 6 - Column (4), Line 6), Schedule IIE, Column (3), Line 6, Schedule IIF, Column (3), Line 6 | 11.0\% |
| BSCR rating 6 | Schedule IIB, Column (3), Line 7, Schedule IIC, Column (3), Line 7, (Schedule IID, Column (3), Line 7 - Column (4), Line 7), Schedule IIE, Column (3), Line 7, Schedule IIF, Column (3), Line 7 | 25.0\% |
| BSCR rating 7 | Schedule IIB, Column (3), Line 8, Schedule IIC, Column (3), Line 8, (Schedule IID, Column (3), Line 8 - Column (4), Line 8), Schedule IIE, Column (3), Line 8, Schedule IIF, Column (3), Line 8 | 35.0\% |
| BSCR rating 8 | Schedule IIB, Column (3), Line 9, Schedule IIC, Column (3), Line 9, (Schedule IID, Column (3), Line 9 - Column (4), Line 9), Schedule | 35.0\% |


|  | IIE, Column (3), Line 9, Schedule IIF, Column (3), Line 9 |  |
| :---: | :---: | :---: |
| Commercial Mortgage-Backed Securities/Asset-Backed Securities |  |  |
| BSCR rating 1 | Schedule IIB, Column (5), Line 2, Schedule IIC, Column (5), Line 2, (Schedule IID, Column (5), Line 2 - Column (6), Line 2), Schedule IIE, Column (5), Line 2, Schedule IIF, Column (5), Line 2 | 0.5\% |
| BSCR rating 2 | Schedule IIB, Column (5), Line 3, Schedule IIC, Column (5), Line 3, (Schedule IID, Column (5), Line 3 - Column (6), Line 3), Schedule IIE, Column (5), Line 3, Schedule IIF, Column (5), Line 3 | 1.0\% |
| BSCR rating 3 | Schedule IIB, Column (5), Line 4, Schedule IIC, Column (5), Line 4, (Schedule IID, Column (5), Line 4 - Column (6), Line 4), Schedule IIE, Column (5), Line 4, Schedule IIF, Column (5), Line 4 | 1.8\% |
| BSCR rating 4 | Schedule IIB, Column (5), Line 5, Schedule IIC, Column (5), Line 5, (Schedule IID, Column (5), Line 5 - Column (6), Line 5), Schedule IIE, Column (5), Line 5, Schedule IIF, Column (5), Line 5 | 3.5\% |
| BSCR rating 5 | Schedule IIB, Column (5), Line 6, Schedule IIC, Column (5), Line 6, (Schedule IID, Column (5), Line 6 - Column (6), Line 6), Schedule IIE, Column (5), Line 6, Schedule IIF, Column (5), Line 6 | 10.0\% |
| BSCR rating 6 | Schedule IIB, Column (5), Line 7, Schedule IIC, Column (5), Line 7, (Schedule IID, Column (5), Line 7 - Column (6), Line 7), Schedule IIE, Column (5), Line 7, Schedule IIF, Column (5), Line 7 | 20.0\% |
| BSCR rating 7 | Schedule IIB, Column (5), Line 8, Schedule IIC, Column (5), Line 8, (Schedule IID, Column (5), Line 8 - Column (6), Line 8), Schedule IIE, Column (5), Line 8, Schedule IIF, Column (5), Line 8 | 30.0\% |
| BSCR rating 8 | Schedule IIB, Column (5), Line 9, Schedule IIC, Column (5), Line 9, (Schedule IID, Column (5), Line 9 - Column (6), Line 9), Schedule IIE, Column (5), Line 9, Schedule IIF, Column (5), Line 9 | 35.0\% |
| Bond Mutual Funds |  |  |
| BSCR rating 0 | Schedule IIB, Column (7), Line 1, Schedule IIC, Column (7), Line 1, (Schedule IID, Column (7), Line 1 - Column (8), Line 1), Schedule IIE, Column (7), Line 1, Schedule IIF, Column (7), Line 1 | 0.0\% |
| BSCR rating 1 | Schedule IIB, Column (7), Line 2, Schedule IIC, Column (7), Line 2, (Schedule IID, Column (7), Line 2 - Column (8), Line 2), Schedule IIE, Column (7), Line 2, Schedule IIF, Column (7), Line 2 | 0.4\% |
| BSCR rating 2 | Schedule IIB, Column (7), Line 3, Schedule IIC, Column (7), Line 3, (Schedule IID, Column (7), Line 3 - Column (8), Line 3), Schedule IIE, Column (7), Line 3, Schedule IIF, Column (7), Line 3 | 0.8\% |
| BSCR rating 3 | Schedule IIB, Column (7), Line 4, Schedule IIC, Column (7), Line 4, (Schedule IID, Column (7), Line 4 - Column (8), Line 4), Schedule IIE, Column (7), Line 4, Schedule IIF, Column (7), Line 4 | 1.5\% |
| BSCR rating 4 | Schedule IIB, Column (7), Line 5, Schedule IIC, Column (7), Line 5, (Schedule IID, Column (7), Line 5 - Column (8), Line 5), Schedule IIE, Column (7), Line 5, Schedule IIF, Column (7), Line 5 | 3.0\% |
| BSCR rating 5 | Schedule IIB, Column (7), Line 6, Schedule IIC, Column (7), Line 6, (Schedule IID, Column (7), Line 6 - Column (8), Line 6), Schedule IIE, Column (7), Line 6, Schedule IIF, Column (7), Line 6 | 8.0\% |
| BSCR rating 6 | Schedule IIB, Column (7), Line 7, Schedule IIC, Column (7), Line 7, (Schedule IID, Column (7), Line 7 - Column (8), Line 7), Schedule IIE, Column (7), Line 7, Schedule IIF, Column (7), Line 7 | 15.0\% |
| BSCR rating 7 | Schedule IIB, Column (7), Line 8, Schedule IIC, Column (7), Line 8, (Schedule IID, Column (7), Line 8 - Column (8), Line 8), Schedule IIE, Column (7), Line 8, Schedule IIF, Column (7), Line 8 | 26.3\% |
| BSCR rating 8 | Schedule IIB, Column (7), Line 9, Schedule IIC, Column (7), Line 9, (Schedule IID, Column (7), Line 9 - Column (8), Line 9), Schedule IIE, Column (7), Line 9, Schedule IIF, Column (7), Line 9 | 35.0\% |
| Mortgage Loans |  |  |
| Insured/guaranteed mortgages | Schedule IIB, Column (9), Line 10, Schedule IIC, Column (9), Line 10, (Schedule IID, Column (9), Line 10 - Column (10), Line 10), Schedule IIE, Column (9), Line 10, Schedule IIF, Column (9), Line 10 | 0.3\% |
| Other commercial and farm mortgages | Schedule IIB, Column (9), Line 11, Schedule IIC, Column (9), Line 11, (Schedule IID, Column (9), Line 11 - Column (10), Line 11), Schedule IIE, Column (9), Line 11, Schedule IIF, Column (9), Line 11 | 5.0\% |
| Other residential | Schedule IIB, Column (9), Line 12, Schedule IIC, Column (9), Line 12, Line 12), (Schedule IID, Column (9), Line 12 - Column (10), Line | 1.5\% |


| mortgages | 12), Schedule IIE, Column (9), Line 12, Schedule IIF, Column (9), Line 12 |  |
| :---: | :---: | :---: |
| Mortgages not in good standing | Schedule IIB, Column (9), Line 13, Schedule IIC, Column (9), Line 13, Line 13), (Schedule IID, Column (9), Line 13 - Column (10), Line 13), Schedule IIE, Column (9), Line 13, Schedule IIF, Column (9), Line 13 | 25.0\% |
| Other Fixed Income Investments |  |  |
| Other loans | Form 4EBS, Line 8 | 5.0\% |
| Cash and cash equivalents |  |  |
| BSCR rating 0 | Schedule XIXA, Column A | 0.0\% |
| BSCR rating 1 | Schedule XIXA, Column A | 0.1\% |
| BSCR rating 2 | Schedule XIXA, Column A | 0.2\% |
| BSCR rating 3 | Schedule XIXA, Column A | 0.3\% |
| BSCR rating 4 | Schedule XIXA, Column A | 0.5\% |
| BSCR rating 5 | Schedule XIXA, Column A | 1.5\% |
| BSCR rating 6 | Schedule XIXA, Column A | 4.0\% |
| BSCR rating 7 | Schedule XIXA, Column A | 6.0\% |
| BSCR rating 8 | Schedule XIXA, Column A | 9.0\% |

## INSTRUCTIONS AFFECTING TABLE 1A: Capital charge factors for FIastclass

(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 include amounts reported for economic balance sheet reporting purposes and include fixed income risk exposures as determined by application of the "look-through" approach calculated in accordance with the criteria prescribed by the Authority for the following items:
(i) collective investment vehicles and other investments packaged as funds, including related undertakings used as investment vehicles;
(ii) segregated accounts assets and liabilities;
(iii) deposit asset and liabilities;
(iv) assets and liabilities held by ceding insurers or under retrocession;
(v) other sundry assets and liabilities; and
(vi) derivatives.
(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;

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

| Table 1B - Spread risk shocks for credit derivatives | SPREAD UP |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Long Exposures |  | Short Exposures |  |  |
|  | Before Shock | After Shock | Before Shock | After Shock | Shock basis points |
| Spread Up |  |  |  |  | $\chi_{i}$ |
| BSCR rating 0 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 38 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 38 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 38 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 38 | 0 |
| BSCR rating 1 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 39 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 39 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 39 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 39 | 130 |
| BSCR rating 2 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 40 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 40 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 40 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 40 | 150 |
| BSCR rating 3 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 41 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 41 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 41 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 41 | 260 |
| BSCR rating 4 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 42 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 42 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 42 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 42 | 450 |
| BSCR rating 5 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 43 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 43 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 43 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 43 | 840 |
| BSCR rating 6 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 44 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 44 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 44 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 44 | 1620 |
| BSCR rating 7 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 45 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 45 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 45 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 45 | 1620 |
| BSCR rating 8 | Schedules IIB, IIC, IID, IIE, and IIF, Column (1), Line 46 | Schedules IIB, IIC, IID, IIE, and IIF, Column (2), Line 46 | Schedules IIB, IIC, IID, IIE, and IIF, Column (3), Line 46 | Schedules IIB, IIC, IID, IIE, and IIF, Column (4), Line 46 | 1620 |
| Total Spread Up |  |  |  |  |  |
|  | SPREAD DOWN |  |  |  |  |
|  | Long Exposures |  | Short Exposures |  |  |
|  | Before Shock | After Shock | Before Shock | After Shock | Shock Rate |
| Spread Up |  |  |  |  | $\chi_{i}$ |
| BSCR rating 0 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 38 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 38 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 38 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 38 | 0.0\% |
| BSCR rating 1 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 39 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 39 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 39 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 39 | -75.0\% |
| BSCR rating 2 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 40 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 40 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 40 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 40 | -75.0\% |
| BSCR rating 3 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 41 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 41 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 41 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 41 | -75.0\% |
| BSCR rating 4 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 42 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 42 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 42 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 42 | -75.0\% |
| BSCR rating 5 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 43 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 43 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 43 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 43 | -75.0\% |
| BSCR rating 6 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 44 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 44 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 44 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 44 | -75.0\% |
| BSCR rating 7 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 45 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 45 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 45 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 45 | -75.0\% |
| BSCR rating 8 | Schedules IIB, IIC, IID, IIE, and IIF, Column (6), Line 46 | Schedules IIB, IIC, IID, IIE, and IIF, Column (7), Line 46 | Schedules IIB, IIC, IID, IIE, and IIF, Column (8), Line 46 | Schedules IIB, IIC, IID, IIE, and IIF, Column (9), Line 46 | -75.0\% |
| Total Spread Down |  |  |  |  |  |

## INSTRUCTIONS AFFECTING TABLE 1B: Spread risk shocks for credit derivatives

(a) Amounts are to be reported on an EBS Valuation basis.
27. The equity investment risk charge calculation shall be established in accordance with the following formula-
$C_{\text {equity }}=C_{\text {equity }}^{\text {basic }}+C_{\text {equity }}^{\text {grandfatheed }}$
Where-

$$
\begin{aligned}
& C_{\text {equity }}^{\text {basic }} \quad=\sqrt{\sum_{i, j} \operatorname{Corr} E q_{i, j} \times C_{i} \times C_{j}} \\
& C_{\text {equity }}^{\text {grandfathred }} \\
& \text { CorrEq }{ }_{i, j} \\
& i, j \quad=\text { the sum of the different terms should cover all possible combinations of } \\
& \text { correlation } i \text { and } j \text {; } \\
& C_{i} \text { and } C_{j}=\text { risk charge } i \text { and risk charge } j \text { which are replaced by the following: } \\
& C_{\text {Typel }}, C_{\text {Type2 }}, C_{\text {Type3 }}, C_{\text {Type4 }} ; \\
& C_{\text {Typel }} \quad=\text { Type } 1 \text { equity risk charge as calculated in accordance with paragraph } 28 \text { for } \\
& \text { equity exposures not determined according to paragraph 28A; } \\
& C_{\text {Type2 }} \quad=\text { Type } 2 \text { equity risk charge as calculated in accordance with } \\
& C_{\text {Type3 }} \quad=\text { Type3 equity risk charge as calculated in accordance with } \\
& C_{\text {Type } 4} \quad=\text { Type } 4 \text { equity risk charge as calculated in accordance with }
\end{aligned}
$$

Table 2A - Equity Risk Charge Correlation Matrix

| CorrEq $_{i, j}$ | $C_{\text {Typel }}$ | $C_{\text {Type2 }}$ | $C_{\text {Type3 }}$ | $C_{\text {Type4 }}$ |
| :--- | :---: | :---: | :---: | :---: |
| $C_{\text {Type } 1}$ | 1 |  |  |  |
| $C_{\text {Type } 2}$ | 0.75 | 1 |  |  |
| $C_{\text {Type } 3}$ | 0.75 | 0.75 | 1 |  |
| $C_{\text {Type4 }}$ | 0.5 | 0.5 | 0.5 | 1 |

28. Type1, Type2 Type3 and Type4 equity risk charges calculation shall be determined in accordance with the following formulas-

| $C_{\text {Type } 1}=\max \left\{\sum_{i \in \text { Type } 1}\right.$ |  |
| :---: | :---: |
| $C_{\text {Type } 2}=\max \left\{\sum_{i \in \text { Type } 2}\right.$ |  |
| $C_{\text {Type } 3}=\max \left\{\sum_{i \in \text { Type } 3}\right.$ | $\left.\begin{array}{c}\max \left(\text { LAssets }_{i}^{\text {Shhock }}-\text { LAssets }_{i}^{\text {AShock }}\left(\chi_{i}\right), 0\right)+\left(\text { SQAssets }_{i}^{\text {BShock }}-\operatorname{SQAssets}_{i}^{\text {AShock }}\left(\chi_{i}\right)\right)+\cdots \\ \left.\max \left(\text { SNQAssets }_{i}^{\text {BShock }}-\text { SNQAssets }_{i}^{\text {AShock }}\left(\chi_{i}\right), 0\right)-\left(\text { BELiabilities }_{i}^{\text {BShock }}-\text { BELiabilities }_{i}^{\text {AShock }}\left(\chi_{i}\right)\right)\right]\end{array}\right]$ |
| $C_{\text {Type } 4}=\max \left\{\sum_{i \in \text { Type } 4}\right.$ |  |

Where-
$\chi_{i}$

$=$ the instantaneous shocks prescribed in Table 2B for each type of equity class $i$; and
$=$ refers to the valuation of long asset exposures before applying shock
$=$ refers to the valuation of long asset exposures after applying shock
$=$ refers to the valuation of short exposures for qualifying assets that are held for risk mitigating purposes as determined in accordance with the criteria prescribed by the Authority before applying shock
$=$ refers to the valuation of short exposures for qualifying assets that are held for risk mitigating purposes as determined in accordance with the criteria prescribed by the Authority after applying shock
$=$ refers to the valuation of short exposures for assets that do not qualify for risk mitigating purposes as determined in accordance with the criteria prescribed by the Authority before applying shock
$=$ refers to the valuation of short exposures for assets that do not qualify for risk mitigating purposes as determined in accordance with the criteria prescribed by the Authority after applying shock
$=$ refers to the best estimate of insurance liabilities and other liabilities before applying shock
= refers to the best estimate of insurance liabilities and other liabilities after applying shock

|  | Assets |  |  | Liabilities | Shock <br> Factor $\chi_{i}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Long Exposures | Short Exposures |  |  |  |
| Equity investments Equity class, $i$ |  | Qualifying as Assets held for risk-mitigation purposes | Not Qualifying as Assets held for risk-mitigation purposes | Without Management Action |  |
| Type 1 Equity Holdings |  |  |  |  |  |
| Strategic Holdings Listed | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 15 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 15 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 15 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 15 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 15 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 15 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 15 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 15 | 20.0\% |
| Duration Based | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 16 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 16 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 16 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 16 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 16 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 16 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 16 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 16 | 20.0\% |
| Listed Equity Securities in Developed Markets | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 17 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 17 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 17 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 17 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 17 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 17 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 17 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 17 | 35\% |
| Preferred Stocks, Rating 1 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 18 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 18 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 18 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 18 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 18 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 18 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 18 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 18 | 0.6\% |
| Preferred Stocks, Rating 2 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 19 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 19 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 19 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 19 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 19 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 19 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 19 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 19 | 1.2\% |
| Preferred Stocks, Rating 3 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 20 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 20 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 20 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 20 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 20 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 20 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 20 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 20 | 2.0\% |
| Preferred Stocks, Rating 4 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 21 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 21 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 21 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 21 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 21 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 21 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 21 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 21 | 4.0\% |
| Preferred Stocks, Rating 5 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 22 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 22 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 22 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 22 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 22 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 22 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 22 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 22 | 11.0\% |
| Preferred Stocks, Rating 6 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 23 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 23 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 23 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 23 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 23 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 23 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 23 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 23 | 25.0\% |
| Preferred Stocks, Rating 7 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 24 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 24 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 24 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 24 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 24 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 24 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 24 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 24 | 35.0\% |
| Preferred Stocks, Rating 8 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 25 Less | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 25 Less | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 25 Less | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 25 Less | 35.0\% |


|  | Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 25 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 25 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 25 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 25 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Equity Derivatives on Type 1 Equities | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 26 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 26 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 26 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 26 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 26 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 26 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 26 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 26 | 35.0\% |
| Subtotal Type 1 Equity Holdings |  |  |  |  |  |
| Type 2 Equity Holdings |  |  |  |  |  |
| Strategic Holdings Unlisted | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 27 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 27 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 27 Less Schedule IIB, IIC, IID, IIE, 8 IIF, Column (4), Line 27 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 27 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 27 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 27 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 27 | 20.0\% |
| Other Equities | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 28 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 28 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 28 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 28 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 28 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 28 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 28 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 28 | 45.0\% |
| Letters of Credit | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 29 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 29 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 29 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 29 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 29 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 29 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 29 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 29 | 20.0\% |
| Intangible assets | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 30 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 30 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 30 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 30 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 30 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 30 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 30 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 30 | 20.0\% |
| Pension Benefit Surplus | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 31 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 31 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 31 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 31 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 31 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 31 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 31 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 31 | 20.0\% |
| Equity Derivatives on Type 2 Equities | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 32 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 32 |  | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 32 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 32 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 32 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 32 | 45.0\% |
| Subtotal Type 2 Equity Holdings |  |  |  |  |  |
| Type 3 Equity Holdings |  |  |  |  |  |
| Infrastructure | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 33 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 33 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 33 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 33 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 33 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 33 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 33 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 33 | 25.0\% |
| Derivatives on Infrastructure | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 34 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (2), Line 34 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (3), Line 34 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (4), Line 34 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 34 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 34 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 34 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 34 | 25.0\% |
| Subtotal Type 3 Equity Holdings |  |  |  |  |  |
| Type 4 Equity Holdings |  |  |  |  |  |
| Equity Real Estate 1 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (1), Line 35 Less Schedule IIB, IIC, IID, IIE, \& IIF Column (2), Line 35 |  | Schedule IIB, IIC, IID, IIE, \& IIF, Column (5), Line 35 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (6), Line 35 | Schedule IIB, IIC, IID, IIE, \& IIF, Column (7), Line 35 Less Schedule IIB, IIC, IID, IIE, \& IIF, Column (8), Line 35 | 10.0\% |



## INSTRUCTIONS AFFECTING TABLE 2B: Shocks for Eqastclass ${ }_{i}$

(a) all assets (except regulated non-insurance financial operating entities) and liabilities (except the risk margin) whose value is subject to equity risk shocks are to be reported on a basis consistent with that used for the purposes of economic balance sheet reporting. Such assets and liabilities shall include equity risk exposures determined by application of the "lookthrough" approach calculated in accordance with criteria prescribed by the Authority for the following items:
(i) collective investment vehicles and other investments packaged as funds, including related undertakings used as investment vehicles;
(ii) segregated accounts assets and liabilities;
(iii) deposit asset and liabilities;
(iv) assets and liabilities held by ceding insurers or under retrocession;
(v) other sundry assets and liabilities; and
(vi) derivatives.
(b) for asset types referred to in paragraph (a) (i) to (vi) where the "look through" approach cannot be applied, the residual balance shall be included in "Equity Securities - Other Investments";
(c) short exposures qualifying as assets held for risk-mitigation purposes and short exposures not qualifying as assets held for risk-mitigation purposes, shall both be determined in accordance with criteria prescribed by the Authority.

28A. The equity investments that are eligible to be used in the calculation of $C_{\text {equity }}^{\text {grandfatheed }}$ as defined in paragraph 27 are determined as follows:
i. The average value of equities as percentage of total assets over the prior three financial year ends before January $1^{\text {st }} 2019$ (i.e., over the financial years ending 2016 to 2018) is calculated.
a. Similarly, for each class of equities in accordance with Table 2B, the average amounts as a percentage of total equities shall be determined over the same prior three years, i.e. the allocations for each equity class.
ii. The total amount of equities eligible to be used in the calculation of $C_{\text {equity }}^{\text {grandfathed }}$ as defined in paragraph 27 at each year end is determined by multiplying the amount of legacy reserves by the equity percentage of paragraph i., where
a. "Legacy reserves" are defined as the long term best estimate labilities, at the applicable point in time (financial year-end), for insurance business carried on as at December 31st 2018.
b. The total amount of equities eligible to be used in the calculation of $C_{\text {equity }}^{\text {grandfatheed }}$ as defined in paragraph 27 at each year end shall not be greater than the amount of the legacy reserves.
iii. The equity investments eligible to being used in the calculation of $C_{\text {equity }}^{\text {grandfathred }}$ as defined in paragraph 27 per equity class are calculated by multiplying the total amount in paragraph ii. by the equity class allocation in paragraph i.
iv. Future applicable reserves shall be capped at the initial reserve. The amount of equities eligible to be used in the calculation of $C_{\text {equity }}^{\text {grandfatheed }}$ as defined in paragraph 27 can therefore never be greater than the initial amount.
v. Equities that are eligible to be used being used in the calculation of $C_{\text {equity }}^{\text {gratheed }}$ Error!

Bookmark not defined. as defined in paragraph 27 may be traded or replaced within a specific equity class and still receive the aforementioned treatment.

29 The interest rate and liquidity risk charge calculation may be calculated in accordance with paragraph 4 or the formula below. Where an insurance group decides to utilise the formula below, it will only be allowed to revert back and utilise the calculations prescribed in paragraph 4 where it has received the written approval of the Authority pursuant to an application made in accordance with section 6D of the Act.

```
\(C_{\text {Interest }}=\max \left\{\max \left(\right.\right.\) Shock \(\left._{I R, D o w n}, \operatorname{Shock}_{I R, U p}\right)-\) OffSet Scenariobased, 0\(\}\);
```

Where-

$$
\text { Shock }_{I R, \omega}=\sum_{C C Y} \operatorname{Shock}_{I R, \omega}^{C C Y}
$$

$$
\operatorname{Shock} k_{I R, \omega}^{C C Y}=\left(M V A_{\text {Before }}^{C C Y, Q}-M V A_{A f t e r, \omega}^{C C Y, Q}\right)+\max \left(M V A_{\text {Before }}^{C C Y, N Q}-M V A_{A f t e r, \omega}^{C C Y, N Q}, 0\right)-\left(M V L_{B e f o r e}^{C C Y}-M V L_{A f t e r, \omega}^{C C Y}\right)
$$

$$
\omega=D o w n, U p
$$

$$
\text { OffSet }_{\text {ScenarioBased }}=\min \left(0.5 \cdot\left(\text { BELiability }_{\text {WorstScenario }}-\text { BELiability }_{\text {BaseScenario }}\right), 0.75 \cdot C_{\text {Interest }}^{\text {Withoutfset }}\right)
$$

$$
C_{\text {Interest }}^{\text {Withoufset }}=\max \left(\text { Shock }_{I R, \text { Down }}, \text { Shock }_{I R, U p}\right)
$$

$M V A_{B e f o r e}^{C C Y, Q} \quad=\quad$ refers to the market value of qualified assets including derivatives qualifying as held for risk-mitigating purposes (determined in accordance with the criteria prescribed by the Authority) before shock $\omega$ ( $\omega=\mathrm{Up}$ or Down) by currency type (CCY), that has been converted to the functional currency as reported in Form 1EBS;
$M V A_{\text {After }}^{C C Y, Q} \quad=\quad$ refers to the revaluation of qualified assets including derivatives with the criteria prescribed by the Authority) after shocking interest rates by $\chi(C C Y, \omega)$ where (CCY) refers to currency type, $\omega$ refers to shock Down and Up, and $\chi$ refers to the shock vector where the revalued amount has been converted to the functional currency as reported in Form 1EBS prescribed in Table 3B;
$=\quad$ refers to the market value of non-qualified assets which are derivatives not qualifying as held for risk-mitigating purposes (determined in accordance with the criteria prescribed by the Authority) before shock
$\omega$ ( $\omega=$ Up or Down) by currency type (CCY), that has been converted to the functional currency as reported in Form 1EBS;
$M V A_{\text {After }}^{C C Y, N Q}$
$M V L_{\text {Before }}^{C C Y}$
$M V L_{\text {After }}^{C C Y}$

BELiability $_{\text {BaseScenario }}$
BELiability $_{\text {Worstscenario }}$
$=\quad$ refers to the revaluation of non-qualified assets which are derivatives not qualifying as held for risk-mitigating purposes (determined in accordance with the criteria prescribed by the Authority) after shocking interest rates by $\chi(\mathrm{CCY}, \omega)$ where (CCY) refers to currency type, $\omega$ refers to shock Down and Up, and $\chi$ refers to the shock vector where the revalued amount has been converted to the functional currency as reported in Form 1EBS prescribed in Table 3B;
$=\quad$ refers to the best estimate of insurance liabilities and other liabilities before shock $\omega(\omega=$ Up or Down by currency type that has been converted to the functional currency as reported in Form 1EBS;
$=\quad$ refers to the revaluation of the best estimate of insurance liabilities and other liabilities after shocking interest rates by $\chi(\mathrm{CCY}, \omega)$ where (CCY) refers to currency type, $\omega$ refers to shock Down and Up, and $\chi$ refers to the shock vector where the revalued amount has been converted to the functional currency as reported in Form 1EBS prescribed in Table 3B;
$=\quad$ refers to best estimate of liabilities in the base case scenario when using the scenario-based approach; and $=\quad$ refers to best estimate of liabilities in the worst-case scenario when using the scenario-based approach.

Table 3B - Shock vectors for Interest Rate - Liquidity Risk

| Currency | $M V A_{B e f o r e}^{C C Y, Q}-M V A_{A f f e r}^{C C Y, Q}$ |  | $M V L_{\text {Before }}^{C C Y}-M V L_{\text {After }}^{C C Y}$ | Shock Vector $\chi(C C Y, D o w n)$ |
| :---: | :---: | :---: | :---: | :---: |
| Interest Rate Down - Exposures without Derivatives |  |  |  |  |
| United States Dollars | Schedule XXIII, Column A Line 1 Less Schedule XXIII Column B, Line 1 |  | Schedule XXIII, Column C Line 1 Less Schedule XXIII Column D, Line 1 | * |
| Euro | Schedule XXIII, Column A Line 2 Less Schedule XXIII Column B, Line 2 |  | Schedule XXIII, Column C Line 2 Less Schedule XXIII Column D, Line 2 | * |
| United Kingdom Pounds | Schedule XXIII, Column A Line 3 Less Schedule XXIII Column B, Line 3 |  | Schedule XXIII, Column C Line 3 Less Schedule XXIII Column D, Line 3 | * |
| Japan Yen | Schedule XXIII, Column A Line 4 Less Schedule XXIII Column B, Line 4 |  | Schedule XXIII, Column C Line 4 Less Schedule XXIII Column D, Line 4 | * |
| Canada Dollars | Schedule XXIII, Column A Line 5 Less Schedule XXIII Column B, Line 5 |  | Schedule XXIII, Column C Line 5 Less Schedule XXIII Column D, Line 5 | * |
| Swiss Francs | Schedule XXIII, Column A Line 6 Less Schedule XXIII Column B, Line 6 |  | Schedule XXIII, Column C Line 6 Less Schedule XXIII Column D, Line 6 | * |
| Australia Dollars | Schedule XXIII, Column A Line 7 Less Schedule XXIII Column B, Line 7 |  | Schedule XXIII, Column C Line 7 Less Schedule XXIII Column D, Line 7 | * |
| New Zealand Dollars | Schedule XXIII, Column A Line 8 Less Schedule XXIII Column B, Line 8 |  | Schedule XXIII, Column C Line 8 Less Schedule XXIII Column D, Line 8 | * |
| Other currency 1 | Schedule XXIII, Column A Line 9 Less Schedule XXIII Column B, Line 9 |  | Schedule XXIII, Column C Line 9 Less Schedule XXIII Column D, Line 9 | * |
| Other currency 2 | Schedule XXIII, Column A Line 10 Less Schedule XXIII Column B, Line 10 |  | Schedule XXIII, Column C Line 10 Less Schedule XXIII Column D, Line 10 | * |
| Other currency 3 | Schedule XXIII, Column A Line 11 Less Schedule XXIII Column B, Line 11 |  | Schedule XXIII, Column C Line 11 Less Schedule XXIII Column D, Line 11 | * |
| Other currency 4 | Schedule XXIII, Column A Line 12 Less Schedule XXIII Column B, Line 12 |  | Schedule XXIII, Column C Line 12 Less Schedule XXIII Column D, Line 12 | * |
| Other currency 5 | Schedule XXIII, Column A Line 13 Less Schedule XXIII Column B, Line 13 |  | Schedule XXIII, Column C Line 13 Less Schedule XXIII Column D, Line 13 | * |
| Other currency 6 | Schedule XXIII, Column A Line 14 Less Schedule XXIII Column B, Line 14 |  | Schedule XXIII, Column C Line 14 Less Schedule XXIII Column D, Line 14 | * |
| Other currency 7 | Schedule XXIII, Column A Line 15 Less Schedule XXIII Column B, Line 15 |  | Schedule XXIII, Column C Line 15 Less Schedule XXIII Column D, Line 15 | * |
| Other currency 8 | Schedule XXIII, Column A Line 16 Less Schedule XXIII Column B, Line 16 |  | Schedule XXIII, Column C Line 16 Less Schedule XXIII Column D, Line 16 | * |
| Other currency 9 | Schedule XXIII, Column A Line 17 Less Schedule XXIII Column B, Line 17 |  | Schedule XXIII, Column C Line 17 Less Schedule XXIII Column D, Line 17 | * |
| Other currency 10 | Schedule XXIII, Column A Line 18 Less Schedule XXIII Column B, Line 18 |  | Schedule XXIII, Column C Line 18 Less Schedule XXIII Column D, Line 18 | * |
| Currency | $M V A_{\text {Before }}^{C C Y, Q}-M V A_{A f t e r}^{C C Y, Q}$ | $M V A_{\text {Before }}^{C C Y, N Q}-M V A_{\text {After }}^{C C Y, N Q}$ | $M V L_{\text {Before }}{ }^{\text {-CY }} M V L_{\text {After }}^{C C Y}$ | Shock Vector $\chi(C C Y, D o w n)$ |


| Interest Rate Down - Derivative Exposure |  |  |  | * |
| :---: | :---: | :---: | :---: | :---: |
| United States Dollars | Schedule XXIII, Column G Line 1 Less Schedule XXIII Column H, Line 1 | Schedule XXIII, Column I Line 1 Less Schedule XXIII Column J, Line 1 | Schedule XXIII, Column K Line 1 Less Schedule XXIII Column L, Line 1 |  |
| Euro | Schedule XXIII, Column G Line 2 Less Schedule XXIII Column H, Line 2 | Schedule XXIII, Column I Line 2 Less Schedule XXIII Column J, Line 2 | Schedule XXIII, Column K Line 2 Less Schedule XXIII Column L, Line 2 | * |
| United Kingdom Pounds | Schedule XXIII, Column G Line 3 Less Schedule XXIII Column H, Line 3 | Schedule XXIII, Column I Line 3 Less Schedule XXIII Column J, Line 3 | Schedule XXIII, Column K Line 3 Less Schedule XXIII Column L, Line 3 | * |
| Japan Yen | Schedule XXIII, Column G Line 4 Less Schedule XXIII Column H, Line 4 | Schedule XXIII, Column I Line 4 Less Schedule XXIII Column J, Line 4 | Schedule XXIII, Column K Line 4 Less Schedule XXIII Column L, Line 4 | * |
| Canada Dollars | Schedule XXIII, Column G Line 5 Less Schedule XXIII Column H, Line 5 | Schedule XXIII, Column I Line 5 Less Schedule XXIII Column J, Line 5 | Schedule XXIII, Column K Line 5 Less Schedule XXIII Column L, Line 5 | * |
| Swiss Francs | Schedule XXIII, Column G Line 6 Less Schedule XXIII Column H, Line 6 | Schedule XXIII, Column I Line 6 Less Schedule XXIII Column J, Line 6 | Schedule XXIII, Column K Line 6 Less Schedule XXIII Column L, Line 6 | * |
| Australia Dollars | Schedule XXIII, Column G Line 7 Less Schedule XXIII Column H, Line 7 | Schedule XXIII, Column I Line 7 Less Schedule XXIII Column J, Line 7 | Schedule XXIII, Column K Line 7 Less Schedule XXIII Column L, Line 7 | * |
| New Zealand Dollars | Schedule XXIII, Column G Line 8 Less Schedule XXIII Column H, Line 8 | Schedule XXIII, Column I Line 8 Less Schedule XXIII Column J, Line 8 | Schedule XXIII, Column K Line 8 Less Schedule XXIII Column L, Line 8 | * |
| Other currency 1 | Schedule XXIII, Column G Line 9 Less Schedule XXIII Column H, Line 9 | Schedule XXIII, Column I Line 9 Less Schedule XXIII Column J, Line 9 | Schedule XXIII, Column K Line 9 Less Schedule XXIII Column L, Line 9 | * |
| Other currency 2 | Schedule XXIII, Column G Line 10 Less Schedule XXIII Column H, Line 10 | Schedule XXIII, Column I Line 10 Less Schedule XXIII Column J, Line 10 | Schedule XXIII, Column K Line 10 Less Schedule XXIII Column L, Line 10 | * |
| Other currency 3 | Schedule XXIII, Column G Line 11 Less Schedule XXIII Column H, Line 11 | Schedule XXIII, Column I Line 11 Less Schedule XXIII Column J, Line 11 | Schedule XXIII, Column K Line 11 Less Schedule XXIII Column L, Line 11 | * |
| Other currency 4 | Schedule XXIII, Column G Line 12 Less Schedule XXIII Column H, Line 12 | Schedule XXIII, Column I Line 12 Less Schedule XXIII Column J, Line 12 | Schedule XXIII, Column K Line 12 Less Schedule XXIII Column L, Line 12 | * |
| Other currency 5 | Schedule XXIII, Column G Line 13 Less Schedule XXIII Column H, Line 13 | Schedule XXIII, Column I Line 13 Less Schedule XXIII Column J, Line 13 | Schedule XXIII, Column K Line 13 Less Schedule XXIII Column L, Line 13 | * |
| Other currency 6 | Schedule XXIII, Column G Line 14 Less Schedule XXIII Column H, Line 14 | Schedule XXIII, Column I Line 14 Less Schedule XXIII Column J, Line 14 | Schedule XXIII, Column K Line 14 Less Schedule XXIII Column L, Line 14 | * |
| Other currency 7 | Schedule XXIII, Column G Line 15 Less Schedule XXIII Column H, Line 15 | Schedule XXIII, Column I Line 15 Less Schedule XXIII Column J, Line 15 | Schedule XXIII, Column K Line 15 Less Schedule XXIII Column L, Line 15 | * |
| Other currency 8 | Schedule XXIII, Column G Line 16 Less Schedule XXIII Column H, Line 16 | Schedule XXIII, Column I Line 16 Less Schedule XXIII Column J, Line 16 | Schedule XXIII, Column K Line 16 Less Schedule XXIII Column L, Line 16 | * |
| Other currency 9 | Schedule XXIII, Column G Line 17 Less Schedule XXIII Column H, Line 17 | Schedule XXIII, Column I Line 17 Less Schedule XXIII Column J, Line 17 | Schedule XXIII, Column K Line 17 Less Schedule XXIII Column L, Line 17 | * |
| Other currency 10 | Schedule XXIII, Column G Line 18 Less Schedule XXIII Column H, Line 18 | Schedule XXIII, Column I Line 18 Less Schedule XXIII Column J, Line 18 | Schedule XXIII, Column K Line 18 Less Schedule XXIII Column L, Line 18 | * |


| Currency | $M V A_{\text {Before }}^{C C Y}-M V A_{\text {After }}^{C C Y}$ | $M V L_{\text {Before }}{ }^{\text {- }}$ - $M V L_{\text {After }}^{C C Y}$ | Shock Vector $\chi(C C Y, U p)$ |
| :---: | :---: | :---: | :---: |
| Interest Rate Up - Exposures without Derivatives |  |  |  |
| United States Dollars | Schedule XXIII, Column A Line 20 Less Schedule XXIII Column B, Line 20 | Schedule XXIII, Column C Line 20 Less Schedule XXIII Column D, Line 20 | * |
| Euro | Schedule XXIII, Column A Line 21 Less Schedule XXIII Column B, Line 21 | Schedule XXIII, Column C Line 21 Less Schedule XXIII Column D, Line 21 | * |
| United Kingdom Pounds | Schedule XXIII, Column A Line 22 Less Schedule XXIII Column B, Line 22 | Schedule XXIII, Column C Line 22 Less Schedule XXIII Column D, Line 22 | * |
| Japan Yen | Schedule XXIII, Column A Line 23 Less Schedule XXIII Column B, Line 23 | Schedule XXIII, Column C Line 23 Less Schedule XXIII Column D, Line 23 | * |
| Canada Dollars | Schedule XXIII, Column A Line 24 Less Schedule XXIII Column B, Line 24 | Schedule XXIII, Column C Line 24 Less Schedule XXIII Column D, Line 24 | * |
| Swiss Francs | Schedule XXIII, Column A Line 25 Less Schedule XXIII Column B, Line 25 | Schedule XXIII, Column C Line 25 Less Schedule XXIII Column D, Line 25 | * |
| Australia Dollars | Schedule XXIII, Column A Line 26 Less Schedule XXIII Column B, Line 26 | Schedule XXIII, Column C Line 26 Less Schedule XXIII Column D, Line 26 | * |
| New Zealand Dollars | Schedule XXIII, Column A Line 27 Less Schedule XXIII Column B, Line 27 | Schedule XXIII, Column C Line 27 Less Schedule XXIII Column D, Line 27 | * |
| Other currency 1 | Schedule XXIII, Column A Line 28 Less Schedule XXIII Column B, Line 28 | Schedule XXIII, Column C Line 28 Less Schedule XXIII Column D, Line 28 | * |
| Other currency 2 | Schedule XXIII, Column A Line 29 Less Schedule XXIII Column B, Line 29 | Schedule XXIII, Column C Line 29 Less Schedule XXIII Column D, Line 29 | * |
| Other currency 3 | Schedule XXIII, Column A Line 30 Less Schedule XXIII Column B, Line 30 | Schedule XXIII, Column C Line 30 Less Schedule XXIII Column D, Line 30 | * |
| Other currency 4 | Schedule XXIII, Column A Line 31 Less Schedule XXIII Column B, Line 31 | Schedule XXIII, Column C Line 31 Less Schedule XXIII Column D, Line 31 | * |
| Other currency 5 | Schedule XXIII, Column A Line 32 Less Schedule XXIII Column B, Line 32 | Schedule XXIII, Column C Line 32 Less Schedule XXIII Column D, Line 32 | * |
| Other currency 6 | Schedule XXIII, Column A Line 33 Less Schedule XXIII Column B, Line 33 | Schedule XXIII, Column C Line 33 Less Schedule XXIII Column D, Line 33 | * |
| Other currency 7 | Schedule XXIII, Column A Line 34 Less Schedule XXIII Column B, Line 34 | Schedule XXIII, Column C Line 34 Less Schedule XXIII Column D, Line 34 | * |
| Other currency 8 | Schedule XXIII, Column A Line 35 Less Schedule XXIII Column B, Line 35 | Schedule XXIII, Column C Line 35 Less Schedule XXIII Column D, Line 35 | * |
| Other currency 9 | Schedule XXIII, Column A Line 36 Less Schedule XXIII Column B, Line 36 | Schedule XXIII, Column C Line 36 Less Schedule XXIII Column D, Line 36 | * |
| Other currency 10 | Schedule XXIII, Column A Line 37 Less Schedule XXIII Column B, Line 37 | Schedule XXIII, Column C Line 37 Less Schedule XXIII Column D, Line 37 | * |


| Currency | $M V A_{\text {Before }}^{C C Y, Q}-M V A_{\text {After }}^{C C Y, Q}$ | $M V A_{\text {Before }}^{C C Y, N Q}-M V A_{\text {After }}^{C C Y, N Q}$ | $M V L_{\text {Before }}^{C C Y}-M V L_{\text {After }}^{C C Y}$ | Shock Vector $\chi(C C Y, U p)$ |
| :---: | :---: | :---: | :---: | :---: |
| Interest Rate Up - Derivative Exposure |  |  |  |  |
| United States Dollars | Schedule XXIII, Column G Line 20 Less Schedule XXIII Column H, Line 20 | Schedule XXIII, Column I Line 20 Less Schedule XXIII Column J, Line 20 | Schedule XXIII, Column K Line 20 Less Schedule XXIII Column L, Line 20 | * |
| Euro | Schedule XXIII, Column G Line 21 Less Schedule XXIII Column H, Line 21 | Schedule XXIII, Column I Line 21 Less Schedule XXIII Column J, Line 21 | Schedule XXIII, Column K Line 21 Less Schedule XXIII Column L, Line 21 | * |
| United Kingdom Pounds | Schedule XXIII, Column G Line 22 Less Schedule XXIII Column H, Line 22 | Schedule XXIII, Column I Line 22 Less Schedule XXIII Column J, Line 22 | Schedule XXIII, Column K Line 22 Less Schedule XXIII Column L, Line 22 | * |
| Japan Yen | Schedule XXIII, Column G Line 23 Less Schedule XXIII Column H, Line 23 | Schedule XXIII, Column I Line 23 Less Schedule XXIII Column J, Line 23 | Schedule XXIII, Column K Line 23 Less Schedule XXIII Column L, Line 23 | * |
| Canada Dollars | Schedule XXIII, Column G Line 24 Less Schedule XXIII Column H, Line 24 | Schedule XXIII, Column I Line 24 Less Schedule XXIII Column J, Line 24 | Schedule XXIII, Column K Line 24 Less Schedule XXIII Column L, Line 24 | * |
| Swiss Francs | Schedule XXIII, Column G Line 25 Less Schedule XXIII Column H, Line 25 | Schedule XXIII, Column I Line 25 Less Schedule XXIII Column J, Line 25 | Schedule XXIII, Column K Line 25 Less Schedule XXIII Column L, Line 25 | * |
| Australia Dollars | Schedule XXIII, Column G Line 26 Less Schedule XXIII Column H, Line 26 | Schedule XXIII, Column I Line 26 Less Schedule XXIII Column J, Line 26 | Schedule XXIII, Column K Line 26 Less Schedule XXIII Column L, Line 26 | * |
| New Zealand Dollars | Schedule XXIII, Column G Line 27 Less Schedule XXIII Column H, Line 27 | Schedule XXIII, Column I Line 27 Less Schedule XXIII Column J, Line 27 | Schedule XXIII, Column K Line 27 Less Schedule XXIII Column L, Line 27 | * |
| Other currency 1 | Schedule XXIII, Column G Line 28 Less Schedule XXIII Column H, Line 28 | Schedule XXIII, Column I Line 28 Less Schedule XXIII Column J, Line 28 | Schedule XXIII, Column K Line 28 Less Schedule XXIII Column L, Line 28 | * |
| Other currency 2 | Schedule XXIII, Column G Line 29 Less Schedule XXIII Column H, Line 29 | Schedule XXIII, Column I Line 29 Less Schedule XXIII Column J, Line 29 | Schedule XXIII, Column K Line 29 Less Schedule XXIII Column L, Line 29 | * |
| Other currency 3 | Schedule XXIII, Column G Line 30 Less Schedule XXIII Column H, Line 30 | Schedule XXIII, Column I Line 30 Less Schedule XXIII Column J, Line 30 | Schedule XXIII, Column K Line 30 Less Schedule XXIII Column L, Line 30 | * |
| Other currency 4 | Schedule XXIII, Column G Line 31 Less Schedule XXIII Column H, Line 31 | Schedule XXIII, Column I Line 31 Less Schedule XXIII Column J, Line 31 | Schedule XXIII, Column K Line 31 Less Schedule XXIII Column L, Line 31 | * |
| Other currency 5 | Schedule XXIII, Column G Line 32 Less Schedule XXIII Column H, Line 32 | Schedule XXIII, Column I Line 32 Less Schedule XXIII Column J, Line 32 | Schedule XXIII, Column K Line 32 Less Schedule XXIII Column L, Line 32 | * |
| Other currency 6 | Schedule XXIII, Column G Line 33 Less Schedule XXIII Column H, Line 33 | Schedule XXIII, Column I Line 33 Less Schedule XXIII Column J, Line 33 | Schedule XXIII, Column K Line 33 Less Schedule XXIII Column L, Line 33 | * |
| Other currency 7 | Schedule XXIII, Column G Line 34 Less Schedule XXIII Column H, Line 34 | Schedule XXIII, Column I Line 34 Less Schedule XXIII Column J, Line 34 | Schedule XXIII, Column K Line 34 Less Schedule XXIII Column L, Line 34 | * |
| Other currency 8 | Schedule XXIII, Column G Line 35 Less Schedule XXIII Column H, Line 35 | Schedule XXIII, Column I Line 35 Less Schedule XXIII Column J, Line 35 | Schedule XXIII, Column K Line 35 Less Schedule XXIII Column L, Line 35 | * |
| Other currency 9 | Schedule XXIII, Column G Line 36 Less Schedule XXIII Column H, Line 36 | Schedule XXIII, Column I Line 36 Less Schedule XXIII Column J, Line 36 | Schedule XXIII, Column K Line 36 Less Schedule XXIII Column L, Line 36 | * |
| Other currency 10 | Schedule XXIII, Column G Line 37 Less Schedule XXIII Column H, Line 37 | Schedule XXIII, Column I Line 37 Less Schedule XXIII Column J, Line 37 | Schedule XXIII, Column K Line 37 Less Schedule XXIII Column L, Line 37 | * |

[^1]
## INSTRUCTIONS AFFECTING TABLE 3B: Shock Vectors for Interest rate - Liquidity

(a) all assets sensitive to interest rates shall be included in the table, including but not limited to fixed income assets, hybrid instruments, deposits, loans (including mortgage and policyholder loans), reinsurance balance receivables and exposures as determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for the following items:
(i) collective investment vehicles and other investments packaged as funds, including related undertakings used as investment vehicles;
(ii) segregated accounts assets;
(iii) deposit asset;
(iv) other sundry;
(v) derivatives;
(vi) funds held by ceding insurers.
(b) all liabilities sensitive to interest rates shall be included in the table, including but not limited to best estimate of insurance liabilities, other liabilities (except risk margin) and liability exposures determined by application of the "look-through" approach calculated in accordance with the criteria prescribed by the Authority for the following items:
(i) segregated accounts liabilities;
(ii) deposit liabilities;
(iii) other sundry liabilities;
(iv) derivatives;
(v) funds held under retrocession.
(c) amounts are to be reported on an EBS Valuation basis.
30. The currency risk charge calculation shall be established in accordance with the following formula-

$$
C_{\text {Currency }}=\sum_{i} \max \left\{\left(\left[\begin{array}{c}
\left(M V A_{i, \text { Before }}-M V A_{i, \text { After }}\left(\chi_{i}\right)\right)+\left(M V D L_{i, B e \text { fore }}^{Q}-M V D L_{i, A f t e r}^{Q}\left(\chi_{i}\right)\right)+\cdots \\
+\left(M V D S_{i, B e f o r e}^{Q}-M V D S_{i, A f t e r}^{Q}\left(\chi_{i}\right)\right)+\max \left(M V D L_{i, B e f o r e}^{N Q}-M V D L_{i, A f t e r}^{N Q}\left(\chi_{i}\right), 0\right)+\cdots \\
+\max \left(M V D S_{i, B e f o r e}^{N Q}-M V D S_{i, A f t e r}^{N Q}\left(\chi_{i}\right), 0\right)-\left(M V L_{i, B e f o r e}-M V L_{i, A f t e r}\left(\chi_{i}\right)\right)+\cdots \\
+ \text { Currproxybscr } r_{i} \times \chi_{i}
\end{array}\right], 0\right\}\right.
$$

Where-


(a) the ECR divided by Form 1EBS Line 39 Total Liabilities for the preceding year and
(b) the average of the above ratio for the preceding three 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 4A - Shocks for Currency Risk

| Currency |  | Long Exposure |  | Short Exposure |  | $\begin{gathered} M V L_{i, B e f o r e} \\ M V L_{i, A f t e r} \end{gathered}$ | Shock |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $M V A_{i, B e f o r e}-M V A_{i, A f f e r}$ | $\begin{gathered} M V D L_{i, B e f o r e}^{Q}- \\ M V D L_{i, \text { After }}^{Q} \end{gathered}$ | $\begin{gathered} M V D L_{i, B e f o r e}^{N Q}- \\ M V D L_{i, \text { Affer }}^{N Q} \end{gathered}$ | $\begin{gathered} M V D S_{i, \text { Before }}^{Q}- \\ M V D S_{i, \text { Afer }}^{Q} \end{gathered}$ | $\begin{gathered} M V D S_{i, B e f o r e}^{N Q}- \\ M V D S_{i, A f f e r}^{N Q} \end{gathered}$ |  | If reporting currency $\chi_{i}$ | Other wise $\chi_{i}$ |
| United <br> States <br> Dollar | Schedule XXA, Column A, Line 1 Less Schedule XXA, Column G, Line 1 | Schedule XXA, Column <br> B, Line 1 Less <br> Schedule XXA, Column <br> H, Line 1 | Schedule XXA, Column C, <br> Line 1 Less Schedule <br> XXA, Column I, Line 1 | Schedule XXA, Column D, Line 1 Less Schedule XXA, Column J, Line 1 | Schedule XXA, Column E, Line 1 Less Schedule XXA, Column K, Line 1 | Schedule XXA, Column F, <br> Line 1 Less Schedule <br> XXA, Column L, Line 1 | 0\% | A |
| Bermuda Dollar | Schedule XXA, Column A, Line 2 Less Schedule XXA, Column G, Line 2 | Schedule XXA, Column <br> B, Line 2 Less <br> Schedule XXA, Column <br> H, Line 2 | Schedule XXA, Column C, Line 2 Less Schedule XXA, Column I, Line 2 | Schedule XXA, Column D, Line 2 Less Schedule XXA, Column J, Line 2 | Schedule XXA, Column E, Line 2 Less Schedule XXA, Column K, Line 2 | Schedule XXA, Column F, Line 2 Less Schedule XXA, Column L, Line 2 | 0\% | B |
| Qatari <br> Riyal | Schedule XXA, Column A, Line 3 Less Schedule XXA, Column G, Line 3 | Schedule XXA, Column <br> B, Line 3 Less <br> Schedule XXA, Column <br> H, Line 3 | Schedule XXA, Column C, Line 3 Less Schedule XXA, Column I, Line 3 | Schedule XXA, Column D, Line 3 Less Schedule XXA, Column J, Line 3 | Schedule XXA, Column E, Line 3 Less Schedule XXA, Column K, Line 3 | Schedule XXA, Column F, <br> Line 3 Less Schedule <br> XXA, Column L, Line 3 | 0\% | C |
| Hong Kong Dollar | Schedule XXA, Column A, Line 4 Less Schedule XXA, Column G, Line 4 | Schedule XXA, Column B, Line 4 Less Schedule XXA, Column H, Line 4 | Schedule XXA, Column C, Line 4 Less Schedule XXA, Column I, Line 4 | Schedule XXA, Column D, Line 4 Less Schedule XXA, Column J, Line 4 | Schedule XXA, Column E, Line 4 Less Schedule XXA, Column K, Line 4 | Schedule XXA, Column F, Line 4 Less Schedule XXA, Column L, Line 4 | 0\% | D |
| Euro | Schedule XXA, Column A, Line 5 Less Schedule XXA, Column G, Line 5 | Schedule XXA, Column <br> B, Line 5 Less <br> Schedule XXA, Column <br> H, Line 5 | Schedule XXA, Column C, Line 5 Less Schedule XXA, Column I, Line 5 | Schedule XXA, Column D, Line 5 Less Schedule XXA, Column J, Line 5 | Schedule XXA, Column E, Line 5 Less Schedule XXA, Column K, Line 5 | Schedule XXA, Column F, Line 5 Less Schedule XXA, Column L, Line 5 | 0\% | E |
| Danish Krone | Schedule XXA, Column A, Line 6 Less Schedule XXA, Column G, Line 6 | Schedule XXA, Column B, Line 6 Less Schedule XXA, Column H, Line 6 | Schedule XXA, Column C, Line 6 Less Schedule XXA, Column I, Line 6 | Schedule XXA, Column D, Line 6 Less Schedule XXA, Column J, Line 6 | Schedule XXA, Column E, Line 6 Less Schedule XXA, Column K, Line 6 | Schedule XXA, Column F, Line 6 Less Schedule XXA, Column L, Line 6 | 0\% | F |
| Bulgarian Lev | Schedule XXA, Column A, Line 7 Less Schedule XXA, Column G, Line 7 | Schedule XXA, Column <br> B, Line 7 Less <br> Schedule XXA, Column <br> H, Line 7 | Schedule XXA, Column C, Line 7 Less Schedule XXA, Column I, Line 7 | Schedule XXA, Column D, Line 7 Less Schedule XXA, Column J, Line 7 | Schedule XXA, Column E, Line 7 Less Schedule XXA, Column K, Line 7 | Schedule XXA, Column F, <br> Line 7 Less Schedule <br> XXA, Column L, Line 7 | 0\% | G |
| West African CFA Franc | Schedule XXA, Column A, Line 8 Less Schedule XXA, Column G, Line 8 | Schedule XXA, Column <br> B, Line 8 Less <br> Schedule XXA, Column <br> H, Line 8 | Schedule XXA, Column C, Line 8 Less Schedule XXA, Column I, Line 8 | Schedule XXA, Column D, Line 8 Less Schedule XXA, Column J, Line 8 | Schedule XXA, Column E, Line 8 Less Schedule XXA, Column K, Line 8 | Schedule XXA, Column F, Line 8 Less Schedule XXA, Column L, Line 8 | 0\% | H |
| Central <br> African <br> CFA <br> Franc | Schedule XXA, Column A, Line 9 Less Schedule XXA, Column G, Line 9 | Schedule XXA, Column B, Line 9 Less Schedule XXA, Column H, Line 9 | Schedule XXA, Column C, <br> Line 9 Less Schedule <br> XXA, Column I, Line 9 | Schedule XXA, Column D, Line 9 Less Schedule XXA, Column J, Line 9 | Schedule XXA, Column E, Line 9 Less Schedule XXA, Column K, Line 9 | Schedule XXA, Column F, <br> Line 9 Less Schedule <br> XXA, Column L, Line 9 | 0\% | I |
| Comorian Franc | Schedule XXA, Column <br> A, Line 10 Less <br> Schedule XXA, Column <br> G, Line 10 | Schedule XXA, Column <br> B, Line 10 Less <br> Schedule XXA, Column <br> H, Line 10 | Schedule XXA, Column C, <br> Line 10 Less Schedule <br> XXA, Column I, Line 10 | Schedule XXA, Column D, Line 10 Less Schedule XXA, Column J, Line 10 | Schedule XXA, Column E, <br> Line 10 Less Schedule <br> XXA, Column K, Line 10 | Schedule XXA, Column F, <br> Line 10 Less Schedule <br> XXA, Column L, Line 10 | 0\% | J |
| United | Schedule XXA, Column | Schedule XXA, Column | Schedule XXA, Column C, | Schedule XXA, Column | Schedule XXA, Column E, | Schedule XXA, Column F, | 0\% | 25.00\% |

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| Kingdom Pound | A, Line 11 Less Schedule XXA, Column G, Line 11 | B, Line 11 Less Schedule XXA, Column H, Line 11 | Line 11 Less Schedule XXA, Column I, Line 11 | D, Line 11 Less Schedule XXA, Column J, Line 11 | Line 11 Less Schedule XXA, Column K, Line 11 | Line 11 Less Schedule XXA, Column L, Line 11 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Canada Dollar | Schedule XXA, Column <br> A, Line 12 Less <br> Schedule XXA, Column <br> G, Line 12 | Schedule XXA, Column <br> B, Line 12 Less <br> Schedule XXA, Column <br> H, Line 12 | Schedule XXA, Column C, Line 12 Less Schedule XXA, Column I, Line 12 | Schedule XXA, Column D, Line 12 Less Schedule XXA, Column J, Line 12 | Schedule XXA, Column E, Line 12 Less Schedule XXA, Column K, Line 12 | Schedule XXA, Column F, Line 12 Less Schedule XXA, Column L, Line 12 | 0\% | 25.00\% |
| $\begin{aligned} & \text { Japan } \\ & \text { Yen } \end{aligned}$ | Schedule XXA, Column A, Line 13 Less Schedule XXA, Column G, Line 13 | Schedule XXA, Column <br> B, Line 13 Less <br> Schedule XXA, Column <br> H, Line 13 | Schedule XXA, Column C, Line 13 Less Schedule XXA, Column I, Line 13 | Schedule XXA, Column D, Line 13 Less Schedule XXA, Column J, Line 13 | Schedule XXA, Column E, Line 13 Less Schedule XXA, Column K, Line 13 | Schedule XXA, Column F, Line 13 Less Schedule XXA, Column L, Line 13 | 0\% | 25.00\% |
| Other currency 1 | Schedule XXA, Column A, Line 14 Less Schedule XXA, Column G, Line 14 | Schedule XXA, Column <br> B, Line 14 Less <br> Schedule XXA, Column <br> H , Line 14 | Schedule XXA, Column C, <br> Line 14 Less Schedule XXA, Column I, Line 14 | Schedule XXA, Column D, Line 14 Less Schedule XXA, Column J, Line 14 | Schedule XXA, Column E, Line 14 Less Schedule XXA, Column K, Line 14 | Schedule XXA, Column F, Line 14 Less Schedule XXA, Column L, Line 14 | 0\% | 25.00\% |
| Other currency 2 | Schedule XXA, Column A, Line 15 Less Schedule XXA, Column G, Line 15 | Schedule XXA, Column <br> B, Line 15 Less Schedule XXA, Column <br> H, Line 15 | Schedule XXA, Column C, Line 15 Less Schedule XXA, Column I, Line 15 | Schedule XXA, Column D, Line 15 Less Schedule XXA, Column J, Line 15 | Schedule XXA, Column E, Line 15 Less Schedule XXA, Column K, Line 15 | Schedule XXA, Column F, Line 15 Less Schedule XXA, Column L, Line 15 | 0\% | 25.00\% |
| Other currency 3 | Schedule XXA, Column A, Line 16 Less Schedule XXA, Column G, Line 16 | Schedule XXA, Column <br> B, Line 16 Less <br> Schedule XXA, Column <br> H, Line 16 | Schedule XXA, Column C, <br> Line 16 Less Schedule XXA, Column I, Line 16 | Schedule XXA, Column D, Line 16 Less Schedule XXA, Column J, Line 16 | Schedule XXA, Column E, Line 16 Less Schedule XXA, Column K, Line 16 | Schedule XXA, Column F, Line 16 Less Schedule XXA, Column L, Line 16 | 0\% | 25.00\% |
| Other currency <br> 4 | Schedule XXA, Column <br> A, Line 17 Less <br> Schedule XXA, Column <br> G, Line 17 | Schedule XXA, Column <br> B, Line 17 Less <br> Schedule XXA, Column <br> H, Line 17 | Schedule XXA, Column C, <br> Line 17 Less Schedule XXA, Column I, Line 17 | Schedule XXA, Column D, Line 17 Less Schedule XXA, Column J, Line 17 | Schedule XXA, Column E, Line 17 Less Schedule XXA, Column K, Line 17 | Schedule XXA, Column F, Line 17 Less Schedule XXA, Column L, Line 17 | 0\% | 25.00\% |
| Other currency $5$ | Schedule XXA, Column <br> A, Line 18 Less <br> Schedule XXA, Column <br> G, Line 18 | Schedule XXA, Column <br> B, Line 18 Less <br> Schedule XXA, Column <br> H , Line 18 | Schedule XXA, Column C, Line 18 Less Schedule XXA, Column I, Line 18 | Schedule XXA, Column D, Line 18 Less Schedule XXA, Column J, Line 18 | Schedule XXA, Column E, Line 18 Less Schedule XXA, Column K, Line 18 | Schedule XXA, Column F, Line 18 Less Schedule XXA, Column L, Line 18 | 0\% | 25.00\% |
| $\begin{aligned} & \hline \text { Other } \\ & \text { currency } \\ & 6 \end{aligned}$ | Schedule XXA, Column A, Line 19 Less Schedule XXA, Column G, Line 19 | Schedule XXA, Column <br> B, Line 19 Less Schedule XXA, Column H, Line 19 | Schedule XXA, Column C, Line 19 Less Schedule XXA, Column I, Line 19 | Schedule XXA, Column D, Line 19 Less Schedule XXA, Column J, Line 19 | Schedule XXA, Column E, Line 19 Less Schedule XXA, Column K, Line 19 | Schedule XXA, Column F, Line 19 Less Schedule XXA, Column L, Line 19 | 0\% | 25.00\% |
| Other currency 7 | Schedule XXA, Column A, Line 20 Less Schedule XXA, Column G, Line 20 | Schedule XXA, Column <br> B, Line 20 Less Schedule XXA, Column <br> H, Line 20 | Schedule XXA, Column C, <br> Line 20 Less Schedule <br> XXA, Column I, Line 20 | Schedule XXA, Column D, Line 20 Less Schedule XXA, Column J, Line 20 | Schedule XXA, Column E, <br> Line 20 Less Schedule <br> XXA, Column K, Line 20 | Schedule XXA, Column F, <br> Line 20 Less Schedule <br> XXA, Column L, Line 20 | 0\% | 25.00\% |
| Other currency 8 | Schedule XXA, Column <br> A, Line 21 Less <br> Schedule XXA, Column <br> G, Line 21 | Schedule XXA, Column <br> B, Line 21 Less <br> Schedule XXA, Column <br> H, Line 21 | Schedule XXA, Column C, Line 21 Less Schedule XXA, Column I, Line 21 | Schedule XXA, Column D, Line 21 Less Schedule XXA, Column J, Line 21 | Schedule XXA, Column E, Line 21 Less Schedule XXA, Column K, Line 21 | Schedule XXA, Column F, Line 21 Less Schedule XXA, Column L, Line 21 | 0\% | 25.00\% |
| $\begin{aligned} & \text { Other } \\ & \text { currency } \\ & 9 \end{aligned}$ | Schedule XXA, Column <br> A, Line 22 Less <br> Schedule XXA, Column <br> G, Line 22 | Schedule XXA, Column <br> B, Line 22 Less Schedule XXA, Column H, Line 22 | Schedule XXA, Column C, Line 22 Less Schedule XXA, Column I, Line 22 | Schedule XXA, Column D, Line 22 Less Schedule XXA, Column J, Line 22 | Schedule XXA, Column E, Line 22 Less Schedule XXA, Column K, Line 22 | Schedule XXA, Column F, Line 22 Less Schedule XXA, Column L, Line 22 | 0\% | 25.00\% |
| $\begin{aligned} & \hline \text { Other } \\ & \text { currency } \\ & 10 \end{aligned}$ | Schedule XXA, Column A, Line 23 Less Schedule XXA, Column G, Line 23 | Schedule XXA, Column <br> B, Line 23 Less <br> Schedule XXA, Column <br> H, Line 23 | Schedule XXA, Column C, Line 23 Less Schedule XXA, Column I, Line 23 | Schedule XXA, Column D, Line 23 Less Schedule XXA, Column J, Line 23 | Schedule XXA, Column E, Line 23 Less Schedule XXA, Column K, Line 23 | Schedule XXA, Column F, Line 23 Less Schedule XXA, Column L, Line 23 | 0\% | 25.00\% |

## INSTRUCTIONS AFFECTING TABLE 4A: Shock factors for Currency Risk

(a) The initials "A" to " J " on the column labeled "Shock Otherwise $\chi_{i}$ " shall be replaced by the following shock values:

- "A" by:
" $0 \%$ " if the reporting currency is the Bermuda Dollar or,
" $5.00 \%$ " if the reporting currency is the Qatari Riyal or,
- " $1.00 \%$ " if the reporting currency is the Hong Kong Dollar or,
- "25\%" otherwise.
- "B" by:
- " $0 \%$ " if the reporting currency is the United States Dollar or,
- "25\%" otherwise.
- "C" by:
" $5.00 \%$ " if the reporting currency is the United States Dollar or,
- "25\%" otherwise.
- "D" by:
- " $1.00 \%$ " if reporting currency is the United States Dollar or,
- " $25 \%$ " otherwise.
- "E" by:
- " $0.39 \%$ " if the reporting currency is the Danish Krone or,
- " $1.81 \%$ " if the reporting currency is the Bulgarian Lev or,
" $2.18 \%$ " if the reporting currency is the West African CFA Franc or,
" $1.96 \%$ " if the reporting currency is the Central African CFA Franc or,
- " $2.00 \%$ " if the reporting currency is the Comorian Franc or,
- " $25 \%$ " otherwise.
- "F" by:
- " $0.39 \%$ " if reporting currency is the Euro or,
- "G" by:
- " $1.81 \%$ " if reporting currency is the Euro or,
- "H" by:
- " $2.18 \%$ " if reporting currency is the Euro or,

○ " $25 \%$ " otherwise

- "I" by:
- " $1.96 \%$ " if reporting currency is the Euro or,
- " $25 \%$ " otherwise.
- "J" by:
- " $2.00 \%$ " if reporting currency is the Euro or,
- "25\%" otherwise.
(b) all assets and liabilities (except the risk margin) whose value is subject to currency risk shocks shall be reported on a basis consistent with that used for purposes of economic balance sheet reporting. These assets and liabilities shall include currency risk exposures determined by application of the "look-through approach" calculated in accordance with criteria prescribed by the Authority for the following items:
i. collective investment vehicles and other investments packaged as funds, including related undertakings used as investment vehicles;
ii. segregated accounts assets and liabilities;
iii. deposit asset and liabilities;
iv. assets and liabilities held by ceding insurers or under retrocession;
v. other sundry assets and liabilities; and
vi. derivatives.
(c) where the reporting currency is the United States Dollar, the capital factor $\chi_{i}$ charge shall be reduced to:
i. $0.00 \%$ for the Bermuda Dollar;
ii. $5.00 \%$ for the Qatari Riyal;
iii. $1.00 \%$ for the Hong Kong Dollar.
(d) where the reporting currency is the Bermuda Dollar the capital factor $\chi_{i}$ charge shall be reduced to 0.00\% for the United States Dollar.
(e) where the reporting currency is the Qatari Riyal the capital factor $\chi_{i}$ charge shall be reduced to 5.00\% for the United States Dollar.
(f) where the reporting currency is the Hong Kong Dollar the capital factor $\chi_{i}$ charge shall be reduced to $1.00 \%$ for the United States Dollar.
(g) where the reporting currency is Euros, the capital factor $\chi_{i}$ shall be reduced to:
i. $0.39 \%$ for the Danish Krone;
ii. $1.81 \%$ for the Bulgarian Lev;
iii. $2.18 \%$ for the West African CFA Franc;
iv. $1.96 \%$ for the Central African CFA Franc;
v. $2.00 \%$ for the Comorian Franc.
(h) where the reporting currency is the Danish Krone the capital factor $\chi_{i}$ charge shall be reduced to $0.39 \%$ for the Euro.
(i) where the reporting currency is the Bulgarian Lev the capital factor $\chi_{i}$ charge shall be reduced to $1.81 \%$ for the Euro.
(j) where the reporting currency is the West African CFA Franc the capital factor $\chi_{i}$ charge shall be reduced to $2.18 \%$ for the Euro.
(k) where the reporting currency is the Central African CFA Franc the capital factor $\chi_{i}$ charge shall be reduced to $1.96 \%$ for the Euro.
(1) where the reporting currency is the Comorian Franc the capital factor $\chi_{i}$ charge shall be reduced to $2.00 \%$ for the Euro.

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(m) insurance groups are to report currencies representing at least $95 \%$ of their economic balance sheet liabilities; and
(n) amounts are to be reported on an EBS Valuation basis.
31. The concentration risk charge calculation shall be determined in accordance with the following formula-

```
C Concentration}=\mp@subsup{\sum}{i}{}\mp@subsup{\chi}{i}{}\times\mp@subsup{\mathrm{ Concastclass }}{i}{
```

Where-
$\chi_{i} \quad=\quad$ the capital charge factors prescribed in Table 5A for each type of Concastclass $_{i}$ or in table 5 for each type of Concastclass $_{i}$ for equity exposures that are grandfathered according to paragraph 28A and Concastclass $_{i} \quad=$ the value of the corresponding asset prescribed in Table 5A, for each type of Asset Class; or the value of the corresponding asset prescribed in Table 5, for each type of Asset Class for equity exposures that are grandfathered according to paragraph 28A.

Table 5A - Capital charge factors for Concastclass $_{i}$

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


| BSCR rating 1 | Schedule XXIA, Column D | 0.5\% |
| :---: | :---: | :---: |
| BSCR rating 2 | Schedule XXIA, Column D | 1.0\% |
| BSCR rating 3 | Schedule XXIA, Column D | 1.8\% |
| BSCR rating 4 | Schedule XXIA, Column D | 3.5\% |
| BSCR rating 5 | Schedule XXIA, Column D | 10.0\% |
| BSCR rating 6 | Schedule XXIA, Column D | 20.0\% |
| BSCR rating 7 | Schedule XXIA, Column D | 30.0\% |
| BSCR rating 8 | Schedule XXIA, Column D | 35.0\% |
| Bond Mutual Funds |  |  |
| BSCR rating 0 | Schedule XXIA, Column D | 0.0\% |
| BSCR rating 1 | Schedule XXIA, Column D | 0.4\% |
| BSCR rating 2 | Schedule XXIA, Column D | 0.8\% |
| BSCR rating 3 | Schedule XXIA, Column D | 1.5\% |
| BSCR rating 4 | Schedule XXIA, Column D | 3.0\% |
| BSCR rating 5 | Schedule XXIA, Column D | 8.0\% |
| BSCR rating 6 | Schedule XXIA, Column D | 15.0\% |
| BSCR rating 7 | Schedule XXIA, Column D | 26.3\% |
| BSCR rating 8 | Schedule XXIA, Column D | 35.0\% |
| Preferred Shares |  |  |
| BSCR rating 1 | Schedule XXIA, Column D | 0.6\% |
| BSCR rating 2 | Schedule XXIA, Column D | 1.2\% |
| BSCR rating 3 | Schedule XXIA, Column D | 2.0\% |
| BSCR rating 4 | Schedule XXIA, Column D | 4.0\% |
| BSCR rating 5 | Schedule XXIA, Column D | 11.0\% |
| BSCR rating 6 | Schedule XXIA, Column D | 25.0\% |
| BSCR rating 7 | Schedule XXIA, Column D | 35.0\% |
| BSCR rating 8 | Schedule XXIA, Column D | 35.0\% |
| Mortgage Loans |  |  |
| Insured/Guaranteed Mortgages | Schedule XXIA, Column D | 0.3\% |
| Other Commercial and Farm Mortgages | Schedule XXIA, Column D | 5.0\% |
| Other Residential Mortgages | Schedule XXIA, Column D | 1.5\% |
| Mortgages Not In Good Standing | Schedule XXIA, Column D | 25\% |
| Other Asset Classes |  |  |
| Infrastructure | Schedule XXIA, Column D | 25.0\% |
| Listed Equity Securities in Developed Markets | Schedule XXIA, Column D | 35.0\% |
| Other Equities | Schedule XXIA, Column D | 45.0\% |
| Strategic Holdings | Schedule XXIA, Column D | 20.0\% |
| Duration Based | Schedule XXIA, Column D | 20.0\% |
| Letters of Credit | Schedule XXIA, Column D | 20.0\% |
| Advances to Affiliates | Schedule XXIA, Column D | 5.0\% |
| Policy Loans | Schedule XXIA, Column D | 0.0\% |
| Equity Real Estate 1 | Schedule XXIA, Column D | 10.0\% |
| Equity Real Estate 2 | Schedule XXIA, Column D | 20.0\% |
| Collateral Loans | Schedule XXIA, Column D | 5.0\% |

## INSTRUCTIONS AFFECTING TABLE 5A: Capital factor charge for Concastclass $_{i}$

(a) Concastclass ${ }_{i}$ shall only apply to an insurance groups' ten largest counterparty exposures based on the aggregate of all assets set out in the in Table 5A relating to that counterparty;
(b) for the purposes of Table 5A, a counterparty exposure shall be reported on the valuation of individually underlying assets i.e. determined by application of the "look through" approach in accordance with criteria prescribed by the Authority for all amounts reported on the balance sheet;
(c) for the purposes of Table 5A, a counterparty shall include all related or connected counterparties captured by either of the following criteria:
(i) controller relationship: if a counterparty, directly or indirectly, has control of (as a result of its majority shareholding in or effective management) which it is a subsidiary company; or
(ii) economic interdependence: if one of the counterparties were to experience financial difficulties which directly or indirectly affect the ability of any or all of the remaining counterparties to perform their financial obligations (for example where a counterparty becomes unable to fund or repay certain financial contractual obligations, and as a result, other counterparties, are likely to be unable to fund or repay certain obligations imposed on them);
32. The premium risk charge calculation shall be established in accordance with the following formula-

$$
C_{\text {Premium }}=\sqrt{\sum_{i, j} \text { CorrPrem }_{i, j} \times C_{i} \times C_{j}}-\text { avgpremcap } \times \frac{\text { avgannloss }}{\text { catlossratio }} ;
$$

Where-

| Corr $\operatorname{Pr} \mathrm{em}_{i, j}$ | the correlation factors of the premium risk module correlation matrix in accordance with Table 6B; |
| :---: | :---: |
| $i, j$ | $=$ the sum of the different terms should cover all possible combinations of $i$ and $j$; and |
| $C_{i}$ and $C_{j}$ | risk charge $i$ and risk charge $j$ which are replaced by the following: $C_{\text {premium }}, C_{\text {premium }}$ as calculated in accordance with paragraph 33; |
| avgpremcap | weighted average premium risk capital charge factor for BaseExp $_{i}$, as defined below, (excluding the Property Catastrophe line of business and after correlation adjustment, allowing for geographic diversification); |
| avgannloss | average annual loss estimated with catastrophe models; |
| catlossratio | expected industry average catastrophe loss ratio prescribed by the Authority. |

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Table 6B - Premium Risk Module Correlation Matrix

| Corr Prem $_{\text {I, }}$ | Prop Cat | Prop | $\begin{aligned} & \text { Prop } \\ & \text { NP } \end{aligned}$ | PA | $\begin{aligned} & \text { PA } \\ & \text { NP } \end{aligned}$ | $\begin{gathered} \text { Aviat } \\ \mathrm{n} \end{gathered}$ | Aviatn NP | C/S | $\begin{aligned} & \text { C/S } \\ & \text { NP } \end{aligned}$ | $\begin{gathered} \text { Ergy } \\ \mathrm{O} / \\ \mathrm{M} \\ \hline \end{gathered}$ | $\begin{gathered} \text { Ergy } \\ \text { O/M } \\ \text { NP } \\ \hline \end{gathered}$ | $\begin{aligned} & \text { US } \\ & \text { Cas } \end{aligned}$ | $\begin{aligned} & \text { US } \\ & \text { Cas } \\ & \text { NP } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { US } \\ & \text { Prof } \end{aligned}$ | $\begin{gathered} \text { US } \\ \text { Prof } \\ \text { NP } \\ \hline \end{gathered}$ | $\begin{gathered} \text { US } \\ \text { Spec } \end{gathered}$ | $\begin{gathered} \text { US } \\ \text { Spec } \end{gathered}$ $\mathrm{NP}$ | $\begin{gathered} \text { Int } \\ \text { Mot } \\ \text { or } \end{gathered}$ | Int Motor NP | $\begin{aligned} & \text { Int } \\ & \text { Cas } \end{aligned}$ | $\begin{aligned} & \text { Int } \\ & \text { Cas } \\ & \text { NP } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Retro } \\ & \text { Prop } \end{aligned}$ | $\begin{gathered} \hline \text { Str/ } \\ \text { Fin } \\ \text { Re } \\ \hline \end{gathered}$ | Health |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{aligned} & \text { Prop } \\ & \text { Cat } \end{aligned}$ | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Prop | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Prop } \\ & \text { NP } \\ & \hline \end{aligned}$ | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| PA | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| PA NP | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Aviat n | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Aviatn <br> NP | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| C/S | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \mathrm{C} / \mathrm{S} \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Ergy } \\ & \mathrm{O} / \mathrm{M} \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Ergy } \\ & \mathrm{O} / \mathrm{MN} \\ & \mathrm{P} \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| US Cas | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |
| US <br> CasNP | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \hline \text { US } \\ & \text { Prof } \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { US } \\ & \text { Prof } \\ & \text { NP } \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 0.5 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \hline \text { US } \\ & \text { Spec } \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { US } \\ & \text { Spec } \\ & \text { NP } \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |
| Int <br> Motor | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |
| Int Motor NP | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |
| Int Cas | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 0.5 | 0.5 | 0.5 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |
| $\begin{aligned} & \text { Int Cas } \\ & \text { NP } \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 0.5 | 0.5 | 0.5 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |
| Retro Prop | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |
| Str / Fin Re | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |
| Health | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |

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33. The Line of Business premium risk charge $C_{\text {premium }}$ calculation shall be determined in accordance with the following formula:

$$
C_{\text {premium }_{i}}=\left[\left(\chi_{i}^{1} \times \text { BaseExp }_{i}\right)+\left(\chi_{i}^{2} \times \text { FPExisting }_{i}\right)+\left(\chi_{i}^{3} \times \text { FPFuture }_{i}\right)\right] \frac{\text { ExposureMeasure }_{i}}{\text { geolineprem }_{i}}
$$

Where-

> ExposureMeasure $_{i} \quad=\quad$ the sum of BaseExp $_{i}$, FPExisting $_{i}$ and FPFuture $_{i}$
> $=\quad$ individual BaseExp $_{i}$ risk capital charge factor as prescribed in Table 6C;
> $=\quad$ the greater of premium written in reporting period and the estimate of the net premiums to be earned by the insurance group during the next twelve month accounting period;
> $=$ geographic diversification of premium exposure measure for line of business $i$ as prescribed in Table 6D;
> $=\quad$ individual FPExisting $i$ risk capital charge factor as prescribed in Table 6C;
> $=$ expected present value of premiums to be earned by the insurance group after the next twelve month reporting period for existing qualifying multi-year insurance policies for line of business $i$ as prescribed in Table 6C;
> $=$ individual FPFuture $_{i}$ risk capital charge factor as prescribed in Table 6C;
> $=\quad$ expected present value of net premiums to be earned by the insurance group after the next twelve month reporting period for qualifying multi-year insurance policies where the initial recognition date falls in the following twelve months for line of business $i$ as prescribed in Table 6C;

Table 6C - Capital charge factors for Premium Risk

|  | (1) | (2) | (3) | (4) | (5) | (6) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Line of business | Statement Source These Rules BaseExp $i$ | Capital Factor $\chi_{i}^{1}$ | Statement Source <br> These Rules FPExisting $_{i}$ | Capital Factor $\chi_{i}^{2}$ | Statement Source These Rules FPFuture $_{i}$ | Capital Factor $\chi_{i}^{3}$ |
| Property catastrophe | Schedule IVD, Line 1, Column (C) | 0.0\% | Schedule IVD, Line 1, Column (D) | 11.5\% | Schedule IVD, Line 1, Column (E) | 5.8\% |
| Property | Schedule IVD, Line 2, Column (C) | 49.7\% | Schedule IVD, Line 2, Column (D) | 12.4\% | Schedule IVD, Line 2, Column (E) | 6.2\% |
| Property nonproportional | Schedule IVD, Line 3, Column (C) | 51.6\% | Schedule IVD, Line 3, Column (D) | 12.9\% | Schedule IVD, Line 3, Column (E) | 6.5\% |
| Personal accident | Schedule IVD, Line <br> 4, Column (C) | 34.1\% | Schedule IVD, Line 4, Column (D) | 8.5\% | Schedule IVD, Line <br> 4, Column (E) | 4.3\% |
| Personal accident non-proportional | Schedule IVD, Line 5, Column (C) | 41.2\% | Schedule IVD, Line 5, Column (D) | 12.4\% | Schedule IVD, Line 5, Column (E) | 6.2\% |
| Aviation | Schedule IVD, Line 6, Column (C) | 48.2\% | Schedule IVD, Line 6, Column (D) | 14.5\% | Schedule IVD, Line 6, Column (E) | 7.2\% |
| Aviation nonproportional | Schedule IVD, Line 7, Column (C) | 48.2\% | Schedule IVD, Line 7, Column (D) | 14.5\% | Schedule IVD, Line 7, Column (E) | 7.2\% |
| Credit / surety | Schedule IVD, Line 8, Column (C) | 39.8\% | Schedule IVD, Line 8, Column (D) | 11.9\% | Schedule IVD, Line 8, Column (E) | 6.0\% |
| Credit / surety nonproportional | Schedule IVD, Line 9, Column (C) | 45.4\% | Schedule IVD, Line 9, Column (D) | 13.6\% | Schedule IVD, Line 9, Column (E) | 6.8\% |
| Energy offshore /marine | Schedule IVD, Line 10, Column (C) | 42.1\% | Schedule IVD, Line 10, Column (D) | 12.6\% | Schedule IVD, Line 10, Column (E) | 6.3\% |

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| Energy offshore / <br> marine non- <br> proportional | Schedule IVD, Line <br> 11, Column (C) | $47.0 \%$ | Schedule IVD, Line <br> 11, Column (D) | $14.1 \%$ | Schedule IVD, Line <br> 11, Column (E) |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| US casualty | Schedule IVD, Line <br> 12, Column (C) | $50.3 \%$ | Schedule IVD, Line <br> 12, Column (D) | $25.1 \%$ | Schedule IVD, Line <br> 12, Column (E) | 12.6\% |
| US casualty non- <br> proportional | Schedule IVD, Line <br> 13, Column (C) | $55.6 \%$ | Schedule IVD, Line <br> 13, Column (D) | $27.8 \%$ | Schedule IVD, Line <br> 13, Column (E) | 13.9\% |
| US professional | Schedule IVD, Line <br> 14, Column (C) | $51.2 \%$ | Schedule IVD, Line <br> 14, Column (D) | $25.6 \%$ | Schedule IVD, Line <br> 14, Column (E) | 12.8\% |
| US professional non- <br> proportional | Schedule IVD, Line <br> 15, Column (C) | $53.8 \%$ | Schedule IVD, Line <br> 15, Column (D) | $26.9 \%$ | Schedule IVD, Line |  |
| 15, Column (E) |  |  |  |  |  |  |

## INSTRUCTIONS AFFECTING TABLE 6C: Capital charge factors for Premium Risk

(a) all reported net premium exposure measures as prescribed in Schedule IVD that are subject to capital charges within the premium risk charge shall be included;
(b) "qualifying multi-year insurance policies" means those insurance policies with a term longer than twelve months after allowing for the criteria prescribed by the Authority;
(c) all net premium exposure measures by statutory Line of Business shall be reported on a basis consistent with that prescribed in Schedule IVD; and
(d) an insurance group may provide net premium exposure measures for all statutory Lines of General Business, or for particular statutory Lines of General Business, split by geographic zone as set out in Table 6D. geolineprem ${ }_{i}$ is then derived from the total premium for that Line of Business by reducing the total by $25 \%$ times $\frac{\sum x_{i}{ }^{2}}{\left(\sum x_{i}\right)^{2}}$ where $x_{i}=$ the net premium exposure measure in the Line of Business for Zone $_{i}$; and where the summation covers all zones; and

Table 6D - Underwriting Geographical Zones

| Underwriting Zone | Location |
| :--- | :--- |
| Zone 1 - Central \& | Armenia, Azerbaijan, Bahrain, Georgia, Iraq, Israel, Jordan, <br> Western Asia |
| Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Oman, Palestinian, <br> Qatar, Saudi Arabia, Saudi Arab Republic, Tajikistan, Turkey, <br> Turkmenistan, United Arab Emirates and Uzbekistan |  |
| Zone 2 - Eastern | China, Hong Kong, Japan, Macao, Mongolia, North Korea, <br> Asia |
| Zouth Korea, and Taiwan <br> South-Eastern Asia |  |


|  | 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, FinlandGuernsey, 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 - <br> 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 - NorthEast United States | Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont |
| Zone 16 - SouthEast 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 |

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

$$
C_{\text {reserve }}=\sqrt{\sum_{i, j} \text { Corr Reserve } e_{i, j} \times C_{i} \times C_{j}} ;
$$

Where-

Corr Re serve $_{i, j}$
$C_{i}$ and $C_{j}$
$i, j \quad=$ the sum of the different terms should cover all possible combinations of $i$ and $j$;
$=$ the correlation factors of the reserve risk module correlation matrix in accordance with table 7A;
$=$ risk charge $i$ and risk charge $j$ which are replaced by the following:
$C_{\text {reserve }_{i}}, \quad C_{\text {reserve }_{j}}$ as calculated in accordance with paragraph 35.

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Table 7A - Reserve Risk Module Correlation Matrix

| $\begin{aligned} & \hline \text { Corr }^{\text {Re } \text { serve }_{i, j}} \end{aligned}$ | Prop Cat | Prop | $\begin{aligned} & \text { Prop } \\ & \text { NP } \end{aligned}$ | PA | $\begin{aligned} & \hline \text { PA } \\ & \text { NP } \end{aligned}$ | $\begin{gathered} \text { Aviat } \\ \text { n } \end{gathered}$ | Aviatn NP | C/S | $\begin{aligned} & \hline \text { C/S } \\ & \text { NP } \end{aligned}$ | $\begin{gathered} \text { Ergy } \\ \text { O/ } \\ \text { M } \\ \hline \end{gathered}$ | $\begin{gathered} \text { Ergy } \\ \text { O/M } \\ \text { NP } \\ \hline \end{gathered}$ | $\begin{aligned} & \hline \text { US } \\ & \text { Cas } \end{aligned}$ | $\begin{aligned} & \hline \text { US } \\ & \text { Cas } \\ & \text { NP } \end{aligned}$ | $\begin{gathered} \hline \text { US } \\ \text { Prof } \end{gathered}$ | $\begin{gathered} \hline \text { US } \\ \text { Prof } \\ \text { NP } \\ \hline \end{gathered}$ | $\begin{gathered} \hline \text { US } \\ \text { Spec } \end{gathered}$ | US Spec NP | $\begin{aligned} & \text { Int } \\ & \text { Mot } \\ & \text { or } \end{aligned}$ | $\begin{gathered} \text { Int } \\ \text { Motor } \\ \text { NP } \end{gathered}$ | $\begin{aligned} & \hline \text { Int } \\ & \text { Cas } \end{aligned}$ | $\begin{aligned} & \hline \text { Int } \\ & \text { Cas } \\ & \text { NP } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { Retro } \\ & \text { Prop } \end{aligned}$ | $\begin{gathered} \hline \mathrm{Str} / \\ \mathrm{Fin} \\ \mathrm{Re} \\ \hline \end{gathered}$ | Health |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Prop <br> Cat | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Prop | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Prop NP | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| PA | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| PA NP | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Aviat n | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Aviatn NP | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| C/S | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \mathrm{C} / \mathrm{S} \\ & \mathrm{NP} \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Ergy } \\ & \mathrm{O} / \mathrm{M} \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Ergy } \\ & \text { O/MNP } \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| US Cas | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { US } \\ & \text { CasNP } \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |  |
| US Prof | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { US Prof } \\ & \text { NP } \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 0.5 | 0.5 | 1 |  |  |  |  |  |  |  |  |  |
| US Spec | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |  |  |
| US Spec NP | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |  |  |
| Int Motor | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |  |  |
| Int Motor NP NP | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |  |  |
| Int Cas | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 0.5 | 0.5 | 0.5 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |  |  |
| $\begin{aligned} & \text { Int Cas } \\ & \text { NP } \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 0.5 | 0.5 | 0.5 | 0.25 | 0.25 | 0.25 | 0.25 | 0.5 | 1 |  |  |  |
| $\begin{aligned} & \hline \text { Retro } \\ & \text { Prop } \\ & \hline \end{aligned}$ | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |  |
| Str / <br> Fin Re | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |  |
| Health | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1 |

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35. The Line of Business reserve risk charge $C_{\text {reserve }_{i}}$ calculation shall be determined in accordance with the following formula-

$$
C_{\text {reserve }}=\beta_{i} \times \text { geolinersvs }
$$

Where-

| $\beta_{i}$ | $=$ individual geolinersvs $_{i}$ risk capital charge factor as prescribed in Table |
| :--- | :--- |
| geolinersvs $_{i}=\quad$$7 \mathrm{~B} ;$ <br> geographic diversification of reserves for individual Lines of Business $i$ as <br> prescribed in Table 6D; |  |

Table 7B - Capital charge factors for geolinersvs
$\left.\left.\begin{array}{|l|c|c|}\hline \begin{array}{l}\text { Line of business } \\ \text { geolinersvs }\end{array} & \text { Statement Source } & \text { Capital Factor } \\ \beta_{i}\end{array}\right] \begin{array}{l}\text { These Rules }\end{array}\right]$

INSTRUCTIONS AFFECTING TABLE 7B: Capital charge factors for geolinersvs ${ }_{i}$
(a) all reported net loss and loss expense provisions for the relevant year by statutory Line of Business as prescribed in this Schedule are subject to capital charges within the reserve risk charge and shall be included;
(b) all reported net loss and loss expense provisions by statutory Line of Business shall be reported on a basis consistent with that used for purposes of statutory financial reporting;
(c) an insurance group 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 6D. geolinersvs is then derived from the total loss and loss expense provisions for that Line of Business by reducing the total by $25 \%$ times

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$\frac{\sum x_{i}^{2}}{\left(\sum x_{i}\right)^{2}}$ 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
(d) amounts are to be reported on an EBS Valuation basis.
36. The credit risk charge calculation shall be established in accordance with the following formula-
$C_{\text {credit }}=\sum_{i} \delta_{i} \times$ debtor $\times \mu_{r}+$ CCROTC;
Where-

| $\delta_{i}$ | $=$ the credit risk capital charge factor for type of debtor $_{i}$ as prescribed in Table 8A; |
| :---: | :---: |
| debtor ${ }_{i}$ | $=$ receivable amount from debtor $_{i}$ net of any collateral in favour of |
|  | the insurance group; |
| $\mu_{r}$ | $=$ additional diversification adjustment factor applied to reinsurance balances only taking into consideration diversification by number of |
| CCROTC | reinsurers, equal to $40 \%$. <br> $=\quad$ counterparty default risk for over-the-counter derivatives calculated as per the following formula: |
|  | CCROTC $=$ |
|  | $\sum_{i} \operatorname{Max}\left(0, \text { MVDerivative }_{i}-\left(1-\beta_{i}\right) \operatorname{Min}\left(\text { MVderivative }_{i}, M \text { Collateral }{ }_{i}\right)\right) \times \alpha$ |
| MVDerivative ${ }_{i}$ | $=\quad$ Market value of over-the-counter derivatives with positive market values and BSCR rating $i$, |
| $\beta_{i}$ | $=$ collateral factor as prescribed in Table 8B; |
| $\alpha_{i}$ | $=$ capital factor for the BSCR rating $i$ as prescribed in Table 8B; |
| MVCollateral ${ }_{\text {i }}$ | $=$ market value of collateral of over-the-counter derivatives with positive market values and BSCR rating $i$. |

Table 8A - Capital charge factors for debtor $_{i}$

| Type of debtor debtor | Statement Source These Rules | Capital Factor $\delta_{i}$ |
| :---: | :---: | :---: |
| Accounts and Premiums Receivable |  |  |
| In course of collection | Form 1EBS, Line 10(a) | 5.0\% |
| Deferred - Not Yet Due | Form 1SFS, Line 10 (b) | 5.0\% |
| Receivables from retrocessional contracts less collateralized balances | Form 1EBS, Line 10(c) and instruction (c) below | 10.0\% |
| All Other Receivables |  |  |
| Accrued investment income | Form 1EBS, Line 9 | 2.5\% |
| Advances to affiliates | Form 1EBS, Line 4(g) | 5.0\% |
| Balances receivable on sale of investments | Form 1EBS, Line 13(f) | 2.5\% |
| Particulars of reinsurance balances shall be the maximum of the amounts calculated from paragraphs (i) and (ii) below: |  |  |
| (i) Particulars of reinsurance balances for current year by BSCR Rating |  |  |
| 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\% |

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| 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\% |  |
| (ii) Particulars of reinsurance balances for future premium by BSCR Rating |  |  |  |  |  |
| Premium Risk Capital Charge (Gross) |  | As prescribed in paragraph (d)(ii)(B) |  |  |  |
| Premium Risk Capital Charge (Net) |  | Premium Risk Charge as prescribed in paragraph 32 |  |  |  |
| Premium Risk Capital Charge (Ceded) |  | Premium Risk Capital Charge (Gross) less Premium Risk Capital Charge (Net) |  |  |  |
| Type of debtor debtor ${ }_{i}$ | Statement Source These Rules |  | Debtor Allocation |  | Capital Factor $\delta_{i}$ |
| BSCR rating 0 | paragraph (i) BSCR Rating 0 / paragraph (i) Sum(BSCR Ratings $0-8)$ |  | Premium Risk Capital Charge (Ceded) |  | 0.0\% |
| BSCR rating 1 | paragraph (i) BSCR Rating 1 / paragraph (i) Sum(BSCR Ratings$0-8)$ |  | Premium Risk Capital Charge (Ceded) |  | 0.7\% |
| BSCR rating 2 | paragraph (i) BSCR Rating 2 / paragraph (i) Sum(BSCR Ratings 0-8) |  | Premium Risk Capital Charge (Ceded) |  | 1.5\% |
| BSCR rating 3 | paragraph (i) BSCR Rating 3 / paragraph (i) Sum(BSCR Ratings 0-8) |  | Premium Risk Capital Charge (Ceded) |  | 3.5\% |
| BSCR rating 4 | paragraph (i) BSCR Rating 4 / paragraph (i) Sum(BSCR Ratings 0-8) |  | Premium Risk Capital Charge (Ceded) |  | 7.0\% |
| BSCR rating 5 | paragraph (i) BSCR Rating 5 / paragraph (i) Sum(BSCR Ratings$0-8)$ |  | Premium Risk Capital Charge (Ceded) |  | 12.0\% |
| BSCR rating 6 | paragraph (i) BSCR Rating 6 / paragraph (i) Sum(BSCR Ratings$0-8)$ |  | Premium Risk Capital Charge (Ceded) |  | 20.0\% |
| BSCR rating 7 | paragraph (i) BSCR Rating 7 / paragraph (i) Sum(BSCR Ratings 0-8) |  | Premium Risk Capital Charge (Ceded) |  | 17.0\% |
| BSCR rating 8 | paragraph (i) BSCR Rating 8 / paragraph (i) Sum(BSCR Ratings 0-8) |  | Premium Risk Capital Charge (Ceded) |  | 35.0\% |
| Less: Diversification adjustment |  |  | Schedule XVIII paragraph (d) |  | 40.0\% |

## INSTRUCTIONS AFFECTING TABLE 8A: 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" for the purposes of this paragraph shall mean assets pledged in favor of the insurance group relating to accounts and premiums receivable under Table 8A Capital charge factors for debtor $_{i}$;
(d) Particulars of reinsurance balances shall be the greater of paragraphs (i) and (ii) below

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(i) Particulars of reinsurance balances for current year by BSCR rating are as follows:
(A) the net qualifying exposure which is comprised of reinsurance balances receivable and reinsurance balances recoverable, less the corresponding reinsurance balances payable and other payables less the qualifying collateral issued in favor of the insurance group in relation to the reinsurance balances;
(B) the "net qualifying exposure" referenced in paragraph (d)(i)(A) above shall be subject to the prescribed credit risk capital factor under Table 8A;
(C) the total capital requirement relating to the reinsurance balances shall be reduced by a diversification adjustment of up to a maximum of $40 \%$;
(D) the "diversification" adjustment" referenced in paragraph (d)(i)(C) above shall be determined by calculating $40 \%$ multiplied by 1 minus the ratio of the largest net reinsurance exposure, on an individual reinsurer basis, to total net reinsurance exposure;
(ii) Particulars of reinsurance balances for future premium by BSCR rating are as follows:
(A) the Premium Risk Capital Charge (Gross), as prescribed in paragraph (d)(ii)(B) below, less the Premium Risk Capital Charge (Net), as prescribed in paragraph 32, shall be referred to as the "Premium Risk Capital Charge (Ceded)". Such amount shall be allocated to type of debtor ( debtor $_{i}$ ) by BSCR rating Net Qualifying Exposure Measure as reported on Schedule XVIII;
(B) the Premium Risk Capital Charge (Gross) is calculated in the same manner as Premium Risk Capital Charge (Net) using the Gross Premium Exposure Measure (Schedule IVD, Column G) rather than the Net Premium Exposure Measure (Schedule IVD, Column F) as the input ExposureMeasure ${ }_{i}$ parameter in paragraph 33. ExposureMeasure ${ }_{i}$ is allocated to BaseExp , FPExisting $_{i}$ and FPFuture $i_{i}$ for the Premium Risk Capital Charge (Gross) calculation in the same proportions as in the Premium Risk Capital Charge (Net) calculation.
(C) the Premium Risk Capital Charge (Ceded) shall be subject to the prescribed credit risk capital charge factor under Table 8A.
(D) the total capital requirement relating to the reinsurance balances shall be reduced by a diversification adjustment of up to a maximum of $40 \%$;
(E) the "diversification" adjustment" referenced in paragraph (d)(i)(C) above shall be determined by calculating $40 \%$ multiplied by 1 minus the ratio of the largest net reinsurance exposure, on an individual reinsurer basis, to total net reinsurance exposure;

Table 8B - Capital charge factors for Default Risk for over-the-counter Derivatives

| Rating of over-the-counter Derivatives Counterparty | Capital Factor $\alpha_{i}$ | Capital charge factors on Collateral $\beta_{i}$ |
| :---: | :---: | :---: |
| BSCR Rating 0 | 0.0\% | 3.0\% |
| BSCR Rating 1 | 0.4\% | 3.0\% |
| BSCR Rating 2 | 0.8\% | 3.0\% |
| BSCR Rating 3 | 1.5\% | 3.0\% |
| BSCR Rating 4 | 3.0\% | 3.0\% |
| BSCR Rating 5 | 8.0\% | 3.0\% |
| BSCR Rating 6 | 15.0\% | 3.0\% |
| BSCR Rating 7 | 26.3\% | 3.0\% |
| BSCR Rating 8 | 35.0\% | 3.0\% |

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37. The catastrophe risk charge calculation shall be established in accordance with the following formula-
$C_{\text {catastroph }}=$ NetPML - Netcatprem $+C R_{P M L}$;
Where-
NetPML $=$ net probable maximum loss as prescribed in Schedule V paragraph (h);
Netcatprem $=$ average annual loss excluding property catastrophe as prescribed in Schedule V paragraph (i) divided by \{(estimated industry catastrophe loss ratio of $40 \%$ as prescribed in this Schedule) plus property catastrophe premium as included in Schedule IVD, Line 1, Column B\}; and
$C R_{P M L} \quad=\quad\{(g r o s s$ probable maximum loss as prescribed in Schedule V paragraph (g); minus net probable maximum loss as prescribed in Schedule V paragraph (h); minus arrangements with respect to property catastrophe recoverables as prescribed in Schedule V paragraph (k)(v) of these Rules); times (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 herein 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.
38. The insurance risk - mortality charge calculation for long-term business shall be established in accordance with the following formula -

$$
C_{\text {LTmoor }}=\left[\sum_{i} \alpha 1_{i} \times N A A R 1_{i}\right]+\left[\sum_{i} \alpha 2_{i} \times N A A R 2_{i}\right]
$$

Where -

| $\alpha 1_{i}$ | $=$ capital charge factor for adjustable mortality long-term business as prescrib |
| :--- | :--- |
| $N A A R 1_{i}$ | Table $9 A ;$ <br> $=$ <br> prescribed in Schedule VII, Column (9), Line 1 of these Rules; |
| $\alpha 2_{i}$ | $=$ capital charge factor for non-adjustable mortality long-term busines <br> prescribed in Table 9A; |
| $N A A R 2_{i}$ | = the Net Amount at Risk of all non-adjustable mortality long-term busines <br> prescribed in Schedule VII, Column (10), Line 1 of these Rules; |

Table 9A - Capital charge factors for $N A A R 1_{i}$ or $N A A R 2_{i}$

| Net Amount at Risk <br> $N A A R 1_{i}$ or $N A A R 2_{i}$ | Capital Factor <br> $\alpha 1_{i}$ | Capital Factor |
| :--- | :---: | :---: |
|  | $02_{i}$ |  |
| First $\$ 1$ billion | 0.00199 | 0.00397 |
| Next $\$ 4$ billion | 0.00090 | 0.00180 |
| Next $\$ 5$ billion | 0.00072 | 0.00144 |
| Next $\$ 40$ billion | 0.00065 | 0.00129 |
| Excess over $\$ 50$ billion | 0.00057 | 0.00113 |

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

| $C_{\text {LTsl }}$ | $=50 \% \times$ net annual premium for stop loss covers as prescribed in |
| :--- | :--- |
| Schedule VII, Column (11), Line 14 of these Rules. |  |

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

| $C_{L T r}$ | $=25 \%$ x net annual premium for insurance product riders not <br> included elsewhere as prescribed in Schedule VII, Column (11), Line <br> 15 of these Rules. |
| :--- | :--- |

41. The insurance risk - morbidity and disability charge calculation for long-term business shall be established in accordance with the following formula -
$C_{\text {LTMorb }}=(a)+(b)+(c)+(d)+(e)$
Where-
(a) $\quad=7.00 \% \times \mathrm{BSCR}$ adjusted reserves for disability income claims in payment on waiver of premium and long-term care as prescribed in Schedule VII, Column (7), Line 9 of these Rules;
(b) $\quad=10 \% \times \mathrm{BSCR}$ adjusted reserves for disability income claims in payment on other accident and sickness products as prescribed in Schedule VII, Column (7), Line 10 of these Rules;
(c)
$=\left[\sum_{i} \alpha_{i} \times N A P_{i}\right]$
Where -
$\alpha_{i}=$ individual $N A P_{i}$ capital charge factor as prescribed in Table 10A;
$N A P_{i}=$ the Net Annual Premium for disability income business - active lives as described in Table 10A;

Table 10A - Capital charge factors for $N A P_{i}$

| Net Annual Premium <br> $N A P_{i}$ | Statement Source <br> These Rules | Capital Factor <br> $\alpha_{i}$ |
| :--- | :---: | :---: |
| Benefit period less than or <br> equal to two years, premium <br> guarantee less than or equal <br> to 1 year | Schedule VII, Column (9), Line 7(a) | $9.0 \%$ |
| Benefit period less than or <br> equal to two years, premium <br> guarantee of more than 1 <br> year but less than or equal <br> to 5 years | Schedule VII, Column (9), Line 7(b) | $15.0 \%$ |
| Benefit period less than or <br> equal to two years, <br> premium guarantee of <br> more than 5 years | Schedule VII, Column (9), Line 7(c) | $22.5 \%$ |
| Benefit period greater than <br> two years, premium <br> guarantee less than or equal <br> to 1 year | Schedule VII, Column (10), Line 7(a) | $12.0 \%$ |
| Benefit period greater than <br> two years, premium <br> guarantee of more than 1 <br> year but less than or equal <br> to 5 years | Schedule VII, Column (10), Line 7(b) | $20.0 \%$ |
| Benefit period greater than <br> two years, premium <br> guarantee of more than 5 <br> years | Schedule VII, Column (10), Line 7(c) | $30.0 \%$ |

$=12 \% \mathrm{x}$ net annual premiums for disability income - active lives for other (d) accident and sickness products as prescribed in Schedule VII, Column (11), Line 8; and
(e)
$=\left[\sum_{i} \alpha 1_{i} \times N A A R 1_{i}\right]+\left[\sum_{i} \alpha 2_{i} \times N A A R 2_{i}\right]$
Where -
$\alpha 1_{i}=$ capital charge factor for adjustable critical illness insurance business as prescribed in Table 11A;
$N A A R 1_{i}=$ the Net Amount at Risk of all adjustable critical illness insurance business in force as in Schedule VII, Column (9), Line 2;
$\alpha 2_{i}=$ capital charge factor for non-adjustable critical illness insurance business as prescribed in Table 11A;
$N A A R 2_{i}=$ the Net Amount at Risk of all non-adjustable critical illness insurance business in force as in Schedule VII, Column (10), Line 2.

Table 11A - Capital charge factors for $N A A R 1_{i}$ or $N A A R 2_{i}$

| Net Amount at Risk <br> $N A A R 1_{i}$ Or $N A A R 2_{i}$ | Capital Factor <br> $\alpha 1_{i}$ | Capital Factor <br> $\alpha 2_{i}$ |
| :--- | :---: | :---: |
| First $\$ 1$ billion | 0.00596 | 0.01191 |
| Next $\$ 4$ billion | 0.00270 | 0.00540 |
| Next $\$ 5$ billion | 0.00216 | 0.00432 |
| Next $\$ 40$ billion | 0.00194 | 0.00387 |
| Excess over $\$ 50$ billion | 0.00170 | 0.00339 |

42. The insurance risk - longevity charge calculation for long-term business shall be established in accordance with the following formula -
$C_{\text {LTlong }}=\sum_{i} \alpha_{i} \times B A R_{i}$;
Where-
$\alpha_{i} \quad=$ capital charge factor as prescribed in Table 12A; and
$B A R_{i} \quad=$ the BSCR adjusted reserves for longevity risk as described in Table 12A.

Table 12A - Capital charge factors for $B A R_{i}$

| BSCR adjusted reserves | Statement Source | Capital Factor |
| :--- | :---: | :---: |
| $B A R_{i}$ | These Rules | $\alpha_{i}$ |


| Longevity (immediate pay-out annuities, contingent annuities, pension blocks) - Attained <br> age of annuitant: | Schedule VII, Column (7), Line 3(a) | $2.0 \%$ |
| :--- | :---: | :---: |
| 0-55 years | Schedule VII, Column (7), Line 3(b) | $3.0 \%$ |
| $56-65$ years | Schedule VII, Column (7), Line 3(c) | $4.0 \%$ |
| $66-70$ years | Schedule VII, Column (7), Line 3(d) | $5.0 \%$ |
| $71-80$ years | Schedule VII, Column (7), Line 3(e) | $6.0 \%$ |
| $81+$ years |  |  |

Longevity (deferred pay-out annuities, future contingent annuities, future pension payouts) - Age at which annuity benefits commence:

| $0-55$ years | Schedule VII, Column (7), Line 4(a) | $2.0 \%$ |
| :--- | :---: | :---: |
| $56-60$ years | Schedule VII, Column (7), Line 4(b) | $3.0 \%$ |
| $61-65$ years | Schedule VII, Column (7), Line 4(c) | $4.0 \%$ |
| $66-70$ years | Schedule VII, Column (7), Line 4(d) | $5.0 \%$ |
| $71-75$ years | Schedule VII, Column (7), Line 4(e) | $6.0 \%$ |
| $76+$ years | Schedule VII, Column (7), Line 4(e) | $7.0 \%$ |

## INSTRUCTIONS AFFECTING TABLE 12A: Capital charge factors for $B A R_{i}$

(a) For joint and survivor annuities, the youngest age should be used.
43. The variable annuity guarantee risk charge calculation for long-term business shall be established in accordance with the following formula -

$$
C_{L T V A}=\text { either }\left(\sum_{i} \text { TotalBSReq }_{i}-\text { TotalBAR }- \text { TotalGMB }_{a d j}\right) \text { or }\left(I M C R e q_{L T V A}\right)
$$

Where-
(i) TotalBSReq $_{i}=$ higher of (a) $\left(\alpha 1_{i} \times G V 1_{i}+\alpha 2_{i} \times G V 2_{i}+\alpha 3_{i} \times G V 3_{i}\right)$ and (b) $\left(\alpha 4_{i} \times N A R 1_{i}+\alpha 5_{i} \times N A R 2_{i}+\alpha 6_{i} \times N A R 3_{i}\right)$;
(ii) TotalBAR $\quad=$ the total BSCR adjusted reserves for variable annuity guarantee risk. The statement source for TotalBAR is Schedule VII, line 17, column (7) of these Rules;
(iii) TotalGMB ${ }_{a d j}=$ the capital requirement charged on guaranteed minimum death benefit (GMDB) policies multiplied by the percentage of GMDB with multiple guarantees. The statement source for the percentage of GMDB with multiple guarantees is Schedule VIII, line 32, column (4) of these Rules;
(iv) $I_{M C R e q}^{L T V A}$ $=$ the capital requirement for variable annuity guarantee risk determined in accordance with an insurance group's internal capital model, if applicable. The statement source for $I M C \operatorname{Re} q_{L T V A}$ is Schedule VIIIA, line 1, column (7) of these Rules;
(v) $\left(G V 1_{i}, G V 2_{i}, G V 3_{i}, N A R 1_{i}, N A R 2_{i}, N A R 3_{i}\right)$ have the statement source identified in Table 13A; and
(vi) $\left(\alpha 1_{i}, \alpha 2_{i}, \alpha 3_{i}, \alpha 4_{i}, \alpha 5_{i}, \alpha 6_{i}\right)$ are the capital factors as prescribed in Table 14A.

| Variable Annuity Benefit Type | Statement Source These Rules $G V 1_{i}$ | Statement Source These Rules $G V 2_{i}$ | Statement Source These Rules $G V 3_{i}$ | Statement Source These Rules $\operatorname{Narl}_{i}$ | Statement Source These Rules $N a r 2_{i}$ | Statement Source These Rules $N a r 3_{i}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Guaranteed minimum death benefit: Return of premium, ratchet and reset | Schedule VIII, lines 1 and 16 , column (2) | Schedule VIII, lines 1 and <br> 16 , column (3) | Schedule VIII, lines 1 and <br> 16 , column (4) | Schedule VIII, lines 1 , column (5) | Schedule VIII, lines 1, column (6) | Schedule VIII, lines 1, column (7) |
| Guaranteed minimum death benefit: Enhanced benefits (roll up) | Schedule VIII, Lines 2 and <br> 17 , column (2) | Schedule VIII, Lines 2 and <br> 17 , column (3) | Schedule VIII, Lines 2 and <br> 17, column (4) | Schedule VIII, Lines 2, column (5) | Schedule VIII, Lines 2, column (6) | Schedule VIII, Lines 2, column (7) |
| Guaranteed minimum income benefit | Schedule VIII, Lines 3 and <br> 18, column (2) | Schedule VIII, Lines 3 and 18, column (3) | Schedule VIII, Lines 3 and <br> 18 , column (4) | Schedule VIII, Lines 3, column (5) | Schedule VIII, Lines 3, column (6) | Schedule VIII, Lines 3, column (7) |
| Guaranteed minimum withdrawal benefit | Schedule VIII, Lines 4 and <br> 19, column (2) | Schedule VIII, Lines 4 and <br> 19, column (3) | Schedule VIII, Lines 4 and <br> 19, column (4) | Schedule VIII, Lines 4, column (5) | Schedule VIII, Lines 4, column (6) | Schedule VIII, Lines 4, column (7) |
| Guaranteed enhanced earnings benefit | Schedule VIII, <br> Lines 5 and <br> 20, column (2) | Schedule VIII, <br> Lines 5 and <br> 20, column (3) | Schedule VIII, Lines 5 and 20, column (4) | Schedule VIII, Lines 5, column (5) | Schedule VIII, Lines 5, column (6) | Schedule VIII, Lines 5, column (7) |
| Guaranteed minimum accumulation benefit with 1 year or less to maturity | Schedule VIII, <br> Lines 6 and <br> 21, column (2) | Schedule VIII, <br> Lines 6 and <br> 21, column (3) | Schedule VIII, Lines 6 and <br> 21, column (4) | Schedule VIII, Lines 6, column (5) | Schedule VIII, Lines 6, column (6) | Schedule VIII, Lines 6, column (7) |
| Guaranteed minimum accumulation benefit with more than 1 year but less than or equal to 2 years to maturity | Schedule VIII, Lines 7 and <br> 22, column (2) | Schedule VIII, Lines 7 and <br> 22, column (3) | Schedule VIII, Lines 7 and <br> 22, column (4) | Schedule VIII, Lines 7, column (5) | Schedule VIII, Lines 7, column (6) | Schedule VIII, Lines 7, column (7) |
| Guaranteed minimum accumulation benefit with more than 2 years but less than or equal to 3 years to maturity | Schedule VIII, Lines 8 and 23, column (2) | Schedule VIII, <br> Lines 8 and <br> 23, column (3) | Schedule VIII, Lines 8 and <br> 23, column (4) | Schedule VIII, Lines 8, column (5) | Schedule VIII, Lines 8, column (6) | Schedule VIII, Lines 8, column (7) |
| Guaranteed minimum accumulation benefit with more than 3 years but less than or equal to 4 years to maturity | Schedule VIII, Lines 9 and 24, column (2) | Schedule VIII, Lines 9 and 24, column (3) | Schedule VIII, Lines 9 and 24, column (4) | Schedule VIII, Lines 9, column (5) | Schedule VIII, Lines 9, column (6) | Schedule VIII, Lines 9, column (7) |
| Guaranteed minimum accumulation benefit with more than 4 years but less than or equal to 5 years to maturity | Schedule VIII, Lines 10 and 25, column (2) | Schedule VIII, Lines 10 and 25, column (3) | Schedule VIII, Lines 10 and 25, column (4) | Schedule VIII, Lines 10, column (5) | Schedule VIII, Lines 10, column (6) | Schedule VIII, Lines 10, column (7) |
| Guaranteed minimum accumulation benefit with more than 5 years but less than or equal to 6 years to maturity | Schedule VIII, Lines 11 and 26, column (2) | Schedule VIII, Lines 11 and 26 , column (3) | Schedule VIII, Lines 11 and 26, column (4) | Schedule VIII, Lines 11, column (5) | Schedule VIII, Lines 11, column (6) | Schedule VIII, Lines 11, column (7) |
| Guaranteed minimum accumulation benefit with more than 6 years but less than or equal to 7 years to maturity | Schedule VIII, <br> Lines 12 and <br> 27, column (2) | Schedule VIII, <br> Lines 12 and <br> 27, column (3) | Schedule VIII, <br> Lines 12 and <br> 27, column (4) | Schedule VIII, Lines 12, column (5) | Schedule VIII, Lines 12, column (6) | Schedule VIII, Lines 12, column (7) |
| Guaranteed minimum accumulation benefit with more than 7 years but less than or equal to 8 years to maturity | Schedule VIII, Lines 13 and 28, column (2) | Schedule VIII, Lines 13 and 28, column (3) | Schedule VIII, Lines 13 and 28, column (4) | Schedule VIII, Lines 13, column (5) | Schedule VIII, Lines 13, column (6) | Schedule VIII, Lines 13, column (7) |

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| Guaranteed minimum accumulation benefit with more than 8 years but less than or equal to 9 years to maturity | Schedule VIII, Lines 14 and 29, column (2) | Schedule VIII, <br> Linres 14 and <br> 29, column (3) | Schedule VIII, 29, column (4) | Schedule VIII, tines 14, column (5) | Schedule VIII, Lines 14, column (6) | Schedule VIII, Lines 14, column (7) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Guaranteed minimum accumulation benefit with more than 9 years to maturity | Schedule VIII, Lines 15 and <br> 30, column (2) | Schedule VIII, Lines 15 and 30, column (3) | Schedule VIII, Lines 15 and 30, column (4) | Schedule VIII, Lines 15, column (5) | Schedule VIII, Lines 15, column (6) | Schedule VIII, Lines 15, column (7) |

Table 14A - Capital charge factors for $\left(\alpha 1_{i}, \alpha 2_{i}, \alpha 3_{i}, \alpha 4_{i}, \alpha 5_{i}, \alpha 6_{i}\right)$

| Variable Annuity Benefit Type | Capital Charge <br> $\alpha 1$ | Capital Charge <br> $\alpha 2$ | Capital Charge <br> $\alpha 3$ | Capital <br> Charge <br> $\alpha 4$ | Capital Charge <br> $\alpha 5$ | Capital Charge <br> $\alpha 6$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Guaranteed minimum death benefit: Return of premium, ratchet and reset | 0.25\% | 0.50\% | 0.75\% | 4.00\% | 8.50\% | 13.00\% |
| Guaranteed minimum death benefit: Enhanced benefits (roll up) | 0.75\% | 1.00\% | 1.25\% | 12.00\% | 16.50\% | 21.00\% |
| Guaranteed minimum income benefit | 5.00\% | 6.50\% | 8.00\% | 100.00\% | 130.00\% | 160.00\% |
| Guaranteed minimum withdrawal benefit | 3.25\% | 4.25\% | 5.00\% | 60.00\% | 75.00\% | 90.00\% |
| Guaranteed enhanced earnings benefit | 0.00\% | 0.50\% | 1.00\% | 1.00\% | 9.00\% | 17.00\% |
| Guaranteed minimum accumulation benefit with 1 year or less to maturity | 3.20\% | 5.00\% | 9.00\% | 90.00\% | 130.00\% | 250.00\% |
| Guaranteed minimum accumulation benefit with more than 1 year but less than or equal to 2 years to maturity | 3.00\% | 5.00\% | 8.90\% | 80.00\% | 115.00\% | 200.00\% |
| Guaranteed minimum accumulation benefit with more than 2 years but less than or equal to 3 years to maturity | 3.00\% | 5.00\% | 8.90\% | 70.00\% | 105.00\% | 160.00\% |
| Guaranteed minimum accumulation benefit with more than 3 years but less than or equal to 4 years to maturity | 2.80\% | 5.00\% | 8.80\% | 60.00\% | 95.00\% | 135.00\% |
| Guaranteed minimum accumulation benefit with more than 4 years but less than or equal to 5 years to maturity | 2.40\% | 4.30\% | 8.00\% | 55.00\% | 85.00\% | 115.00\% |
| Guaranteed minimum accumulation benefit with more than 5 years but less than or equal to 6 years to maturity | 2.00\% | 3.50\% | 6.80\% | 50.00\% | 75.00\% | 100.00\% |
| Guaranteed minimum accumulation benefit with more than 6 years but less than or equal to 7 years to maturity | 1.70\% | 2.80\% | 5.90\% | 45.00\% | 65.00\% | 90.00\% |
| Guaranteed minimum accumulation benefit with more than 7 years but less than or equal to 8 years to maturity | 1.40\% | 2.10\% | 4.90\% | 40.00\% | 55.00\% | 80.00\% |
| Guaranteed minimum accumulation benefit with more than 8 years but less than or equal to 9 years to maturity | 1.10\% | 1.70\% | 4.30\% | 35.00\% | 50.00\% | 70.00\% |
| Guaranteed minimum accumulation benefit with more than 9 years to maturity | 1.00\% | 1.40\% | 3.90\% | 30.00\% | 45.00\% | 60.00\% |

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

$$
C_{\text {LToth }}=\sum_{i} \alpha_{i} \times B A R_{i}
$$

Where-

$$
\begin{array}{cl}
\alpha_{i} & =\text { individual } B A R_{i} \text { capital charge factor as prescribed in Table } 15 \mathrm{~A} ; \\
\text { and } \\
B A R_{i} & =\text { the BSCR adjusted reserves for other insurance risk for long-term } \\
\text { business as described in Table 15A. }
\end{array}
$$

Table 15A - Capital charge factors for $B A R_{i}$

| BSCR adjusted reserves <br> $B A R_{i}$ | Statement Source <br> These Rules | Capital Factor <br> $\boldsymbol{a}$ |
| :--- | :---: | :---: |
| Mortality (term insurance, <br> whole life, universal life) | Schedule VII, Column (7), Line 1 | $2.0 \%$ |
| Critical illness (including <br> accelerated critical illness <br> products) | Schedule VII, Column (7), Line 2 | $2.0 \%$ |
| Longevity (immediate pay- <br> out annuities, contingent <br> annuities, pension pay-outs) | Schedule VII, Column (7), Line 3(f) | $0.5 \%$ |
| Longevity (deferred pay-out <br> annuities, future contingent <br> annuities, future pension <br> pay- outs) | Schedule VII, Column (7), Line 4(g) | $0.5 \%$ |
| Annuities certain only | Schedule VII, Column (7), Line 5 | $0.5 \%$ |
| Deferred accumulation <br> annuities | Schedule VII, Column (7), Line 6 | $0.5 \%$ |
| Disability income: active <br> lives - including waiver of <br> premium and long-term <br> care | Schedule VII, Column (7), Line 7(d) | $2.0 \%$ |
| Disability income: active <br> lives - other accident and <br> sickness | Schedule VII, Column (7), Line 8 | $2.0 \%$ |
| Disability income: claims in <br> payment - including waiver <br> of premium and long-term <br> care | Schedule VII, Column (7), Line 9 | $0.5 \%$ |
| Disability income: claims in <br> payment - other accident <br> and sickness | Schedule VII, Column (7), Line 10 | $0.5 \%$ |
| Group life | Schedule VII, Column (7), Line 11 | $0.5 \%$ |
| Group disability | Schedule VII, Column (7), Line 12 | $0.5 \%$ |
| Group health | Schedule VII, Column (7), Line 13 | $0.5 \%$ |
| Stop loss | Schedule VII, Column (7), Line 14 | $2.0 \%$ |
| Rider (other product riders <br> not included above) | Schedule VII, Column (7), Line 15 | $2.0 \%$ |

45. The operational risk charge calculation shall be established in accordance with the following formula-
$C_{\text {operational }}=\rho \times\left(\right.$ Basic BSCR + Adj $\left._{T P}\right)$;
Where -

| $\boldsymbol{\rho}$ | = an amount between $1 \%$ and $20 \%$ as determined by the Authority in <br> accordance with Table $16 \mathrm{G} ;$ |
| ---: | :--- |
| Basic BSCR | $=\quad$Basic BSCR risk module charge as calculated in accordance with <br> paragraph $22 ;$ |
| $A d j_{T P}$ | $=$adjustment for the loss-absorbing capacity of technical provisions as <br> calculated in accordance with paragraph $48 ;$ |

Table 16G - Operational Risk Charge for $\rho$

| Overall Score | Applicable Operational Risk Charge $\boldsymbol{\rho}$ |
| :---: | :---: |
| $<=4000$ | $20.0 \%$ |
| $>4000<=5200$ | $18.0 \%$ |
| $>5200<=6000$ | $15.0 \%$ |
| $>6000<=6650$ | $12.0 \%$ |
| $>6650<=7250$ | $9.0 \%$ |
| $>7250<=7650$ | $7.0 \%$ |
| $>7650<=7850$ | $5.0 \%$ |
| $>7850<=8050$ | $3.0 \%$ |
| $>8050<=8250$ | $2.0 \%$ |
| $>8250$ | $1.0 \%$ |

INSTRUCTIONS AFFECTING TABLE 16G
In this table, "overall score" means an amount equal to the sum of the aggregate score derived from each of tables $16 \mathrm{H}, 16 \mathrm{I}, 16 \mathrm{~J}, 16 \mathrm{~K}, 16 \mathrm{~L}$, and 16 M .

TABLE 16H
Corporate Governance Score Table

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

## Comments

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

TABLE 16I
Risk Management Function ('RMF') Score Table

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

## Comments

INSTRUCTIONS AFFECTING TABLE 16I
The total score is derived by adding the score for each criterion of an insurance group's risk management function that the parent company's board has implemented.

TABLE 16J
Risk Identification Processes ('RIP') Score Table

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

## Comments

## INSTRUCTIONS AFFECTING TABLE 16J

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurance group's implementation in respect of its RIP;
(b) where the insurance group's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurance group shall be deemed to have met the criterion of the lower stage; and
(c) where an operational risk area is not applicable to the insurance group's operations, the insurance group shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

TABLE 16K
Risk Measurement Processes ('RMP') Score Table

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

## Comments

## INSTRUCTIONS AFFECTING TABLE 16K

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurance group's implementation in respect of its RMP;
(b) where the insurance group's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurance group shall be deemed to have met the criterion of the lower stage; and
(c) where an operational risk area is not applicable to the insurance group's operations, the insurance group shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

TABLE 16L
Risk Response Processes ('RRP') Score Table

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

## Comments

## INSTRUCTIONS AFFECTING TABLE 16L

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurance group's implementation in respect of its RRP;
(b) where the insurance group's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurance group shall be deemed to have met the criterion of the lower stage; and
(c) where an operational risk area is not applicable to the insurance group's operations, the insurance group shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

TABLE 16M
Risk Monitoring and Reporting Processes ('RMRP') Score Table

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

## Comments

## INSTRUCTIONS AFFECTING TABLE 16M

(a) the total score is derived by adding the individual score for each operational risk area corresponding to the stage of the insurance group's implementation in respect of its RMRP;
(b) where the insurance group's assessment of the operational risk area is between stages (i.e. exceeds the criterion for each given stage, while only partially meeting the criterion of the next stage), the insurance group shall be deemed to have met the criterion of the lower stage; and
(c) where an operational risk area is not applicable to the insurance group's operations, the insurance group shall record such fact and the reasons for arriving at this conclusion in the comments section and be deemed to have met the criterion of the highest stage.

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46. The regulatory capital requirement for regulated non-insurance financial operating entities shall be determined in accordance with Schedule XIA - "Schedule of regulated non-insurance financial operating entities". This amount shall be equal to the sum of the insurance group's proportionate share of each registered entity's regulatory capital requirement in accordance with the applicable solvency laws of the jurisdiction where the entity was licensed or registered.
47. (1) The capital requirement for unregulated entities, where the parent company exercises control as defined in subparagraph 19(4) of the Group Rules, shall be determined in accordance with Schedule XIB - "Schedule of unregulated entities where the group exercises control"
(2) This amount shall be equal to the sum of the capital requirement based on the capital charges applied to each unregulated entity's net assets as follows-
(a) 0\% to unregulated entities that conduct ancillary services to members of the insurance group;
(b) $15 \%$ to unregulated non-financial operating entities; and
(c) $50 \%$ to unregulated financial operating entities.
48. The capital charge adjustment for the loss-absorbing capacity of technical provisions due to management actions shall be established in accordance with the following formula-
$A d j_{T P}=-\max (\min ($ Basic BSCR - Basic nBSCR,FDB),0);
Where-

Basic BSCR $=\sqrt{\sum_{i, j} \operatorname{CorrBBSCR}}{ }_{i, j} \times C_{i} \times C_{j}$
Basic $\mathrm{nBSCR}=\sqrt{\sum_{i, j} \operatorname{CorrBBSCR}} \mathrm{i}, j \times n C_{i} \times n C_{j}$
$\operatorname{CorrBBSCR} \boldsymbol{i}_{i, j}=$ the correlation factors of the Basic BSCR correlation matrix in accordance with Table A of Paragraph 22;
$C_{i}$
$=\quad$ risk module charge $i$ which are replaced by the following:
$C_{\text {Market }}, C_{\text {P\&C }}, C_{\text {LT }}, C_{\text {Credit }}$;
$C_{\text {Market }}$
$C_{\text {P\&C }}$
$=$ market risk module charge as calculated in accordance with paragraph
$=\quad \mathrm{P} \& \mathrm{C}$ risk module charge as calculated in accordance with paragraph 24;

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

 REQUIREMENT) RULES 2011$C_{\text {LT }}$
$C_{\text {Credit }}$
$n C_{i}$
$=\quad$ Long-Term risk module charge as calculated in accordance with paragraph 25;
$=\quad$ credit risk module charge as calculated in accordance with paragraph 36.
$=\quad$ net risk module charge $i$ which are calculated the same way
as $C_{i}$ but by allowing the future discretionary benefits to change and by allowing managements actions to be performed in accordance to with the criteria prescribed by the Authority and which are replaced by the following:
$n C_{\text {Market }}, n C_{\mathrm{PkC}}, n C_{\mathrm{LT}}, n C_{\text {Credit }}$;
$F D B \quad=\quad$ net present value of future bonuses and other discretionary benefits.
49. The adjustment for the loss-absorbing capacity of deferred taxes shall be established in accordance with the following formula$C_{\text {otheradj }}=\operatorname{Min}\left(\left(\left(\right.\right.\right.$ Basic BSCR $\left.+C_{\text {operationh }}+C_{\text {regulatorydj }}+A d j_{T P}\right) \times t$, Limit,$\left(\right.$ Basic BSCR $\left.\left.+C_{\text {operationd }}+C_{\text {regulatorgdj }}+A d j_{T P}\right) \times 20 \%\right)$

Where -

| Basic BSCR |  | Basic BSCR risk module charge as calculated in accordance with paragraph 22; |
| :---: | :---: | :---: |
| $C_{\text {operationt }}$ | $=$ | operational risk charge as calculated in accordance with paragraph 45; |
| $C_{\text {regulatorgdj }}$ |  | regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraphs 46 and 47; |
| $A d j_{\text {TP }}$ | = | $=$ adjustment for the loss-absorbing capacity of technical provisions as calculated in accordance with paragraph 48 |
| $t$ | $=$ | insurance group's effective (federal) tax rate |
| Limit | $=$ | PastLAC + CurrentLAC + FutureLAC |
| PastLAC | = | Loss Carryback Provision multiplied by $t$; |
| CurrentLAC | = | Current Deferred Tax Liabilities minus Current Deferred Tax Assets and |
| FutureLAC | = | Risk Margin as reported on Form 1EBS Line 18 multiplied by $t$. |

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


INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011


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) a list of credit rating agencies and the manner in which ratings issued by such agencies must be applied, shall be prescribed by the Authority and used by insurers in determining the appropriate BSCR rating to be applied to fixed income securities or preferred stock;

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(e) where the ratings of a security by different rating agencies differ, the insurance group shall classify the security according to the most conservative rating;
(f) unrated securities shall be assigned a BSCR rating of 8;
(g) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds shall be classified in a similar manner as corporate bonds;
(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; and
(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.

## SCHEDULE IIA

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

| Line <br> no. | Description | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Quoted and unquoted bonds and debentures |  | Corporate and sovereign bonds |  | Residential mortgagebacked securities |  | Commercial mortgage-backed securities/asset- backed securities |  | Bond mutualfunds |  | Total |  |
|  |  | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ |
| 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 |  |
|  |  | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ |
| 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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## INSTRUCTIONS AFFECTING SCHEDULE IIA:

(a) All funds held by ceding reinsurers (as reflected in Form 1EBS, Line 12) in segregated accounts/trusts with identifiable assets, such as fixed income investments, equity investments, mortgage loans, and cash 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;

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 REQUIREMENT) RULES 2011(d) preferred stock shall be classified by BSCR rating;
(e) a list of credit rating agencies and the manner in which ratings issued by such agencies must be applied, shall be prescribed by the Authority and used by insurers in determining the appropriate BSCR rating to be applied to fixed income securities or preferred stock;
(f) where the ratings of a security by different rating agencies differ, the insurer shall classify the security according to the most conservative rating;
(g) unrated securities shall be assigned a BSCR rating of 8;
(h) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds shall be classified in a similar manner as corporate bonds;
(i) debt issued by government-owned and related entities that were explicitly guaranteed by that government, with the exception of mortgagebacked 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 and
$(\mathrm{k})$ other investments shall include investments not reported as bond and debentures, common stock, preferred stock or equity mutual funds.

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

 REQUIREMENT) RULES 2011SCHEDULE IIB
(Paragraph 6)

## Schedule of fixed income and equity investments by BSCR rating <br> [blank] name of Parent

As at [blank] (day/month/year)
All amounts are expressed in (currency used)

| Line no. | Description | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Quoted and unquoted bonds and debentures |  | Corporate and sovereign bonds |  | Residential mortgagebacked securities |  | Commercial mortgagebacked securities/assetbacked securities |  | Bond mutual funds |  | Mortgage loans |  | Total |  |
|  |  | $\begin{aligned} & 20 x x \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \end{aligned}$ |
| 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 | Insured/Guaranteed Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 11 | Other Commercial and Farm Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 12 | Other Residential Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 13 | Mortgages Not In Good Standing |  |  |  |  |  |  |  |  |  |  |  |  |
| 14 | Total |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | ASSETS |  |  |  |  |  | LIABILITIES |  |  |  |  |  |
|  |  | Long Exposures |  | Short Exposures |  |  |  | Without Management Actions |  | With <br> Management Actions |  |  |  |
|  |  |  |  | Qualified for risk pu | ts held tion | Not Qualified as Assets held for risk mitigation purposes |  |  |  | Total <br> Assets | Total Asset s |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

| Equity Holdings |  | Before Shock | After <br> Shock | Before Shock | After <br> Shock | Before Shock | After Shock | Before <br> Shock | After Shock | After Shock | Before <br> Shock | After <br> Shock |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 15 | Strategic Holdings Listed |  |  |  |  |  |  |  |  |  |  |  |
| 16 | Duration Based |  |  |  |  |  |  |  |  |  |  |  |
| 17 | Listed Equity <br> Securities in Developed Markets |  |  |  |  |  |  |  |  |  |  |  |
| 18 | Preferred Stocks, BSCR Rating 1 |  |  |  |  |  |  |  |  |  |  |  |
| 19 | Preferred Stocks, BSCR Rating 2 |  |  |  |  |  |  |  |  |  |  |  |
| 20 | Preferred Stocks, BSCR Rating 3 |  |  |  |  |  |  |  |  |  |  |  |
| 21 | Preferred Stocks, BSCR Rating 4 |  |  |  |  |  |  |  |  |  |  |  |
| 22 | Preferred Stocks, BSCR Rating 5 |  |  |  |  |  |  |  |  |  |  |  |
| 23 | Preferred Stocks, BSCR Rating 6 |  |  |  |  |  |  |  |  |  |  |  |
| 24 | Preferred Stocks, BSCR Rating 7 |  |  |  |  |  |  |  |  |  |  |  |
| 25 | Preferred Stocks, BSCR Rating 8 |  |  |  |  |  |  |  |  |  |  |  |
| 26 | Equity Derivatives on Type 1 Equities |  |  |  |  |  |  |  |  |  |  |  |
| 27 | Strategic Holdings Unlisted |  |  |  |  |  |  |  |  |  |  |  |
| 28 | Other Equities/ Other Assets |  |  |  |  |  |  |  |  |  |  |  |
| 29 | Equity Real Estate 1 |  |  |  |  |  |  |  |  |  |  |  |
| 30 | Equity Real Estate 2 |  |  |  |  |  |  |  |  |  |  |  |
| 31 | Letters of Credit |  |  |  |  |  |  |  |  |  |  |  |
| 32 | Intangible assets |  |  |  |  |  |  |  |  |  |  |  |
| 33 | Pension Benefit Surplus |  |  |  |  |  |  |  |  |  |  |  |
| 34 | Equity Derivatives on Type 2 Equities |  |  |  |  |  |  |  |  |  |  |  |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011


## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

 REQUIREMENT) RULES 2011|  |  | Market Value of <br> Derivatives with <br> Positive Market Value | Market Value of <br> Derivatives with <br> Negative Market Value | Collateral, Excluding any <br> over-collateralization |  |
| :--- | :--- | :--- | :--- | :--- | :---: |
|  | Counterparty Default Risk for over-the-counter Derivatives |  |  |  |  |
| 58 | BSCR rating 0 |  |  |  |  |
| 59 | BSCR rating 1 |  |  |  |  |
| 60 | BSCR rating 2 |  |  |  |  |
| 61 | BSCR rating 3 |  |  |  |  |
| 62 | BSCR rating 4 |  |  |  |  |
| 63 | BSCR rating 5 |  |  |  |  |
| 64 | BSCR rating 6 |  |  |  |  |
| 65 | BSCR rating 7 |  |  |  |  |
| 66 | BSCR rating 8 |  |  |  |  |
| 67 | Total Default Risk for over-the-counter Derivatives |  |  |  |  |

## INSTRUCTIONS AFFECTING SCHEDULE IIB:

(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 long exposures, short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
(c) preferred stocks are required to be classified by BSCR rating;
(d) a list of credit rating agencies and the manner in which ratings issued by such agencies must be applied, shall be prescribed by the Authority and used by insurers in determining the appropriate BSCR rating to be applied to fixed income securities or preferred stock;
(e) where a security is rated differently by various rating agencies, the insurance group shall classify the security according to the most conservative rating assigned;
(f) unrated securities shall be assigned a BSCR rating of 8;
(g) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 ; while all other sovereign bonds are required to be classified in a manner similar to corporate bonds;
(h) debt issued by government-owned or entities that are explicitly guaranteed by that government, (except government issued mortgagebacked securities), shall be assigned a BSCR rating of 0;
(i) "exposures" shall include those determined by the application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
(j) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature which meet the criteria prescribed by the Authority for such holdings. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting criteria prescribed by the Authority, then such investments will be classified as "Type 1 ". Investments that do not meet such criterion shall be classified as "Type 2".
(k) "infrastructure" refers to holdings in qualifying equity infrastructure investments which meet criteria prescribed by the Authority for such investments that are non-strategic holdings.
(1) "listed equity securities in developed markets" refers to holdings in equity securities listed on designated stock exchanges or investments in certain funds prescribed by the Authority.
$(\mathrm{m})$ "other equities" shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs "(j)" and "(l)" above; or not listed herein as an "Equity Holding" in this Schedule i.e., equities not listed on a designated stock exchange prescribed by the Authority, hedge funds, commodities and other alternative investments;
(n) best estimate insurance liabilities and other liabilities (excluding risk margin) whose value is subject to equity risk are to be included in Lines 15 to 36; and
(o) exposures qualifying as assets held for risk-mitigation purposes, and exposures not qualifying as assets held for risk-mitigation purposes; shall be determined in accordance with criteria prescribed by the Authority.
(p) [revoked]

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

 REQUIREMENT) RULES 2011SCHEDULE IIC
Schedule of funds held by ceding insurers and funds held under retrocession by BSCR rating
[blank] name of Parent

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

All amounts are expressed in (currency used)


INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

| Equity Holdings |  | Before <br> Shock | After Shock | Before <br> Shock | After Shock | Before <br> Shock | After <br> Shock | Before <br> Shock | After Shock | After Shock | Before <br> Shock | After Shock |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 15 | Strategic Holdings Listed |  |  |  |  |  |  |  |  |  |  |  |
| 16 | Duration Based |  |  |  |  |  |  |  |  |  |  |  |
| 17 | Listed Equity Securities in Developed Markets |  |  |  |  |  |  |  |  |  |  |  |
| 18 | Preferred Stocks, BSCR Rating 1 |  |  |  |  |  |  |  |  |  |  |  |
| 19 | Preferred Stocks, BSCR Rating 2 |  |  |  |  |  |  |  |  |  |  |  |
| 20 | Preferred Stocks, BSCR Rating 3 |  |  |  |  |  |  |  |  |  |  |  |
| 21 | Preferred Stocks, BSCR Rating 4 |  |  |  |  |  |  |  |  |  |  |  |
| 22 | Preferred Stocks, BSCR Rating 5 |  |  |  |  |  |  |  |  |  |  |  |
| 23 | Preferred Stocks, BSCR Rating 6 |  |  |  |  |  |  |  |  |  |  |  |
| 24 | Preferred Stocks, BSCR Rating 7 |  |  |  |  |  |  |  |  |  |  |  |
| 25 | Preferred Stocks, BSCR Rating 8 |  |  |  |  |  |  |  |  |  |  |  |
| 26 | Equity Derivatives on Type 1 Equities |  |  |  |  |  |  |  |  |  |  |  |
| 27 | Strategic Holdings Unlisted |  |  |  |  |  |  |  |  |  |  |  |
| 28 | Other Equities/ Other Assets |  |  |  |  |  |  |  |  |  |  |  |
| 29 | Equity Real Estate 1 |  |  |  |  |  |  |  |  |  |  |  |
| 30 | Equity Real Estate 2 |  |  |  |  |  |  |  |  |  |  |  |
| 31 | Letters of Credit |  |  |  |  |  |  |  |  |  |  |  |
| 32 | Intangible assets |  |  |  |  |  |  |  |  |  |  |  |
| 33 | Pension Benefit Surplus |  |  |  |  |  |  |  |  |  |  |  |
| 34 | Equity Derivatives on Type 2 Equities |  |  |  |  |  |  |  |  |  |  |  |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011


## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

 REQUIREMENT) RULES 2011

## INSTRUCTIONS AFFECTING SCHEDULE IIC:

(a) All funds held by ceding reinsurers (as reported in Form 1EBS, Line 12(c)) and funds held under retrocession (as reported in Form 1EBS, Line $34(\mathrm{c})$ ) with identifiable assets and liabilities, such as fixed income investments, equity investments, mortgage loans, and cash and cash equivalents, are required to 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 long exposures; short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes, in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
(d) preferred stocks are required to be classified by BSCR rating;
(e) a list of credit rating agencies and the manner in which ratings issued by such agencies must be applied, shall be prescribed by the Authority and used by insurers in determining the appropriate BSCR rating to be applied to fixed income securities or preferred stock;
(f) where a security is rated differently by various rating agencies, the insurance group shall classify the security according to the most conservative rating assigned;
(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 are required to be classified in a manner similar to corporate bonds;
(i) debt issued by government-owned or entities that are explicitly guaranteed by that government, (except government debt issued mortgagebacked securities), shall be assigned a BSCR rating of 0;
(j) exposures shall include those determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
(k) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature which meet criteria prescribed by the Authority for such holdings. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting criteria as prescribed by the Authority, then such investments shall be classified as "Type 1 ". Investments that do not qualify shall be classified as "Type 2".
(1) "infrastructure" refers to holdings in qualifying equity infrastructure investments in accordance which meet criteria prescribed by the Authority and which are non-strategic holdings.
$(\mathrm{m})$ "listed equity securities in developed markets" refer to holdings in equity securities listed on designated stock exchanges or investments in certain funds both as prescribed by the Authority.
(n) "other equities" shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs "(k)" and "( m )" above or not listed herein as an "Equity Holding" in this Schedule i.e., equities not listed on a designated stock exchange as prescribed by the Authority, hedge funds, commodities and other alternative investments;
(o) Liabilities held under retrocession whose value is subject to equity risk are to be included in Lines 15 to 36; and
(p) exposures qualifying as assets held for risk-mitigation purposes and exposures not qualifying as assets held for risk-mitigation purposes shall be determined in accordance with criteria prescribed by the Authority.
(q) [revoked]

Schedule of segregated account companies assets and liabilities by BSCR rating
[blank] name of Parent
As at [blank] (day/month/year)
All amounts are expressed in (currency used)

| $\begin{gathered} \text { Line } \\ \text { no. } \\ \hline \end{gathered}$ | Description | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Quoted and unquoted bonds and debentures |  | Corporate and sovereign bonds |  | Residential mortgage-backed securities |  | Commercial mortgagebacked securities/assetbacked securities |  | Bond mutual funds |  | Mortgage loans |  | Total |  |
|  |  | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ |
| 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 | Insured/Guaranteed Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 11 | Other Commercial and Farm Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 12 | Other Residential Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 13 | Mortgages Not In Good Standing |  |  |  |  |  |  |  |  |  |  |  |  |
| 14 | Total |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | ASSETS |  |  |  |  |  | LIABILITIES |  |  |  |  |  |
|  |  | Long Exposures |  | Short Exposures |  |  |  | Without Management Actions |  | With Management Actions |  |  |  |
|  |  |  |  | Qualified held miti pur | Assets <br> risk <br> on <br> es | Not Qualified as Assets held for risk mitigation purposes |  |  |  | Total Assets | Total Assets |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

| Equity Holdings |  | Before Shock | After Shock | Before Shock | After Shock | Before Shock | After Shock | Before <br> Shock | After Shock | After Shock | Before Shock | After <br> Shock |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 15 | Strategic Holdings Listed |  |  |  |  |  |  |  |  |  |  |  |
| 16 | Duration Based |  |  |  |  |  |  |  |  |  |  |  |
| 17 | Listed Equity Securities in Developed Markets |  |  |  |  |  |  |  |  |  |  |  |
| 18 | Preferred Stocks, BSCR Rating 1 |  |  |  |  |  |  |  |  |  |  |  |
| 19 | Preferred Stocks, BSCR Rating 2 |  |  |  |  |  |  |  |  |  |  |  |
| 20 | Preferred Stocks, BSCR Rating 3 |  |  |  |  |  |  |  |  |  |  |  |
| 21 | Preferred Stocks, BSCR Rating 4 |  |  |  |  |  |  |  |  |  |  |  |
| 22 | Preferred Stocks, BSCR Rating 5 |  |  |  |  |  |  |  |  |  |  |  |
| 23 | Preferred Stocks, BSCR Rating 6 |  |  |  |  |  |  |  |  |  |  |  |
| 24 | Preferred Stocks, BSCR Rating 7 |  |  |  |  |  |  |  |  |  |  |  |
| 25 | Preferred Stocks, BSCR Rating 8 |  |  |  |  |  |  |  |  |  |  |  |
| 26 | Equity Derivatives on Type 1 Equities |  |  |  |  |  |  |  |  |  |  |  |
| 27 | Strategic Holdings Unlisted |  |  |  |  |  |  |  |  |  |  |  |
| 28 | Other Equities/ Other Assets |  |  |  |  |  |  |  |  |  |  |  |
| 29 | Equity Real Estate 1 |  |  |  |  |  |  |  |  |  |  |  |
| 30 | Equity Real Estate 2 |  |  |  |  |  |  |  |  |  |  |  |
| 31 | Letters of Credit |  |  |  |  |  |  |  |  |  |  |  |
| 32 | Intangible assets |  |  |  |  |  |  |  |  |  |  |  |
| 33 | Pension Benefit Surplus |  |  |  |  |  |  |  |  |  |  |  |
| 34 | Equity Derivatives on Type 2 Equities |  |  |  |  |  |  |  |  |  |  |  |
| 35 | Infrastructure |  |  |  |  |  |  |  |  |  |  |  |
| 36 | Derivatives on |  |  |  |  |  |  |  |  |  |  |  |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011


INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011


## INSTRUCTIONS AFFECTING SCHEDULE IID:

(a) All segregated account companies with identifiable assets (as reported in Form 1EBS, Lines 13(b), (c), (d)) and liabilities (as reported in Form 1EBS, Lines 36 (c), (d), (e)), such as fixed income investments, equity investments, mortgage loans, and cash 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 long exposures, short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
(d) preferred stock are required to be classified by BSCR rating;
(e) a list of credit rating agencies and the manner in which ratings issued by such agencies must be applied, shall be prescribed by the Authority and used by insurers in determining the appropriate BSCR rating to be applied to fixed income securities or preferred stock;
(f) where a security is rated differently by various rating agencies, the insurance group shall classify the security according to the most conservative rating assigned;
(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 are required to be classified in a manner similar to corporate bonds;
(i) debt issued by government-owned and entities explicitly guaranteed by that government, (except government issued mortgage-backed securities), shall be assigned a BSCR rating of 0;
(j) exposures shall include those determined by the application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
(k) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature which meet criteria prescribed by the Authority. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting criteria prescribed by the Authority, then these investments will be classified as "Type 1". Investments that do not qualify shall be classified as "Type 2 ".
(1) "infrastructure" refers to amounts in qualifying equity infrastructure investments which meets the criteria prescribed by the Authority that are nonstrategic holdings.
$(\mathrm{m})$ "listed equity securities in developed markets" refers to amounts in equity securities listed on a designated stock exchange or in investments in certain funds both as prescribed by the Authority.
(n) "other equities" shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs "(k)" and "(m)" above or not listed herein as an "Equity Holding" in this Schedule i.e., equities not listed on a designated stock exchange as prescribed by the Authority, hedge funds, commodities and other alternative investments;
(o) liabilities held under segregated account companies whose value is subject to equity risk are to be included in Lines 15 to 36 ; and
(p) exposures qualifying as assets held for risk-mitigation purposes and exposures not qualified as assets held for risk-mitigation purposes shall be determined in accordance with criteria prescribed by the Authority.
(q) [revoked]

## SCHEDULE IIE

Schedule of deposit assets and liabilities by BSCR rating
[blank] name of Parent
As at [blank] (day/month/year)
All amounts are expressed in (currency used)

| $\begin{gathered} \text { Line } \\ \text { no. } \end{gathered}$ | Description | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Quoted and unquoted bonds and debentures |  | Corporate and sovereign bonds |  | Residential mortgage-backed securities |  | Commercial mortgagebacked securities/assetbacked securities |  | Bond mutual funds |  | Mortgage loans |  | Total |  |
|  |  | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & \hline 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & \hline 20 \mathrm{xx} \\ & (000) \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ |
| 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 | Insured/Guaranteed Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 11 | Other Commercial and Farm Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 12 | Other Residential Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 13 | Mortgages Not In Good Standing |  |  |  |  |  |  |  |  |  |  |  |  |
| 14 | Total |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | ASSETS |  |  |  |  |  | LIABILITIES |  |  |  |  |  |
|  |  | Long Exposures |  | Short Exposures |  |  |  | Without Management Actions |  | With <br> Management Actions |  |  |  |
|  |  |  |  | Qualified as Assets held for risk mitigation purposes |  | Not Qualified as Assets held for risk mitigation purposes |  |  |  | Total Assets | Total Assets |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

| Equity Holdings |  | Before Shock | After <br> Shock | Before Shock | After <br> Shock | Before Shock | After <br> Shock | Before Shock | After <br> Shock | After Shock | Before <br> Shock | After Shock |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 15 | Strategic Holdings Listed |  |  |  |  |  |  |  |  |  |  |  |
| 16 | Duration Based |  |  |  |  |  |  |  |  |  |  |  |
| 17 | Listed Equity Securities in Developed Markets |  |  |  |  |  |  |  |  |  |  |  |
| 18 | Preferred Stocks, BSCR <br> Rating 1 |  |  |  |  |  |  |  |  |  |  |  |
| 19 | Preferred Stocks, BSCR Rating 2 |  |  |  |  |  |  |  |  |  |  |  |
| 20 | Preferred Stocks, BSCR Rating 3 |  |  |  |  |  |  |  |  |  |  |  |
| 21 | Preferred Stocks, BSCR <br> Rating 4 |  |  |  |  |  |  |  |  |  |  |  |
| 22 | Preferred Stocks, BSCR Rating 5 |  |  |  |  |  |  |  |  |  |  |  |
| 23 | Preferred Stocks, BSCR <br> Rating 6 |  |  |  |  |  |  |  |  |  |  |  |
| 24 | Preferred Stocks, BSCR Rating 7 |  |  |  |  |  |  |  |  |  |  |  |
| 25 | Preferred Stocks, BSCR <br> Rating 8 |  |  |  |  |  |  |  |  |  |  |  |
| 26 | Equity Derivatives on Type 1 Equities |  |  |  |  |  |  |  |  |  |  |  |
| 27 | Strategic Holdings Unlisted |  |  |  |  |  |  |  |  |  |  |  |
| 28 | Other Equities/ Other Assets |  |  |  |  |  |  |  |  |  |  |  |
| 29 | Equity Real Estate 1 |  |  |  |  |  |  |  |  |  |  |  |
| 30 | Equity Real Estate 2 |  |  |  |  |  |  |  |  |  |  |  |
| 31 | Letters of Credit |  |  |  |  |  |  |  |  |  |  |  |
| 32 | Intangible assets |  |  |  |  |  |  |  |  |  |  |  |
| 33 | Pension Benefit Surplus |  |  |  |  |  |  |  |  |  |  |  |
| 34 | Equity Derivatives on Type 2 Equities |  |  |  |  |  |  |  |  |  |  |  |
| 35 | Infrastructure |  |  |  |  |  |  |  |  |  |  |  |
| 36 | Derivatives on |  |  |  |  |  |  |  |  |  |  |  |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011


## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

|  |  | with <br> Positive <br> Market <br> Value | Value |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Counterparty Default Risk for over-the-counter Derivatives |  |  |  |  |
| 58 | BSCR rating 0 |  |  |  |  |
| 59 | BSCR rating 1 |  |  |  |  |
| 60 | BSCR rating 2 |  |  |  |  |
| 61 | BSCR rating 3 |  |  |  |  |
| 62 | BSCR rating 4 |  |  |  |  |
| 63 | BSCR rating 5 |  |  |  |  |
| 64 | BSCR rating 6 |  |  |  |  |
| 65 | BSCR rating 7 |  |  |  |  |
| 66 | BSCR rating 8 |  |  |  |  |
| 67 | Total Default Risk for | he-coun | atives |  |  |
| 68 | Cash and Cash Equivalents |  |  |  |  |
| 69 | Total Deposit Assets |  |  |  |  |

## INSTRUCTIONS AFFECTING SCHEDULE IIE:

(a) All deposit assets and liabilities with identifiable assets (as reported in Form 1EBS, Lines 13(e)) and liabilities (as reported in Form 1EBS, Lines 36 (f)), such as fixed income investments, equity investments, mortgage loans, and cash and cash equivalents, are required to 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 long exposures, short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
(d) preferred stocks are required to be classified by BSCR rating;
(e) a list of credit rating agencies and the manner in which ratings issued by such agencies must be applied, shall be prescribed by the Authority and used by insurers in determining the appropriate BSCR rating to be applied to fixed income securities or preferred stock;
(f) where a security is rated differently by various rating agencies, the insurance group shall classify the security according to the most conservative rating assigned;
(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 are required to be classified in a manner similar to corporate bonds;
(i) debt issued by government-owned and entities explicitly guaranteed by that government, (except government issued mortgage-backed securities), shall be assigned a BSCR rating of 0;
(j) "exposures" shall include those determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
(k) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature in accordance which meet criteria prescribed by the Authority. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting the criteria as prescribed by the Authority, then these investments shall be classified as "Type 1 ". Investments that do not qualify shall be classified as "Type 2 ".
(1) "infrastructure" refers to holdings in qualifying equity infrastructure investments which meet criteria prescribed by the Authority that are nonstrategic holdings.
(m) "listed equity securities in developed markets" refers to holdings in equity securities listed on designated stock exchanges or investments in certain funds both as prescribed by the Authority.
(n) "other equities" shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs "(k)" and "(m)" above or not listed herein as an "Equity Holding" in this Schedule i.e., equities not listed on a designated stock exchange as prescribed by the Authority, hedge funds, commodities and other alternative investments;
(o) deposit liabilities whose value is subject to equity risk are to be included in Lines 15 to 36 ; and
(p) exposures qualifying as assets held for risk-mitigation purposes and exposures not qualifying as assets held for risk-mitigation purposes shall be determined in accordance with criteria prescribed by the Authority.
(q) [revoked]

Schedule of other sundry assets and liabilities by BSCR rating
[blank] name of Parent
As at [blank] (day/month/year)
All amounts are expressed in (currency used)

| $\begin{gathered} \text { Line } \\ \text { no. } \\ \hline \end{gathered}$ | Description | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Quoted and unquoted bonds and debentures |  | Corporate and sovereign bonds |  | Residential mortgage-backed securities |  | Commercial mortgagebacked securities/assetbacked securities |  | Bond mutual funds |  | Mortgageloans |  | Total |  |
|  |  | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 \mathrm{xx} \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \\ & \hline \end{aligned}$ | $\begin{aligned} & 20 x x \\ & (000) \\ & \hline \end{aligned}$ |
| 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 | Insured/Guaranteed Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 11 | Other Commercial and Farm Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 12 | Other Residential Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |
| 13 | Mortgages Not In Good Standing |  |  |  |  |  |  |  |  |  |  |  |  |
| 14 | Total |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | ASSETS |  |  |  |  |  | LIABILITIES |  |  |  |  |  |
|  |  | Long Exposures |  | Short Exposures |  |  |  | Without Management Actions |  | With <br> Management Actions |  |  |  |
|  |  |  |  | Qual Assets | $\begin{aligned} & \text { as } \\ & \mathrm{d} \text { for } \end{aligned}$ | Not Qualifi held for ri | ssets ation |  |  | Total Assets | Total Assets |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

|  |  |  |  | risk mitigation purposes |  | purposes |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Equ | Holdings | Before <br> Shock | After Shock | Before <br> Shock | After <br> Shock | Before Shock | After <br> Shock | Before <br> Shock | After Shock | After Shock | Before <br> Shock | After Shock |
| 15 | Strategic Holdings Listed |  |  |  |  |  |  |  |  |  |  |  |
| 16 | Duration Based |  |  |  |  |  |  |  |  |  |  |  |
| 17 | Listed Equity Securities in Developed Markets |  |  |  |  |  |  |  |  |  |  |  |
| 18 | Preferred Stocks, BSCR Rating 1 |  |  |  |  |  |  |  |  |  |  |  |
| 19 | Preferred Stocks, BSCR Rating 2 |  |  |  |  |  |  |  |  |  |  |  |
| 20 | Preferred Stocks, BSCR Rating 3 |  |  |  |  |  |  |  |  |  |  |  |
| 21 | Preferred Stocks, BSCR Rating 4 |  |  |  |  |  |  |  |  |  |  |  |
| 22 | Preferred Stocks, BSCR Rating 5 |  |  |  |  |  |  |  |  |  |  |  |
| 23 | Preferred Stocks, BSCR Rating 6 |  |  |  |  |  |  |  |  |  |  |  |
| 24 | Preferred Stocks, BSCR Rating 7 |  |  |  |  |  |  |  |  |  |  |  |
| 25 | Preferred Stocks, BSCR Rating 8 |  |  |  |  |  |  |  |  |  |  |  |
| 26 | Equity Derivatives on Type 1 Equities |  |  |  |  |  |  |  |  |  |  |  |
| 27 | Strategic Holdings Unlisted |  |  |  |  |  |  |  |  |  |  |  |
| 28 | Other Equities/ Other Assets |  |  |  |  |  |  |  |  |  |  |  |
| 29 | Equity Real Estate 1 |  |  |  |  |  |  |  |  |  |  |  |
| 30 | Equity Real Estate 2 |  |  |  |  |  |  |  |  |  |  |  |
| 31 | Letters of Credit |  |  |  |  |  |  |  |  |  |  |  |
| 32 | Intangible assets |  |  |  |  |  |  |  |  |  |  |  |
| 33 | Pension Benefit Surplus |  |  |  |  |  |  |  |  |  |  |  |
| 34 | Equity Derivatives on Type 2 Equities |  |  |  |  |  |  |  |  |  |  |  |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011


## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

 REQUIREMENT) RULES 2011

## INSTRUCTIONS AFFECTING SCHEDULE IIF:

(a) All other sundry assets and liabilities with identifiable assets (as reported in Form 1EBS, Lines 13(j)) and liabilities (as reported in Form 1EBS, Lines 36 (i)), such as fixed income investments, equity investments, mortgage loans, and cash 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 long exposures, short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
(d) preferred stock are required to be classified by BSCR rating;
(e) a list of credit rating agencies and the manner in which ratings issued by such agencies must be applied, shall be prescribed by the Authority and used by insurers in determining the appropriate BSCR rating to be applied to fixed income securities or preferred stock;
(f) where a security is rated differently by various rating agencies, the insurance group shall classify the security according to the most conservative rating assigned;
(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 are required to be classified in a manner similar to corporate bonds;
(i) debt issued by government-owned and entities explicitly guaranteed by that government, (except government debt issued mortgage-backed securities, shall be assigned a BSCR rating of 0;
(j) exposures include those determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
(k) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature in accordance which meet criteria prescribed by the Authority. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting criteria as prescribed by the Authority, then such investments shall be classified as "Type 1 ". Investments that do not qualify will be classified as "Type 2 ".
(1) "infrastructure" refers to holdings in qualifying equity infrastructure investments which meet criteria prescribed by the Authority and which are non-strategic holdings.
$(\mathrm{m})$ "listed equity securities in developed markets" refers to holdings in equity securities listed on a designated stock exchange or in investments in certain funds both as prescribed by the Authority.
(n) "other equities" shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs "(k)" and "(m)" above or not listed herein as an "Equity Holding" in this Schedule i.e., equities not listed on a designated stock exchange as prescribed by the Authority, hedge funds, commodities and other alternative investments;
(o) other liabilities whose value is subject to equity risk are to be included in Lines 15 to 36; and
(p) exposures qualifying as assets held for risk-mitigation purposes and exposures not qualifying as assets held for risk-mitigation purposes shall be determined in accordance with criteria prescribed by the Authority.
(q) [revoked]

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

| SCHEDULE III Paragraph 6 <br> SCHEDULE OF NET LOSS AND LOSS EXPENSE PROVISIONS BY GENERAL BUSINESS <br> [blank] name of Parent <br> As at [blank] (day/month/year) <br> All amounts expressed in ................................. (currency used) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Schedule Line no |  | Gross Loss Reserves <br> [Form 1 EBS, Line 17(a)] | Net Loss <br> Reserves <br> [Form 1 EBS, Line 17(d)] | geolinersvs;Geo LossReserves[Schedule IIIAGEO LR] | Supplemental Notes to FORM1EBS |  |  |
|  |  | Bound But Not |  |  |  |  |
|  |  | Incepted (BBNI) Premium |  |  | Provision In Respect of BBNI | in Best Estimate Loss and Loss Expense Provisions |
|  |  | [Form 1EBS, note <br> 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 | XXX |
| 2. | Property |  | XXX | XXX | XXX | XXX | XXX | XXX |
| 3. | Property non- proportional |  | XXX | XXX | XXX | XXX | XXX | XXX |
| 4. | Personal accident | XXX | XXX | XXX | XXX | XXX | XXX |
| 5. | Personal accident non- | XXX | XXX | XXX | XXX | XXX | XXX |
| 6. | Aviation | XXX | XXX | XXX | XXX | XXX | XXX |
| 7. | Aviation non- proportional | XXX | XXX | XXX | XXX | XXX | XXX |
| 8. | Credit / surety | XXX | XXX | XXX | XXX | XXX | XXX |
| 9. | Credit / surety non- proportional | XXX | XXX | XXX | XXX | XXX | XXX |
| 10. | Energy offshore / marine | XXX | XXX | XXX | XXX | XXX | XXX |
| 11. | Energy offshore / marine non- | XXX | XXX | XXX | XXX | XXX | XXX |
| 12. | US casualty | XXX | XXX | XXX | XXX | XXX | XXX |
| 13. | US casualty non- proportional | XXX | XXX | XXX | XXX | XXX | XXX |
| 14. | US professional | XXX | XXX | XXX | XXX | XXX | XXX |
| 15. | US professional non- | XXX | XXX | XXX | XXX | XXX | XXX |
| 16. | US specialty | XXX | XXX | XXX | XXX | XXX | XXX |
| 17. | US specialty non- proportional | XXX | XXX | XXX | XXX | XXX | XXX |
| 18. | International motor | XXX | XXX | XXX | XXX | XXX | XXX |
| 19. | International motor non- | XXX | XXX | XXX | XXX | XXX | XXX |
| 20. | International casualty non-motor | XXX | XXX | XXX | XXX | XXX | XXX |
| 21. | International casualty non-motor | XXX | XXX | XXX | XXX | XXX | XXX |
| 22. | Retro property | XXX | XXX | XXX | XXX | XXX | XXX |
| 23. | Structured / finite reinsurance | XXX | XXX | XXX | XXX | XXX | XXX |
| 24. | Health | XXX | XXX | XXX | XXX | XXX | XXX |
| 25. | Total | XXX | XXX | XXX | XXX | XXX | XXX |

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

## INSTRUCTIONS AFFECTING SCHEDULE III:

The statutory lines of general business shall be defined as follows:
(a) the same definition below shall be applied to both proportional and non-proportional statutory lines of general business below;
(b) where the Group BSCR risk factor charges differ in instruction (a), insurance groups shall make a distinction when completing the statutory filing and using the Group BSCR model;
(c) statutory lines of general business shall be mutually exclusive (e.g. "Retro casualty" is only to be placed into "Retro property" as prescribed, and not any of the other "casualty" related statutory lines, etc.);
(d) insurance groups may in good faith determine the allocation of the statutory lines;
(e) where an insurance contract involves multiple lines, the insurance group shall assign to the various lines in accordance with the proportions written;
(f) where an insurance group is unable to make this determination in instruction (e), the business shall be allocated to the line with the highest proportion;
(g) where the insurance group is unable to make the determination in instruction (f), then the business shall be assigned to the line with the highest capital risk charge; and
(h) the support and assumptions used by senior management shall be available for review by the Authority.
$\left.\begin{array}{|l|l|}\hline \begin{array}{l}\text { Statutory Lines of General } \\ \text { Business (Proportional and Non- } \\ \text { Proportional) }\end{array} & \text { Line of General Business Mappings \& Definitions } \\ \hline \text { Property Catastrophe } & \begin{array}{l}\text { Property catastrophe - coverage of damage arising from } \\ \text { a peril that triggers an event (or events) that causes \$25 } \\ \text { million or more indirect insured industry losses to } \\ \text { property (or a loss value in accordance with the coverage } \\ \text { provider's stated policies) and that may affect a a } \\ \text { significant number of policyholders and insurers - peril } \\ \text { could be hurricane, earthquake, tsunami, and tornado. }\end{array} \\ \hline \text { Property } & \begin{array}{l}\text { U.s. property - coverage of U.S. risks including } \\ \text { buildings, structures, equipment, business interruption, } \\ \text { contents and All Risk (not included in other categories) } \\ \text { related losses. } \\ \text { Crop / agriculture - coverage of risks including on- }\end{array} \\ \hline \text { shore/off-shore farms, livestock, agriculture and other } \\ \text { food production related losses. } \\ \text { International property - coverage of non-U.S. risks } \\ \text { including buildings, structures, equipment, business } \\ \text { interruption, contents and All Risk (not included in other } \\ \text { categories) related losses. }\end{array}\right\}$

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

$\left.\begin{array}{|l|l|}\hline \text { Energy Offshore/Marine } & \begin{array}{l}\text { Energy offshore/marine - coverage of risks arising from } \\ \text { offshore exploration and production, refining, power } \\ \text { generation and/or cargo, hull and other marine related } \\ \text { losses. }\end{array} \\ \hline & \begin{array}{l}\text { U.S. casualty motor - coverage of U.S. risks arising from } \\ \text { injuries to persons or damage of the property of others } \\ \text { and/or legal liability imposed upon the insured for motor } \\ \text { related activities/actions, including auto liability. }\end{array} \\ \text { U.S. Casualty } & \begin{array}{l}\text { U.S. casualty - general - coverage of U.S. risks arising } \\ \text { from injuries to persons or damage of the property of } \\ \text { others and/or legal liability imposed upon the insured for } \\ \text { non-motor related activities including theft, fraud, }\end{array} \\ \text { negligence, and workers' compensation. } \\ \text { Terrorism - coverage of risks arising from acts of both }\end{array}\right\}$

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

| Structured/Finite Reinsurance | Structured / finite reinsurance - limited risk <br> transfer contract comprising reinsurance cover where <br> there is not both significant relative timing AND significant <br> relative underwriting risk transfer - there may be either <br> significant timing OR significant underwriting risk <br> transfer <br> - OR a significant relative economic loss may be possible <br> but not probable (extremely remote) - not including <br> certain catastrophe covers, like earthquake, where the <br> probability of a loss event is also remote. |
| :--- | :--- |
| Health | Health - coverage of care, curative, or preventive medical <br> treatment or financial compensation arising from illness, <br> accident, disability, or frailty, including hospital, <br> physician, dental, vision and extended benefits. |

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

## REQUIREMENT) RULES 2011

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)

|  |  | $\begin{gathered} \text { GEO } \\ \text { LR } \end{gathered}$ | Zone 1 | $\begin{gathered} \text { Zone } \\ 2 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 3 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 4 \end{gathered}$ | Zone 5 | $\begin{gathered} \text { Zone } \\ 6 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 7 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 8 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 9 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 10 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 11 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 12 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 13 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 14 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 15 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 16 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 17 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 18 \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 nonproportional | 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 nonproportional | 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 nonproportional | 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 nonproportional | 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 nonproportional | 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 |

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

REQUIREMENT) RULES 2011

## INSTRUCTIONS AFFECTING SCHEDULE IIIA:

(a) For each line of business, the net loss reserves stated in Schedule III 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 geolinersvs in line with sub-paragraph (c) of the Instructions affecting Table 7 .

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

REQUIREMENT) RULES 2011

## 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 <br> Line no | Gross Premiums Written |  |  |  |  |  | Net Premiums |  | geolineprem $_{i}$ <br> Geo NPW Schedule IVC <br> 20XX |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Unrelated |  | Related |  | Total <br> Form 2, Line 1(c) |  | Form 2, Line 3 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  | 20XX | 20X | 20xX | 20xx | 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 |

## SCHEDULE IVA (Paragraph 6)

> SCHEDULE OF CONSOLIDATED 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

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY
REQUIREMENT) RULES 2011

## SCHEDULE IVB

SCHEDULE OF LONG-TERM BUSINESS PREMIUMS
All amounts expressed in
. (currency used)

| Schedule |  | Gross Premiums Written |  |  |  |  |  | Net Premiums Written |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Line no |  | Form 2, Line 12(c) |  |  |  |  |  | Form 2, Line 14(d) |  |  |  |  |  |
|  |  | Unrelated |  | Related |  | Total |  | Adjustable/Benefit <br> Period <=2 years |  | Adjustable/Benefit <br> Period $>2$ years |  | Total |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 20xx | 20xx | 20xX | 20xx | 20xx | 20xx | 20XX | 20xX |  |  | 20XX | 20xX | 20xX | 20xx |
| 1. | Mortality | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 2. | Critical illness | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 3. | Longevity | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 4. | Deferred annuities | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 5. | Disability income Active lives with premium guarantee of |  |  |  |  |  |  |  |  |  |  | XXX | XXX |
|  | (i) <=1 year | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  |  |
|  | (ii) $>1$ year but | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  |  |
|  | (iii) $>5$ years | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  |  |
| 6. | Disability income Active lives for other accident and sickness | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 7. | Disability income: Claims in payment | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 8. | Disability income: Claims in payment for other accident \& sickness | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 9. | Group life | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 10. | Group disability | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 11. | Group health | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 12. | Stop loss | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 13. | Rider | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 14. | Variable annuities | XXX | XXX | XXX | XXX | XXX | XXX |  |  |  |  | XXX | XXX |
| 15. | Total | $\underline{\text { XXX }}$ | $\underline{\mathrm{XXX}}$ | $\underline{\mathrm{XXX}}$ | $\underline{\mathrm{XXX}}$ | XXX | $\underline{\mathrm{XXX}}$ | $\underline{\text { XXX }}$ | XXX | $\underline{\text { XXX }}$ | $\underline{\text { XXX }}$ | $\underline{\text { XXX }}$ | XXX |

# INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY 

REQUIREMENT) RULES 2011

## 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)

|  |  | $\begin{aligned} & \text { GEO } \\ & \text { NPW } \end{aligned}$ | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | $\begin{gathered} \text { Zone } \\ 6 \end{gathered}$ | Zone 7 | $\begin{gathered} \text { Zone } \\ 8 \end{gathered}$ | Zone 9 | $\begin{gathered} \text { Zone } \\ 10 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 11 \end{gathered}$ | Zone 12 | $\begin{gathered} \text { Zone } \\ 13 \end{gathered}$ | Zone $14$ | Zone $15$ | $\begin{gathered} \text { Zone } \\ 16 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 17 \end{gathered}$ | 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 nonproportional | 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 nonproportional | 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 nonproportional | 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 nonproportional | 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 |

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

REQUIREMENT) RULES 2011

## INSTRUCTIONS AFFECTING SCHEDULE IVC:

(a) For each line of business, the net written premiums 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 written premiums shown in Schedule IVA;
(b) GEO NPW for a line of business shall be set as the amount geolineprem in line with sub-paragraph (c) of the Instructions affecting Table 6

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

REQUIREMENT) RULES 2011

## SCHEDULE IVD (Paragraph 6)

Schedule of consolidated premium exposure measure by line of business of general business
[blank] name of Parent
As at [blank] (day/month/year)
All amounts expressed in ................................. (currency used)

|  |  | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Schedule | Net Premiums Written | Est. of Net Earned Premiums for Next 12 | Net Base Exposure | $\begin{aligned} & \text { Net FP } \\ & \text { (Existing) } \end{aligned}$ | Net FP <br> (Future) | Net Premium Exposure Measure | Gross Premium Exposure Measure | Geo Net Premium Exposure Measure |
|  | Line no | 20xx | 20xX+1 | 20xX+1 | 20xX+1 | 20xX+1 | 20xX+1 | 20xX+1 | 20xX+1 |
| 1. | Property catastrophe | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 2. | Property | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 3. | Property non- proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 4. | Personal accident | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 5. | Personal accident non-proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 6. | Aviation | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 7. | Aviation non- proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 8. | Credit / surety | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 9. | Credit / surety non- proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 10. | Energy offshore / marine | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 11. | Energy offshore / marine non- proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 12. | US casualty | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 13. | US casualty non- proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 14. | US professional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 15. | US professional non- proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 16. | US specialty | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 17. | US specialty non- proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 18. | International motor | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 19. | International motor non-proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 20. | International casualty non-motor | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 21. | International casualty non-motor non- proportional | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 22. | Retro property | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 23. | Structured / finite reinsurance | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 24. | Health | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 25 | Total | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

REQUIREMENT) RULES 2011
(a) "Net Premiums Written" means the consolidated net premiums written for the reporting period;
(b) "Estimate of Net Earned Premiums" for the next twelve months; means the net premiums earned for the next twelve months including exposures to bound but not incepted premiums;
(c) "Net Base Premium Exposure" means the greater of the amounts calculated under Lines of Business in paragraphs (a) and (b) above;
(d) "Net FP (existing)" means the expected present value of net premiums to be earned by the insurance group after the next twelve months reporting period for existing qualifying multi-year insurance policies, where 'qualifying multi-year insurance policies' are prescribed by the Authority;
(e) "Net FP (future)" means the expected present value of net premiums to be earned by the insurance group after the next twelve months reporting period for qualifying multi-year insurance policies (as defined in paragraph (d) above) where the initial recognition date falls in the following twelve months;
(f) "Net Premium Exposure Measure" means the total derived from paragraphs (c), (d) and (e) above;
(g) "Gross Premium Exposure Measure" means the amount calculated in paragraph (f) above but on a gross of reinsurance basis; and
(h) "Geographic Net Premium Exposure Measure" means the total shown on Schedule IVE.

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

REQUIREMENT) RULES 2011

## SCHEDULE IVE (Paragraph 6)

Schedule of geographic diversification of net premium exposure measure on a consolidated basis
[blank] name of Parent
As at [blank] (day/month/year)
All amounts expressed in .................................. (currency used)

|  |  | GEO |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Net <br> Exp | Zone 1 | $\begin{gathered} \text { Zone } \\ 2 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 3 \end{gathered}$ | Zone 4 | Zone 5 | $\begin{gathered} \text { Zone } \\ 6 \end{gathered}$ | Zone 7 | $\begin{gathered} \text { Zone } \\ 8 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 9 \end{gathered}$ | Zone $10$ | Zone 11 | Zone 12 | $\begin{gathered} \text { Zone } \\ 13 \end{gathered}$ | Zone $14$ | $\begin{gathered} \text { Zone } \\ 15 \end{gathered}$ | $\begin{gathered} \text { Zone } \\ 16 \end{gathered}$ | Zone 17 | $\begin{gathered} \text { Zone } \\ 18 \end{gathered}$ |
| 1. | Property catastrophe |  | 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 nonproportional | 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. | Énergy 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 nonproportional | 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 nonproportional | 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 nonproportional | 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 |

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

REQUIREMENT) RULES 2011
INSTRUCTIONS AFFECTING SCHEDULE IVE:
(a) for each line of business, the net premium exposure measure stated in Schedule IVD may be split between the eighteen geographic zones set out in Table 6D. If included, the total of amounts in zones 1-18 for a given Line of Business shall equal the corresponding amount of net premium exposure measure shown in Schedule IVD; and
(b) GEO net premium exposure measure for a Line of Business shall be set as the amount geolineprem in line with sub-paragraph (c) of the Instructions affecting Table 6C

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

## SCHEDULE V <br> (Paragraph 6) <br> SCHEDULE OF RISK MANAGEMENT

The schedule of risk management of an insurance group shall disclose the following matters-
(a) governance;
(b) group structure;
(c) intra-group transactions and insurance group's risk concentrations;
(d) Revoked;
(e) effective duration of assets;
(f) effective duration of liabilities;
(g) description of the effective duration of assets and liabilities calculations and key assumptions;
(h) gross probable maximum loss;
(i) net probable maximum loss;
(j) average annual loss for general insurance business excluding property catastrophe;
(k) actual attritional losses and large claims losses in the relevant year;
(1) arrangements with respect to property catastrophe recoverables;
(m) mutual fund disclosures;
(n) summary of projected performance;
(o) summary of long-term product features and risks;
(p) financial impact and description of stress and scenario tests;
(q) investments and derivatives strategies and policy;
(r) modified co-insurance arrangements;
(s) deferred accumulation annuities disclosures;
( t$)$ reconciliation from group financial statements to group Form 1EBS;
(u) description of the insurance group's risk management program;
(v) the risk register;
(w) list of statutory lines and statutory territories that have catastrophe exposures;
(x) Revoked;
(y) Revoked;
(z) Revoked; and
(aa) details of deposit assets and liabilities.

## INSTRUCTIONS AFFECTING SCHEDULE V:

(a) the governance structure must disclose-
(i) the name of the parent company;

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

(ii) the structure of the parent company's board of directors, including names role, residence, and work experience;
(iii) the management structure of the parent company; including names, role, work experience, employee arrangement and description of responsibilities of the chief and senior executive;
(iv) terms of reference of the parent company board and its sub-committees;
(v) all major shareholder controllers; and
(vi) the group organisational chart.
(b) the group structure must disclose-
(i) list of regulated entities, the sectors in which they operate in and their place of incorporation grouped by country or state (for United States);
(ii) list of unregulated entities, the sectors in which they operate in and their place of incorporation grouped by country or state (for United States);
(iii) the description of the strategic purpose of each entity;
(iv) the type of each entity categorized either as a holding entity, operating entity, branch, or other;
(v) the description of the products and services sold to external parties;
(vi) the total assets of each entity;
(vii) the total net assets or equity of each entity;
(viii) the gross and net premiums written of each entity, if applicable;
(ix) group's participation share (percentage) of each entity; and
(x) sector classification is as follows:

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

(c) intra-group transactions that the insurance group's risk concentrations shall include the following-
(i) details of material intra-group transactions between and among the members of the group, including (where applicable):
(A) exposure value (face value or market value, if the latter is available);
(B) counterparties involved including where they are located; and
(C) summary details of the transactions - including purpose, terms and transaction costs, duration of the transaction and performance triggers;
(ii) details surrounding all intra-group reinsurance and retrocession arrangements, and other intra-group risk transfer insurance business arrangements including:
(A) aggregated values of the exposure limits (gross and net) by counterparties broken down by counterparty rating;
(AA) counterparties involved, including where they are located;
(B) aggregated premium flows between counterparties (gross and net); and
(C) the proportion of the group's insurance business exposure covered by internal reinsurance, retrocession and other risk transfer insurance business arrangements;
(iii) details of the ten largest exposures to unaffiliated counterparties and any other unaffiliated counterparty exposures or series of linked unaffiliated counterparty exposures, excluding $10 \%$ of the group's statutory capital and surplus, including:
(A) name of unaffiliated counterparty, including where the counterparty is located;
(B) exposure values (face value or market value, if the latter is available); and
(C) transaction type;
(d) Revoked;
(e) the effective duration of assets must be determined using the aggregate of the bonds and debentures (as reflected in Form1EBS, 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;
(f) the effective duration of liabilities must be determined using the reserves (as reflected in Form 1EBS, Lines 17(d) and 27(d)) as a basis;
(g) a description of the process used for determining the effective duration of assets calculation and effective duration of liabilities calculation, and key assumptions for these calculations;
(h) the gross probable maximum loss for natural catastrophe losses arising from general business (prior to reinsurance) must be calculated at the $99.0 \%$ Tail Value-at-Risk level for annual aggregate exposure to all risks and all perils, including reinstatement premiums, for the year following the relevant year based upon the insurance group's catastrophe model. The documentation used to derive the gross probable maximum loss must be retained for at least 5 years from the date required at the designated insurer's office and made available to the Authority upon request;
(i) the net probable maximum loss for natural catastrophe losses arising from general business (after reinsurance) must be calculated at the $99.0 \%$ TVaR level for annual aggregate exposure to all risks and all perils, including reinstatement premiums, for
the year following the relevant year based on the insurance group's catastrophe model, with the documentation used to derive the net probable maximum loss be retained for at least 5 years commencing from the date required at the designated insurer's office and made available to the Authority upon request;
(j) the average annual loss for general business excluding property catastrophe must be calculated as follows-
(i) the expected net natural catastrophe loss arising from general business (after reinsurance), including reinstatement premiums, for annual aggregate exposure to all risks and all perils other than those relating to the property catastrophe statutory line of general insurance business (as described under the Instructions Affecting Schedule III) for the year following the relevant year based on the insurance group's catastrophe model;
(ii) the calculation should be determined from the same underlying loss distribution used to determine the gross probable maximum loss and the net probable maximum loss (excluding the property catastrophe component); and
(iii) the supporting documentation used to derive the average annual loss must be retained for at least 5 years commencing from the date required at the designated insurer's office and made available to the Authority upon request.
(k) the actual attritional losses and large claims losses in the relevant year shall disclose the actual aggregate losses (classified by the insurance group as attritional and large claims losses in accordance with its own policy) experienced by the insurance group in the relevant year (not including prior year reserve releases or adverse development);
(1) 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
(m) mutual fund disclosures shall include the name, type and amount of each mutual fund used by the members of the group;
(n) the summary of projected performance by the insurance group for the year following the relevant year shall disclose -
(i) the insurance group's latest estimate of annual net premiums written;
(ii) the estimated underwriting profit or loss;
(iii) the estimated net income or loss; and
(iv) a qualitative description of the insurance group's business and underwriting strategy to be used in an attempt to achieve the estimates in (i) and (iii) above;
(o) the summary of long-term product features and risks must cover the primary longterm product features and benefits provided and any policyholder options or guarantees that could materially affect the insurance group;
(p) the financial impact and description of stress and scenario tests shall disclose the results from the stress and scenario tests prescribed by the Authority annually and published in such manner as the Authority directs;
(q) the investments and derivatives strategies and policy must disclose -
(i) a description of the insurance group's investment strategy governing investment selection and composition of the group's investment portfolio; and
(ii) a description of the policies and strategies surrounding the use of derivatives and other hedging instruments;
(r) modified co-insurance arrangements shall disclose details of such arrangements including-
(i) name of ceding company;
(ii) type of coverage;
(iii) amount of reserve; and
(iv) aggregate asset allocation (book value) and the related affiliated or unaffiliated cedant;
(s) deferred accumulation annuities disclosures shall include-
(i) total reserves for deferred accumulation annuities;
(ii) total reserves for deferred accumulation annuities with contractual guaranteed annuitization rates;
(iii) total reserves for deferred accumulation annuities annuitized in the past year at contractual guaranteed rates (prior to annuitization); and
(iv) total reserves for deferred accumulation annuities annuitized in the past year at contractual guaranteed rates (post annuitization);
( t ) a reconciliation of amounts reported in total assets, total liabilities, net income and total statutory capital and surplus comprising of any adjustments applied to the group's GAAP financial statements to arrive at the Form 1EBS;
(u) the description of the insurance group's risk management program shall disclose -
(i) a description of the risk management process, including how the risk management program is used for strategic management decision- making, capital allocation and capital adequacy;
(ii) a description of the governance surrounding the risk management process including the identification of the owners of the process and the extent of the board of directors' involvement;
(iii) a description of the risk appetite including the process for setting and embedding risk limits, and the identification of the types of stress testing carried out to ascertain the suitability of the risk appetite; and
(iv) a description of the process undertaken to monitor material risk concentration;
(v) risk register disclosing -
(i) a description of the insurer's material risks;
(ii) owners of the respective risks;
(iii) the impact and probability of the risk and the overall risk crystallizing expressed as quantitative or qualitative measures;
(iv) a summary of risk mitigation/controls in place and an assessment of their effectiveness in reducing the probability and/or impact of the risk; and

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(v) overall assessment of the impact and probability of the residual risk expressed as quantitative or qualitative measures;
(w) 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 <br> York, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, <br> the District of Columbia, Alabama, Arkansas, Louisiana, Mississippi, Texas, <br> Florida, Georgia, North Carolina, and South Carolina |
| 2 | Caribbean |
| 3 | Arizona, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, <br> Montana, Minnesota, Missouri, Nebraska, Nevada, New Mexico, North Dakota, <br> 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 |

(x) Revoked
(y) Revoked
(z) Revoked
(aa) In respect of business for which deposit accounting approaches have been followed: a description of business, total assets held in trust or other collateral, 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 $99.0 \% \mathrm{TVaR}$ and for business with unlimited exposure, provide details of such business.".

## SCHEDULE VI <br> (Paragraph 6) <br> Schedule of fixed income securities

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);
(vii) average duration and convexity; and
(c) include the effective duration and the convexity of the portfolio;

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## SCHEDULE VII

SCHEDULE OF LONG-TERM BUSINESS DATA AND RECONCILIATION
All amounts expressed in
..................................
(currency used)

|  |  | (1) | (7) | (9) | (10) | (11) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Net Amount at Risk |  |  |
| $\begin{aligned} & \text { Line } \\ & \text { No } \end{aligned}$ | Description | Bermuda <br> EBS Best <br> Estimate <br> Provision | BSCR Adjusted Reserve [Greater of Column (1) and 0 | Adjustable Product/ <br> Treaty (000) | Nonadjustable Product/ Treaty (000) | $\begin{aligned} & \text { Total } \\ & (000) \\ & \hline \end{aligned}$ |
| 1. | Mortality (term assurance, whole life, universal life) |  |  |  |  |  |
| 2. | Critical illness (including accelerated critical illness products) |  |  |  |  |  |
| 3. | Longevity (immediate pay- out annuities, contingent annuities, pension pav- outs) |  |  |  |  |  |
|  | Attained age of annuitant: |  |  |  |  |  |
|  | (a) 0-55 |  |  |  |  |  |
|  | (b) 55-65 |  |  |  |  |  |
|  | (c) 66-70 |  |  |  |  |  |
|  | (d) 71-80 |  |  |  |  |  |
|  | (e) $81+$ |  |  |  |  |  |
|  | (f) Total |  |  |  |  |  |
| 4. | Longevity (deferred pay- out annuities, future contingent annuities, future pension pay-outs) |  |  |  |  |  |
|  | Age at which annuity benefits commence |  |  |  |  |  |
|  | (a) 0-55 |  |  |  |  |  |
|  | (b) 55-60 |  |  |  |  |  |
|  | (c) 61-65 |  |  |  |  |  |
|  | (d) 66-70 |  |  |  |  |  |
|  | (e) 71-75 |  |  |  |  |  |
|  | (f) 75+ |  |  |  |  |  |
|  | (g) Total |  |  |  |  |  |
| 5. | Deferred annuities |  |  |  |  |  |
| 6. | Deferred accumulation annuities |  |  |  |  |  |
| 7. | Disability income: active lives - including waiver of premium and longterm care |  |  |  |  |  |
|  | Length of premium guarantee: |  |  | Benefit Period <=2 | Benefit <br> Period >2 | $\begin{aligned} & \hline \text { Total } \\ & (000) \\ & \hline \end{aligned}$ |
|  | (a) <=1 year |  |  |  |  |  |

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|  | (b) >1 year but |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- |
|  | (c) >5 years |  |  |
|  |  |  |  |
|  | (d) Total |  |  |
| 8. | Disability income: active lives - other accident and sickness |  |  |
| 9. | Disability income: claims in payment - including waiver of premium <br> and long-term care |  |  |
| 10. | Disability income: claims in payment - other accident and sickness |  |  |
| 11. | Group life |  |  |
| 12. | Group disability |  |  |
| 13. | Group health |  |  |
| 14. | Stop loss |  |  |
| 15. | Rider (other product riders not included above) |  |  |
| 16. | Total (excluding variable annuities) |  |  |
| 17. | Total for variable annuities |  |  |
| 18. | Total with variable annuities |  |  |

INSTRUCTIONS AFFECTING SCHEDULE VII:
(a) Bermuda EBS best estimate provisions are to be calculated in accordance with Economic Balance Sheet valuation principles under Schedule XIV;
(b) The amounts in columns (12) to (20) shall be the line of business breakdowns of the relevant amounts shown in the Notes to Form 1EBS as set out in Schedule XIV.

SCHEDULE VIII
SCHEDULE OF LONG-TERM VARIABLE ANNUITY GUARANTEES DATA AND RECONCILIATION

| All amounts expressed in ............................... (currency used) |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{aligned} & \text { Line } \\ & \text { No. } \end{aligned}$ |  | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|  | Description |  | Guaranteed Value |  |  | Net Amount at Risk |  |  |
|  |  | Bermuda EBS Best Estimate Provisions | Volatility 0\%-10\% | Volatility $10 \%-15 \%$ | $\begin{gathered} \text { Volatility } \\ >15 \% \end{gathered}$ | Volatility $0 \%-10 \%$ | Volatility 10\%-15\% | Volatility $>15 \%$ |
|  |  | (000) | (000) | (000) | (000) | (000) | (000) | (000) |
|  | In-the-money |  |  |  |  |  |  |  |
| 1. | GMDB: Return of premium, ratchet \& reset |  |  |  |  |  |  |  |
| 2. | GMDB: Enhanced benefits (roll up) |  |  |  |  |  |  |  |
| 3. | GMIB |  |  |  |  |  |  |  |
| 4. | GMWB |  |  |  |  |  |  |  |
| 5. | GEEB |  |  |  |  |  |  |  |
|  | GMAB |  |  |  |  |  |  |  |
| 6. | Time to maturity - 0-1 year |  |  |  |  |  |  |  |
| 7. | Time to maturity - 1-2 years |  |  |  |  |  |  |  |
| 8. | Time to maturity - 2-3 years |  |  |  |  |  |  |  |
| 9. | Time to maturity - 3-4 years |  |  |  |  |  |  |  |
| 10. | Time to maturity -4-5 years |  |  |  |  |  |  |  |
| 11. | Time to maturity - 5-6 years |  |  |  |  |  |  |  |
| 12. | Time to maturity -6-7 years |  |  |  |  |  |  |  |
| 13. | Time to maturity - 7-8 years |  |  |  |  |  |  |  |
| 14. | Time to maturity -8-9 years |  |  |  |  |  |  |  |
| 15. | Time to maturity $->9$ years |  |  |  |  |  |  |  |
| 16. | Out-the-money |  |  |  |  |  |  |  |
| 17. | GMDB: Return of premium, ratchet \& reset |  |  |  |  |  |  |  |
| 18. | GMDB: Enhanced benefits (roll up) |  |  |  |  |  |  |  |
| 19. | GMIB |  |  |  |  |  |  |  |
| 20. | GMWB |  |  |  |  |  |  |  |
| 21. | GEEB |  |  |  |  |  |  |  |
|  | GMAB |  |  |  |  |  |  |  |
| 22. | Time to maturity - 0-1 year |  |  |  |  |  |  |  |
| 23. | Time to maturity - 1-2 years |  |  |  |  |  |  |  |
| 24. | Time to maturity - 2-3 years |  |  |  |  |  |  |  |
| 25. | Time to maturity - 3-4 years |  |  |  |  |  |  |  |
| 26. | Time to maturity -4-5 years |  |  |  |  |  |  |  |
| 27. | Time to maturity - 5-6 years |  |  |  |  |  |  |  |
| 28. | Time to maturity -6-7 years |  |  |  |  |  |  |  |
| 29. | Time to maturity $-7-8$ years |  |  |  |  |  |  |  |
| 30. | Time to maturity - 8-9 years |  |  |  |  |  |  |  |

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| 31. | Time to maturity $->9$ years |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 32. | Percentage of GMDB with multiple guarantees |  |  |  |  |  |


|  |  | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) | $\underline{2}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{gathered} \text { Line } \\ \text { No } \\ \hline \end{gathered}$ | Description | Bound <br> But Not <br> Incepted <br> (BBNI) <br> Premium | Best <br> Estimate <br> Provision In Respect to BBNI | Best <br> Estimate <br> Provision Using <br> Transitional Arrangemen ts | Equivalent of Column (14) if <br> Transitional Arrangemen ts were not used | Scenario <br> Based approach Best Estimate For <br> Technical Provisions | Equivalent of column (16) if the Scenario based approach were not used | Equivale nt of column (16) if the Base Scenario were used | BBNI <br> Premium | $\begin{array}{r} \text { B6 } \\ \text { Esti1 } \\ \text { Prov } \\ \mathrm{I} \\ \text { Res } \\ \text { to B } \end{array}$ |
|  |  | [Form 1EBS, not e Line 27(d)-(i] | [Form 1EBS, not e Line 27(d)-(ii] | [Form 1EBS, note Line 27(d)(iii] | [Form 1EBS, note Line 27(d)(iv] | [Form 1EBS, note Line 27(d)(v] | Form 1EBS, note Line 27(d)-(vi] | [Form 1EBS,not e Line 27(d)-(vii] | [Form 1EBS, note Line 27B(d)-(i] | $\begin{array}{r} \hline[\mathrm{Fo} \\ 1 \mathrm{~EB} \\ \mathrm{e} \text { L } \\ 27 \mathrm{E} \end{array}$ |
| 1. | Mortality (term assurance, whole |  |  |  |  |  |  |  |  |  |
| 2. | Critical illness (including accelerated critical illness products) |  |  |  |  |  |  |  |  |  |
| 3. | Longevity (immediate pay- out annuities, contingent annuities. |  |  |  |  |  |  |  |  |  |
|  | Attained age of annuitant: |  |  |  |  |  |  |  |  |  |
|  | (a) 0-55 |  |  |  |  |  |  |  |  |  |
|  | (b) 55-65 |  |  |  |  |  |  |  |  |  |
|  | (c) 66-70 |  |  |  |  |  |  |  |  |  |
|  | (d) 71-80 |  |  |  |  |  |  |  |  |  |
|  | (e) $81+$ |  |  |  |  |  |  |  |  |  |
|  | (f) Total |  |  |  |  |  |  |  |  |  |
| 4. | Longevity (deferred pay- out annuities, future contingent |  |  |  |  |  |  |  |  |  |
|  | Age at which annuity benefits |  |  |  |  |  |  |  |  |  |
|  | (a) 0-55 |  |  |  |  |  |  |  |  |  |
|  | (b) 55-60 |  |  |  |  |  |  |  |  |  |
|  | (c) 61-65 |  |  |  |  |  |  |  |  |  |
|  | (d) 66-70 |  |  |  |  |  |  |  |  |  |
|  | (e) 71-75 |  |  |  |  |  |  |  |  |  |
|  | (f) 75+ |  |  |  |  |  |  |  |  |  |
|  | (g) Total |  |  |  |  |  |  |  |  |  |

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## INSTRUCTIONS AFFECTING SCHEDULE VIII:

(a) Factors should be applied to NAR defined as:
(i) Guaranteed minimum accumulation benefit (GMAB) - Total claim payable if all contracts mature immediately
(ii) Guaranteed minimum death benefit (GMDB) - Total claim amount payable upon immediate death of all policyholders
(iii) Guaranteed minimum income benefit (GMIB) - Total claim payable upon full and immediate annuitization of all policies using an $80 \%$ factor applied to the GV (the $80 \%$ represents the ratio between current market annuitization factors and the guaranteed annuitization factors)
(iv) Guaranteed minimum withdrawal benefit (GMWB) - Total claim payable if $100 \%$ of the guaranteed withdrawal benefit base in excess of the current account value is withdrawn immediately
(v) Guaranteed enhanced earnings benefit (GEEB) - Total guaranteed enhanced payments upon immediate death of all policyholders
(b) Where ratchets, resets and roll-ups exist, please use the roll-up category
(c) NAR is net of reinsurance.
(d) The proportion used for the account value under reinsurance is the proportion used for NAR.
(e) For the purposes of Schedule VIII, "volatility" is defined as the annual volatility of the fund. In the case where there is no, or insufficient, history of the annual volatility of the fund available to determine volatility, the volatility of the benchmark (for the fund) should be used to determine volatility; and
(f) Bermuda EBS best estimate provisions are to be calculated in accordance with Economic Balance Sheet valuation principals under Schedule XIV

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## SCHEDULE VIIIA <br> (Paragraph 6) <br> SCHEDULE OF LONG-TERM VARIABLE ANNUITY GUARANTEES - INTERNAL CAPITAL MODEL

The Schedule of long-term variable annuity guarantees - internal capital model - shall provide particulars of the following matters-
(a) Information for each section (if applicable)-

|  | $(1)$ | $(2)$ | $(3)$ | $(4)$ | $(5)$ |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  | Bermuda EBS Best <br> Estimate Provisions | Policy <br> count | Account <br> value (000) | Guarantee <br> value (000) | Net amount <br> at risk (000) |
| By policy <br> type: |  |  |  |  |  |
| By number of <br> years since <br> issuance: |  |  |  |  |  |
| By policy <br> position (in <br> the money vs. <br> out of the <br> money): |  |  |  |  |  |
| By fund <br> volatility |  |  |  |  |  |
| By number of <br> years to next <br> maturity (for <br> GMAB only): |  |  |  |  |  |

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

| Line Schedule No. |  | (6) | (7) |
| :---: | :---: | :---: | :---: |
|  | Description | Without Hedging (000) | With Hedging (000) |
| 2. | Prescribed economic stress tests: |  |  |
|  | (a) Equity - immediate shock of $20 \%$ to separate account funds |  |  |
|  | (b) Absolute immediate increase of $10 \%$ in implied volatility |  |  |
|  | (c) Interest rates - immediate parallel shift up/down by 100bps |  |  |
| 3. | Stresses to actuarial assumptions for mortality and policyholder behavior |  |  |
|  | (a) (Provide description) |  |  |
|  | (b) (Provide description) |  |  |
|  | (c) (Provide description) |  |  |
|  | (d) (Provide description) |  |  |

(c) An actuarial memorandum-The insurance group must file with the Authority an actuarial memorandum that should minimally include the particulars described below. When the information is already available in other documents within the Capital and Solvency Return, it is acceptable to attach those documents and simply make reference to them in the actuarial
memorandum. The insurance group should indicate any significant changes from the last memorandum filed with the Authority

| Line <br> No. | Section | Provide a brief summary or description of the following details under each section: |
| :---: | :---: | :---: |
| 1. | Executive summary | Required capital amount and drivers of result; <br> Key risks and associated risk mitigation techniques; and The modeling methods used. |
| 2. | Overview of business | Type of business; and Key product features and specifications |
| 3. | Key risk exposures | Qualitative description of key risk exposures, such as economic, mortality, surrender, annuitisation, withdrawal, expense and counterparty risks |
| 4. | Description of model | The approach used to calculate total assets and required capital; <br> Key model details, including: <br> - Source of asset and liability data; <br> - Aggregations used to generate model cells; <br> - Allocation of assets to variable annuity blocks; <br> - The reserve basis; <br> - Timestep of model (e.g. monthly); <br> - The rate used to accumulate and discount cash flows; and <br> -The treatment of interim solvency (e.g. how are periods of negative cash flows followed by positive cash flows allowed for) |
| 5. | Description of assumptions | Basis for economic scenarios, including underlying model and parameters; Information on the average return and volatility on the equity investment funds; For mortality and all policyholder behavior assumptions (e.g. premium payments, withdrawals, annuitizations, and lapses): <br> - Source of data (e.g. company-specific experience); <br> - Any margins for conservatism that were used; and <br> - Any future mortality improvement; <br> Approach to investment fund mapping; <br> Insurer's crediting strategy; <br> Expenses and commissions; <br> Treatment of taxes; and <br> Future management actions (other than hedging and reinsurance |
| 6. | Reinsurance | Reinsurance (both assumed and ceded), including a list of counterparties; Nature of arrangements, including caps, floors and recapture provisions; The approach to modeling these |


|  |  | arrangements; and Collateral requirements, if relevant. |
| :---: | :---: | :---: |
| 7. | Hedging | Business covered; <br> Hedge target; <br> Hedged parameters (i.e. Greeks) managed/monitored by the insurer; Internal governance procedures; Currently-held derivatives and range of derivatives approved for trading; <br> Unhedged exposures; <br> Historical hedge effectiveness; <br> Sample attribution reports; and <br> How hedging is reflected in the determination of required capital and stress tests, including how any modeling limitations or simplifications are addressed. |
| 8. | Risk mitigation arrangements other than hedging | Business covered; <br> Nature of arrangements; <br> Internal governance procedures; and Other supporting details such as internal analyses, historical results, etc. |
| 9. | Results and model output | Capital results (summarised also in Line 1 of the Table under b)) and commentary; <br> Results of stress tests (summarised also in Lines 2 and 3 of the Table under b)) with description and justification for tests selected and commentary on results; Sensitivity results for key assumptions/risk exposures; and <br> The output from model for a single scenario in the tail (e.g. that which most closely corresponds to the TVaR 95\% result) showing cash flows by guaranteed rider type, accumulation and discounting of cash flows, and total assets required for that scenario. |
| 10. | Reviewer and signatory | The memorandum is required to be reviewed and signed by the Approved Actuary |

INSTRUCTIONS AFFECTING SCHEDULE VIIIA
Bermuda EBS best estimate provisions are to be calculated in accordance with Economic Balance Sheet valuation principals under Schedule XIV

## SCHEDULE IX <br> (Paragraph 6) <br> SCHEDULE OF GROUP'S SOLVENCY SELF ASSESSMENT (GSSA)

The Schedule of GSSA shall provide particulars of the following matters:
(a) Table 15: GSSA capital summary disclosing the insurance group's own capital computations, insurance group's plans for raising additional capital and contingency arrangements impacting the available capital.
(b) Table 15A: GSSA general questions relating to an insurance group's risk management and governance program, the review and approval of GSSA, integration of GSSA into the strategic decision making process of an insurance group.
(c) Table 15B: GSSA assessment of material risks of the insurance group, the determination of both the quality and quantity of capital required to cover its risks, the forward looking analysis and its ability to manage its capital needs, the review and approval of GSSA and the governance and controls surrounding model(s)/tool(s) used to compute the GSSA capital.

## TABLE 15

GSSA Capital Summary

| Risk categories | GSSA capital | Regulatory capital |
| :--- | :--- | :--- |
| Insurance Underwriting Risk |  |  |
| Market risk |  |  |
| Credit risk |  |  |
| Liquidity risk |  |  |
| Group, Concentration, Reputational <br> and Strategic risk |  |  |
| Other (specify) |  |  |
| Total capital pre-diversification <br> between risk categories |  |  |
| Diversification credit between risk <br> categories |  |  |
| Total capital after diversification <br> between risk categories before <br> operational risk |  |  |
| Operational risk |  |  |
| Total capital after diversification and <br> operational risk |  |  |

Where:
(a) GSSA capital is the amount of capital the insurance group 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 Group BSCR or an approved group internal capital model at $99.0 \%$ Tail Value-at-Risk ("TVaR") over a one year time horizon.
(c) Insurance underwriting risk shall include the following as defined in paragraph 2 :

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

Table 15 Cont'd ADDITIONAL INFORMATION

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

- 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. $\qquad$ (Please provide a description)

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

- correlation matrix;
- linear correlations;
- T copulas;
- gumbel copulas
- clayton copulas;
- causal drivers approach e.g., inflation, cycles; and
- others. $\qquad$ (Please provide a description)

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

- 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. $\qquad$ (Please provide a description)

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

If yes, briefly describe the arrangement(s) and the aggregate exposure.
5. Has the parent down streamed debt to establish equity positions (participations), or engaged in double or multiple gearing? (Yes or No)

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

If yes, provide details and amount of capital.
7. Are there any assets of a subsidiary of the group that are restricted for use that cannot be transferred to another subsidiary or the parent, 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:
Name and jurisdiction(s) of the subsidiary(ies):
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 $\underline{\mathbf{x x x}}$

## INSTRUCTIONS AFFECTING TABLE 15:

(a) Total capital pre-diversification between risk categories is derived by aggregating all the risk categories prior to recognition of diversification between the risk categories (i.e., prior to "top of the house" diversification);
(b) Total capital after diversification between risk categories shall be derived by deducting the diversification benefit (calculated by an insurance group) from the "Total capital pre- diversification between risk categories"; and
(c) Where a question/section is not applicable to an insurance group or the options provided do not fully reflect the insurance group's position, the insurance group shall include a brief description.

## TABLE 15A

## GSSA General Questions

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

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

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

2. Has the insurance group applied reverse stress testing to both identify the scenarios that could cause business failure and the required actions to manage such situations? (Yes or No)
3. Is the GSSA process clearly documented and regularly amended for changes in strategic direction, risk management framework, and market developments? (Yes or No)
4. How often is the information underlying GSSA discussed and reviewed by the board of directors, and chief and senior executives of the insurance group?
5. Have the parent's board and chief and senior executives of the insurance group ensured that an appropriate oversight process is in place, including an appropriate level of independent verification, whereby material deficiencies are reported on a timely basis and suitable actions taken? (Yes or No)

Optionally, the insurance group may provide brief comments.

## INSTRUCTIONS AFFECTING TABLE 15A:

- Where a question/section is not applicable to an insurance group or the options provided do not fully reflect the insurance group's position, a brief description shall be included; and
- Independent verification shall be conducted by an internal or external auditor or any other appropriately skilled internal or external function, as long as they have not been responsible for the part of the GSSA process they review, and are therefore deemed to be independent in their assessment.


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## TABLE 15B

## GSSA Assessment of Material Risks of the Insurance Group

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

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

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

1. Date the assessment was completed.
2. A description of the insurance group's business and strategy.
3. The identification and assessment of all reasonably foreseeable material risks, 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 insurance group's risk appetite, including limits imposed, how they are enforced.
6. Assumptions and methodology used to assess and aggregate risks.
7. A forward-looking analysis of the risks faced by the insurance group over its planning horizon and an analysis demonstrating the ability to manage its business and capital needs in adverse circumstances and still meet regulatory capital requirements.
8. An evaluation of whether the insurance group has sufficient capital and liquidity available, including an assessment of whether capital is fungible and assets are transferable, to achieve its strategic goals over its planning horizon and any potential adverse consequences if insufficient.
9. A description of business continuity and disaster plans.
10. A description of how the results of the self-assessment are integrated into the management and strategic decision making process.
11. For each material risk identified under 2 above, the submission should minimally include:
(a) Identification of the risk owner, qualifications and responsibilities.
(b) The key performance indicators used to monitor compliance with the risk appetite.
(c) The risk drivers (e.g. for catastrophe risk the drivers could be US earthquake, European windstorm, terrorism, etc.)
(d) The primary model(s)/tool(s) used to calculate the GSSA capital for the risk, where applicable.
(e) The primary sources of data used as inputs to the model(s)/tool(s).
(f) The key assumptions used in the assessment of the risk.
(g) A description and quantitative impact of stress and scenario testing (if any) on capital including key assumptions and how the testing results were used to inform the selfassessment and determination of GSSA capital.
(h) A description of measures taken to transfer or otherwise mitigate the risk.
(i) Quantification of the risk if the insurance group is holding capital against it both pre and post diversification.

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

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

## Governance

(a) Does the parent's board of directors, chief and senior executives approve the design, maintenance and use of the model(s)/tool(s)?
(b) How often does the parent's board or relevant board committees review outputs, changes and issues arising from the model(s)/tool(s) (review should be documented e.g. minutes, presentations etc.)?
(c) Does the board and chief and senior executives of the insurance group have a general understanding of the key assumptions/elements and the implications of the outputs (including limitations) of the model(s)/tool(s)?

## Validation

(d) Is the model(s)/tool(s) subject to a regular cycle of validation; which includes the monitoring of performance, review of appropriateness of model specifications and testing of forecast results against actual results?
(e) How often is the validation of the model(s)/tool(s) performed?
(f) Does the validation process demonstrate that the model(s)/tool(s) remain suitable during changing conditions (e.g. changes in inflation, interest rate, etc.)? If no, provide comments.

## Documentation

(g) Does the insurance group have formal documentation of the structure, design, operational details, input assumptions, parameters, governance process and controls of the model(s)/tool(s)?
(h) If yes, to what extent is the model(s)/tool(s) documented such that it can be used by new personnel with limited user experience? (include comments for partial or no documentations)
(i) How often does the parent's board of directors or chief and senior executives review and approve the model/input documentation?

## Internal controls

(j) How does the insurance group rate the effectiveness of the controls in place to monitor and evaluate the operation and maintenance of the model(s)/tool(s)?
(k) Are there strict protocols in place restricting access to the model(s)/tool(s) and ability to make adjustments thereto?

## Others

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

## INSTRUCTIONS AFFECTING TABLE 15B:

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

## SCHEDULE X <br> (Paragraph 6) <br> GROUP GENERAL BUSINESS CATASTROPHE RISK RETURN

The schedule of group general business 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 insurance group's exposure to loss arising from natural catastrophe from all insurance and reinsurance operations including the impact of any insurance-linked securities for all perils combined for the year following the relevant year based upon the insurance group's catastrophe model.
(b) EP curve for insurance (Table 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): Insurance groups 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 16C): Insurance groups 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: insurance groups 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): insurance groups 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 16
EP Curve Total

1. Exceedance probability information

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


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

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

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

5. Supplemental perils and model options

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

6. Other adjustments information

|  | Select | If no, briefly <br> explain |
| :--- | :---: | :---: |
| Adjustments for exposure data quality |  |  |
| Adjustments for insurance to value |  |  |
| Adjustments for exposure growth |  |  |
| Supplemental losses for non-modeled line of <br> 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 <br> for all adjustments applied: |  |  |
| Is this average loading factor determined <br> analytically or estimated? |  |  |
| Which vendor catastrophe models ("cat model") <br> do you include in this modeling: |  |  |
| Which version of the model or version of the <br> region-peril models are used for each cat model <br> as appropriate: |  |  |

## INSTRUCTIONS AFFECTING TABLE 16:

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

TABLE 16A
EP Curve Total

1. Exceedance probability information

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


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

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

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

5. Supplemental perils and model options

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

6. Other adjustments information

|  | Select | If no, briefly <br> explain |
| :--- | :--- | :---: |
| Adjustments for exposure data quality |  |  |
| Adjustments for insurance to value |  |  |
| Adjustments for exposure growth |  |  |
| Supplemental losses for non-modeled line of <br> 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 <br> for all adjustments applied: |  |  |
| Is this average loading factor determined <br> analytically or estimated? |  |  |
| Which vendor catastrophe models ("cat model") <br> do you include in this modeling: |  |  |
| Which version of the model or version of the <br> region-peril models are used for each cat model <br> as appropriate: |  |  |

## INSTRUCTIONS AFFECTING TABLE 16A:

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

TABLE 16B
EP Curves for Region-Perils
The insurance group shall complete the table below for each of the following region-perils:

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


## Exceedance probability information

Which model(s) is used for EP Curve?

Indicate the model version

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


| Exposure to each region-peril | Gross loss | Net loss |
| :--- | :---: | :---: |
|  | $(\$ \mathrm{M})$ | $(\$ \mathrm{M})$ |
| Total statutory property catastrophe premium |  |  |
| Total all other statutory premium |  |  |
| Total statutory property catastrophe limits |  |  |
| Total all other statutory limits |  |  |

## INSTRUCTIONS AFFECTING TABLE 16B:

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

## TABLE 16C

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 (w))

|  | EP Curve <br> Atlantic <br> Basin <br> Hurricane | EP Curve <br> North <br> American <br> Earthquake | EP Curve <br> European <br> Windstorm | EP Curve <br> Japanese <br> Earthquake | EP Curve <br> Japanese <br> Typhoon | EP Curve <br> All Other <br> Perils |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| Zone 1 |  |  |  |  |  |  |
| Zone 2 |  |  |  |  |  |  |
| Zone 3 |  |  |  |  |  |  |
| Zone 4 |  |  |  |  |  |  |
| Zone 5 |  |  |  |  |  |  |
| Zone 6 |  |  |  |  |  |  |
| Zone 7 |  |  |  |  |  |  |
| Zone 8 |  |  |  |  |  |  |
| Zone 9 |  |  |  |  |  |  |
| Zone 10 |  |  |  |  |  |  |
| Zone 11 |  |  |  |  |  |  |
| Zone 12 |  |  |  |  |  |  |
| Zone 13 |  |  |  |  |  |  |

(b) Exposure to statutory lines of business (Schedule IVA)

|  | EP Curve <br> Atlantic <br> Basin <br> Hurricane | EP Curve <br> North <br> American <br> Earthquake | EP Curve <br> European <br> Windstorm | EP Curve <br> Japanese <br> Earthquake | EP Curve <br> Japanese <br> Typhoon | EP Curve <br> All Other <br> Perils |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| Line 1 |  |  |  |  |  |  |
| Line 2 |  |  |  |  |  |  |
| Line 3 |  |  |  |  |  |  |
| Line 4 |  |  |  |  |  |  |
| Line 5 |  |  |  |  |  |  |
| Line 6 |  |  |  |  |  |  |
| Line 7 |  |  |  |  |  |  |
| Line 8 |  |  |  |  |  |  |
| Line 9 |  |  |  |  |  |  |
| Line 10 |  |  |  |  |  |  |
| Line 11 |  |  |  |  |  |  |
| Line 12 |  |  |  |  |  |  |
| Line 13 |  |  |  |  |  |  |
| Line 14 |  |  |  |  |  |  |
| Line 15 |  |  |  |  |  |  |
| Line 16 |  |  |  |  |  |  |
| Line 17 |  |  |  |  |  |  |
| Line 18 |  |  |  |  |  |  |
| Line 19 |  |  |  |  |  |  |
| Line 20 |  |  |  |  |  |  |
| Line 21 |  |  |  |  |  |  |
| Line 22 |  |  |  |  |  |  |
| Line 23 |  |  |  |  |  |  |
| Line 24 |  |  |  |  |  |  |

## INSTRUCTIONS AFFECTING TABLE 16C:

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

## TABLE 16D

## Accumulations Overview

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

If other, please explain:
7. Is the insurance group's pricing and accumulations fully consistent?
8. What percentage of the total premium (other than insurance business) is written without occurrence limits?
9. Do members of the insurance group 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 16D:

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

TABLE 16E
Data Analysis

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

|  | US specific contracts - all exposures |  |  | All other contracts - all exposures |  |  | Total |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Contract count | Gross limit provided | Net limit provided | Contract count | $\begin{gathered} \text { Gross } \\ \text { limit } \\ \text { provided } \end{gathered}$ | Net limit provided | Contract count | $\begin{gathered} \hline \text { Gross } \\ \text { limit } \\ \text { provided } \end{gathered}$ | Net limit provided |
|  |  | (\$M) | (\$M) |  | (\$M) | (\$M) |  | (\$M) | (\$M) |
| Modelable |  |  |  |  |  |  |  |  |  |
| Not modelable |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |

2. For those contracts that are written by the insurance group 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 | $\begin{gathered} \text { Gross } \\ \text { limit } \\ \text { provided } \\ \hline \end{gathered}$ | Net limit provided | Contract count | $\begin{gathered} \text { Gross } \\ \text { limit } \\ \text { provided } \\ \hline \end{gathered}$ | Net limit provided |
|  |  | (\$M) | (\$M) |  | (\$M) | (\$M) |  | (\$M) | (\$M) |
| Modeled |  |  |  |  |  |  |  |  |  |
| Not Modeled |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |

[^2]|  | US specific contracts - all exposures |  |  | All other contracts - all exposures |  |  | Total |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { Contract } \\ \text { count } \end{gathered}$ | Gross limit provided | Net limit provided | $\begin{gathered} \text { Contract } \\ \text { count } \\ \hline \end{gathered}$ | $\begin{gathered} \text { Gross } \\ \text { limit } \\ \text { provided } \end{gathered}$ | Net limit provided | $\begin{aligned} & \text { Contract } \\ & \text { count } \end{aligned}$ | $\begin{gathered} \hline \text { Gross } \\ \text { limit } \\ \text { provided } \end{gathered}$ | 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 insurance group 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 | $\begin{gathered} \text { Gross } \\ \text { limit } \\ \text { provided } \end{gathered}$ | Net limit provided | Contract count | $\begin{gathered} \text { Gross } \\ \text { limit } \\ \text { provided } \end{gathered}$ | 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 insurance group that may be modeled, but are not modeled, describe what the members of the insurance group do from an accumulation perspective :

## 6. For contracts that are written by the insurance group 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 | $\begin{gathered} \hline \text { Gross } \\ \text { limit } \\ \text { provided } \end{gathered}$ | Net limit provided | Contract count | $\begin{gathered} \hline \text { Gross } \\ \text { limit } \\ \text { provided } \\ \hline \end{gathered}$ | Net limit provided |
|  |  | (\$M) | (\$M) |  | (\$M) | (\$M) |  | (\$M) | (\$M) |
| Data deficient |  |  |  |  |  |  |  |  |  |
| No catastrophe model exists |  |  |  |  |  |  |  |  |  |
| Model deficient |  |  |  |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |

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

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

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

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

## INSTRUCTIONS AFFECTING TABLE 16E:

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

TABLE 9F
Reinsurance Disclosures

Reinsurance or Retro information:

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

If there are reinsurance or retro contracts that are purchased by the insurance group 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, manmade and pandemic perils covered on aggregate basis.

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TABLE 16G
Conventional Insurance Terrorism Exposure - 150m Defined Geographical Radius

| \% |  | U.S. State/ Province (if applicable) | Country | Direct terrorism property exposure(\$M) | Total gross exposure (\$M) | TRIP or other terror pool recoverables if any (\$M) | Reinsurance recoveries if any (\$M) | Total net exposure (\$M) | Target location (if known) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| O | 1 |  |  |  |  |  |  |  |  |
|  | 2 |  |  |  |  |  |  |  |  |
| 0 | 3 |  |  |  |  |  |  |  |  |
|  | 4 |  |  |  |  |  |  |  |  |
|  | 5 |  |  |  |  |  |  |  |  |
| ¢ | 6 |  |  |  |  |  |  |  |  |
|  | 7 |  |  |  |  |  |  |  |  |
|  | 8 |  |  |  |  |  |  |  |  |
|  | 9 |  |  |  |  |  |  |  |  |
|  | 10 |  |  |  |  |  |  |  |  |

TABLE 16G cont'd
NBCR Insurance Terrorism Exposure - State/Country

| $\left.\begin{aligned} & 0 \\ & 0 \\ & 0 \\ & 0 \\ & 0 \\ & 0 . x \\ & 0 \\ & \vdots \\ & \vdots \\ & 0 \\ & 0 \\ & 0 \\ & 0 \\ & 0 \end{aligned} \right\rvert\,$ |  | 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 |  |  |  |  |  |  |  |

## INSTRUCTIONS AFFECTING TABLE 16G:

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 16H
Reinsurance Terrorism Limits

| $\stackrel{0}{7}$ |  | 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 |  |  |  |  |  |  |  |
| 晚 | 3 |  |  |  |  |  |  |  |
|  | 4 |  |  |  |  |  |  |  |
| $\pm$ | 5 |  |  |  |  |  |  |  |
| \% | 6 |  |  |  |  |  |  |  |
| E | 7 |  |  |  |  |  |  |  |
| I | 8 |  |  |  |  |  |  |  |
| O | 9 |  |  |  |  |  |  |  |
|  | 10 |  |  |  |  |  |  |  |

TABLE 16H cont'd

|  |  | U.S. State/ Province <br> (if applicable) | Country | Direct reinsurance <br> limits exposed to <br> terrorism (\$M) | Total gross reinsurance <br> limits exposed to <br> terrorism (\$M) | TRIP or other terror <br> pool recoverables if <br> any (\$M) | Reinsurance <br> recoveries if <br> any (\$M) | Total net reinsurance <br> limits exposed to <br> terrorism (\$M) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

## INSTRUCTIONS AFFECTING TABLE 16H:

- 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.

TABLE 16I
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 16I:

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

SCHEDULE XIA
Schedule Of Regulated Non-Insurance Financial Operating Entities

| Group member 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 |
|  |  |  |  |  |  |  |  | $\underline{\text { XXX }}$ | XXX | $\underline{\mathbf{X X X}}$ | XXX |

## INSTRUCTIONS AFFECTING SCHEDULE XIA:

(a) the insurance group's regulatory capital requirement for regulated non-insurance financial operating entities, where the parent company exercises either control or significant influence, shall be calculated in accordance with Schedule XIA and shall form part of the insurance group's BSCR - where "control" and "significant influence" has the same meaning given in subparagraph 19(4) of the Group Rules;
(b) the name of the entity and its jurisdiction of incorporation shall be provided;
(c) the sector classification of each of the insurance group's regulated non-insurance financial operating entities shall be provided as prescribed in the Instructions Affecting Schedule V paragraph (b);
(d) the description of the strategic purpose of each entity shall be provided;
(e) the entity type shall be provided;
(f) the description of the products and services offered to external parties of each entity shall be provided;
(g) the insurance group's participation categorised, whether control or significant influence, on each registered entity shall be provided;
(h) the percent of participating interest of the insurance group on each registered entity shall be provided;
(i) the total assets of each entity shall be provided;
(j) the investment amount shall be (1) the equity value of the insurance group's investment in such regulated entities where the insurance group has significant influence and has accounted under the equity method of accounting as aggregated in Form 1EBS, Line 4(d) and (2) the net asset value of the group's investment in these regulated entities where the group exercises control shall be provided;
$(\mathrm{k})$ the regulatory capital requirement $(\mathrm{RCR})$ shall be provided based on the jurisdiction's solvency laws for the regulated sector in which the entity is licensed to conduct non- insurance financial business; and
(1) the insurance group's proportionate share of each entity's RCR.

SCHEDULE XIB
(Paragraph 6)
Unregulated Entities Where The Parent Exercises Control

| Group member name | Jurisdiction | Sector classification | Strategic purpose | Entity type | Products \& services offered | Group member category | Percentage of participating interest | Total assets | Net assets | Applicable capital charges | Capital requirement |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  | x.x\% | XXX | XXX |  | XXX |
|  |  |  |  |  |  |  | x.x\% | XXX | XXX |  | XXX |
|  |  |  |  |  |  |  | x.x\% | XXX | XXX |  | XXX |
|  |  |  |  |  |  |  |  | $\underline{\mathbf{x x x}}$ | XxX |  | XXX |

## INSTRUCTIONS AFFECTING SCHEDULE XIB:

(a) the insurance group's capital requirement for unregulated entities where the parent company exercises control over these entities shall be calculated in accordance with Schedule XIB and shall form part of the insurance group's BSCR - where "control" has the same meaning given in subparagraph 19(4) of the Group Rules;
(b) the name of the entity and its jurisdiction of incorporation shall be provided;
(c) the sector classification of each of the insurance group's unregulated entities where the group exercise control shall be provided as prescribed in the Instructions Affecting Schedule V paragraph (b);
(d) the description of the strategic purpose of each entity shall be provided;
(e) the entity type shall be provided;
(f) the description of the products and services offered to external parties of each entity shall be provided;
(g) the unregulated entities where the parent company exercises control shall be categorized based on the nature of its business activities, as follows: unregulated entities that conduct ancillary services, unregulated non-financial operating entities or unregulated financial operating entities;
(h) the percentage of participating interest on each unregulated entity where the insurance group exercises control shall be provided;
(i) the total assets of each unregulated entity shall be provided;
(j) the net asset value of the group's investment in these unregulated entities shall be provided;
$(\mathrm{k})$ the capital charge applied to each unregulated entity are as follows: $0 \%$ to unregulated entities that conduct ancillary services; $15 \%$ to unregulated non-financial operating entities; and $50 \%$ to unregulated financial operating entities; and
(l) the insurance group's proportionate share of each unregulated entity's capital.

SCHEDULE XIC
Schedule Of Unregulated Entities Where the Parent Exercises Significant Influence
$\left.\begin{array}{|c|c|c|c|c|c|c|c|c|c|}\hline \begin{array}{c}\text { Group member } \\ \text { name }\end{array} & \text { Jurisdiction } & \begin{array}{c}\text { Sector } \\ \text { classification }\end{array} & \begin{array}{c}\text { Strategic } \\ \text { purpose }\end{array} & \begin{array}{c}\text { Entity } \\ \text { type }\end{array} & \begin{array}{c}\text { Products \& } \\ \text { services } \\ \text { offered }\end{array} & \begin{array}{c}\text { Group } \\ \text { member } \\ \text { category }\end{array} & \begin{array}{c}\text { Percentage of } \\ \text { participating } \\ \text { interest }\end{array} & \text { Total assets }\end{array} \begin{array}{c}\text { Proportionate share of } \\ \text { the investment amount } \\ \text { (equity method) }\end{array}\right\}$

## INSTRUCTIONS AFFECTING SCHEDULE XIC:

(a) the insurance group's capital requirement for unregulated entities where the parent company exercises significant influence shall be calculated in accordance with paragraph 3 under the equity investment risk charge - where "significant influence" has the same meaning given in subparagraph 19(4) of the Group Rules - and Schedule XIC shall provide particulars of these entities;
(b) the name of the entity and its jurisdiction of incorporation shall be provided;
(c) the sector classification of each of the insurance group's unregulated entities (significant influence) shall be provided as prescribed in the Instructions Affecting Schedule V paragraph (b);
(d) the description of the strategic purpose of each entity shall be provided;
(e) the entity type shall be provided;
(f) the description of the products and services offered to external parties of each entity shall be provided;
(g) the unregulated entities where the parent company exercises significant influence shall be categorized based on the nature of its business activities, as follows: unregulated entities that conduct ancillary services, unregulated non-financial operating entities or unregulated financial operating entities;
(h) the percent of participating interest on each unregulated entity (significant influence) shall be provided;
(i) the total assets of each entity shall be provided;
(j) the insurance group's proportionate share of the carrying investment amount/value under the equity method.

## Schedule of Entities' Capital Deducted From

| Group member name | Jurisdiction | Sector classification | Strategic purpose | Entity type | Products \& services offered | Participation | Group member category | Reason for data deficiency | Total assets | Net assets |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  | x.x\% |  | XXX | XXX |
|  |  |  |  |  |  |  | x.x\% |  | XXX | XXX |
|  |  |  |  |  |  |  | x.x\% |  | XXX | XXX |
|  |  |  |  |  |  |  |  |  | $\underline{\mathbf{X X X}}$ | XXX |

## INSTRUCTIONS AFFECTING SCHEDULE XID:

(a) for entities where an insurance group cannot supply the necessary data for the Authority to determine a risk profile or to calculate contributions of these entities to the group's eligible capital, Schedule XID shall be used to calculate these entities' capital to be deducted from the insurance group's available statutory capital and surplus;
(b) the insurance group shall provide the name and jurisdiction of these entities;
(c) the sector classification of each of the group's member entities shall be provided as prescribed in the Instructions Affecting Schedule V paragraph (b);
(d) the description of the strategic purpose of each entity shall be provided;
(e) the entity type shall be provided;
(f) the description of the products and services offered to external parties of each entity shall be provided;
(g) the parent company's participation categorised, whether control or significant influence, on each entity shall be provided;
(h) the entities shall be categorised based on the nature of its business activities, as follows: unregulated entities that conduct ancillary services, unregulated non-financial operating entities, unregulated financial operating entities, regulated insurance financial operating entities, regulated non-insurance financial operating entities;
(i) the reason for data deficiency shall be included, as follows: unknown strategic purpose/nature of operations or insufficient information surrounding eligible capital;
(j) the total assets of these entities shall be provided; and
$(\mathrm{k})$ the net asset or equity values of these entities shall be provided.

SCHEDULE XII
(Paragraph 6)

Schedule of Group Minimum Margin of Solvency

| Group member <br> name | Jurisdiction | Entity <br> type | Participation <br> Type | Percentage of <br> participating interest | Net Premiums <br> Written | Total <br> assets | Minimum Margin <br> of Solvency (MSM) | Proportionate <br> Share on the MSM |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

## INSTRUCTIONS AFFECTING SCHEDULE XII:

The insurance group shall provide the following information to calculate the insurance group's minimum margin of solvency:
(a) the name of the registered entity for which the parent company exercises control or significant influence - where "control" and "significant influence" has the same meaning given in subparagraph 19(4) of the Group Rules;
(b) the name of the jurisdiction in which the entity is licensed or registered;
(c) the entity type shall be provided;
(d) the group's participation interest of each registered entity;
(e) the minimum margin of solvency for each registered entity as determined by the jurisdiction where the group's entity is licensed or registered;
(f) the insurance group's proportionate share of the registered entity's minimum margin of solvency requirement, as prescribed in subparagraph 19(1) and subparagraph 19(2) of the Group Rules; and
(g) the highest regulatory capital requirement level (ECR equivalent) for each registered entity as determined by the jurisdiction where the group's entity is licensed or registered.

SCHEDULE XIII
SCHEDULE OF GROUP ELIGIBLE CAPITAL
[blank] name of Parent
as at [blank] (day/month/year)
All amounts are expressed in $\qquad$ (currency used)

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

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

## Table 17

SCHEDULE OF GROUP ELIGIBLE CAPITAL

| SCHEDULE OF GROUP ELIGIBLE CAPITAL |  |  |
| :---: | :---: | :---: |
|  | Total available economic statutory capital and surplus Form 1EBS, Line 4 plus applicable adjustments) | XXX |
|  | Less: Encumbered assets not securing policyholders' obligations (Notes to Form 1EBS, Line 15) | XXX |
|  | Less: Relative liability or contingent liability (included on Form1EBS) for which the encumbered assets are held | XXX |
|  | Subtotal | XXX |
| TIER 1-BASIC CAPITAL |  |  |
| (a) | Fully paid common shares (Form 8, Line 1(a)(i)) | XXX |
| (b) | Contributed surplus or share premium (Form 8, Line 1(b)) | XXX |
| (c) | Statutory economic surplus - End of Year (Form 1EBS, Line 40 less Form 8, Line 1(d) | XXX |
| (d) | Capital adjustments | XXX |
|  | Hybrid capital instruments |  |
| (e) | Perpetual or fixed term preference shares (Form 8, Line 1(a)(ii)) | XXX |
| (f) | Other | XXX |
| (g) | Less: Treasury shares (Form 8, Line 1(a)(iii)) | XXX |
| (h) | Less: Difference between encumbered assets for policyholders' obligations and policyholders' obligations, calculated as follows |  |

(i) Contracts where pledged assets exceed the policyholder obligations Contracts where pledged assets are equal to the policyholder obligations
Contracts where pledged assets are less than the policyholder obligations
(iv) Contracts where policyholder obligations are not collateralized
(v) Total
(vi) Excess encumbered assets i.e. contracts where pledged assets exceed the policyholder obligations (Column (B)(i) - Column (A)(i))
Capital requirement applicable to the encumbered assets under (i) above (equal to the contribution of the pledged assets to the ECR)

| Policy | Encum- |
| :---: | :--- |
| holder | bered |
| obligations | (pledged) |
| (Column | assets |
| (A)) | (Column (B)) |


| XXX | XXX |
| :--- | :--- |
| XXX | XXX |
| XXX | XXX |
| XXX |  |
| XXX | XXX |

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| (viii)(ix) | Capital requirement applicable to the policyholder obligations under (i) above (equal to the contribution of the policyholder obligations to the ECR) | XXX |
| :---: | :---: | :---: |
|  | Excess encumbered assets transferable to Tier 2 ((vi)- (vii)-(viii)) | XXX |
| $\begin{array}{rrr} & \text { (xi) } \\ & \text { (xii) } \\ & \text { (xiii) }\end{array}$ | Policyholder obligations that are fully collateralized(Column (A)(i)+ Column (A)(ii) + Column (B)(iii)) | XXX |
|  | Total policyholder obligations (Column (A)(v)) | XXX |
|  | Proportion of policyholder obligations that are not collateralized (1-(x)/(xi)) | XX\% |
|  | Excess encumbered assets transferred to Tier 2 ((ix) x (xii)) | XXX |
|  | Less: Encumbered assets not securing policyholders' obligations (Notes to Form 1EBS, Line 15) | XXX |
|  | Less: Relative liability or contingent liability (included on Form 1EBS) for which the encumbered assets are held | XXX |
| (j) | Less: Residual restricted assets in excess of capital requirements, reported in CISSA, to the extent that these amounts are not included in the encumbered assets for policyholder obligations and not for securing policyholder obligations | XXX |
| TIER 1-ANCILLARY CAPITAL |  |  |
| (a) | Perpetual or fixed term subordinated debt (Form 8, Line 1(c)(i)) | XXX |
| TOTAL TIER | 1 available Capital | XXX |
| TIER 2-BASIC CAPITAL |  |  |
| (a) | Hybrid capital instruments: <br> Perpetual or fixed term preference shares - Qualifying (Form 8, Line 1(a)(ii)) | XXX |
| (b) | Other | XXX |
| (c) | Add: Difference between encumbered assets for policyholders' obligations and policyholders' obligations deducted from Tier 1 | XXX |
| TIER 2 ANCILLARY CAPITAL |  |  |
| (a) | Unpaid and callable common shares (Form 8, Line 1(c)(i)) | XXX |
| (b) | Qualifying unpaid and callable hybrid capital (Form 8, Line 1(c)(i)) | XXX |
| (c) | Qualifying unpaid and callable non-cumulative, perpetual preference shares (Form 8, Line 1(c)(i)) | XXX |
| (d) | Perpetual or fixed term subordinated debt (Form 8, Line 1(c)(i)) | XXX |
| (e) | Approved letters of credit (Form 8, Line 1(c)(ii)) | XXX |
| (f) | Approved guarantees (Form 8, Line 1(c)(ii)) | XXX |
| TOTAL TIER | 2 available Capital | $\underline{\mathbf{X X X}}$ |
| TIER 3 BASIC CAPITAL |  |  |
| (a) | Short-term hybrid capital instruments: <br> Perpetual or fixed-term preference shares - Qualifying (Form 8, Line 1(a)(ii)) | XXX |
| THE 3 ANCILLARY CAPITAL |  |  |
| (a) | Short-term subordinated debt (Form 8, Line 1(c)(i)) | XXX |
|  | Approved letters of credit (Form 8, Line 1(c)(ii)) | XXX |
| (c) | Approved guarantees (Form 8, Line 1(c)(ii)) | XXX |
| TOTAL TIER 3 AVAILABLE CAPITAL |  | $\underline{\mathbf{X X X}}$ |
| TOTAL AVAILABLE STATUTORY ECONOMIC CAPITAL AND SURPLUS |  | $\underline{\mathbf{X X X}}$ |
| REGULATORY CAPITAL LEVELS |  |  |
| Minimum Margin of Solvency |  | $\underline{\mathrm{Xxx}}$ |
| Enhanced Capital Requirement |  | XXX |

## INSTRUCTIONS AFFECTING TABLE 17:

the insurance group shall include all components of the total available statutory capital and surplus (as reflected in Form 1EBS, Line 40) in accordance with the provisions of paragraphs 21 and 22 of the Group Rules. Adjustments under subparagraph 3(3)(b) to (d) shall be made to Tier 1 - basic capital (c) statutory surplus - end of year.

Table 17A
ADDITIONAL
DETAILS

| Description of <br> capital <br> instrument | Date of issue | Maturity date <br> (as applicable) | Date <br> approved by <br> the <br> Authority | Value of the <br> capital <br> instrument | Eligible <br> capital tier |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | XXX |  |

## INSTRUCTIONS AFFECTING TABLE 17A:

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

## SCHEDULE XIV (Paragraph 6)

GROUP STATUTORY ECONOMIC BALANCE SHEET
Schedule XIV Group Statutory Economic Balance Sheet (EBS), shall provide particulars of the following matters-

## Form 1EBS

GROUP STATUTORY ECONOMIC BALANCE SHEET
[blank] name of Parent as at [blank] (day/month/year)
expressed in [blank] (currency used)

| Line No |  | 20XX | 20XX-1 |
| :---: | :---: | :---: | :---: |
| 1. | CASH AND CASH EQUIVALENTS | $\mathbf{X X X}$ | $\mathbf{X X X}$ |
| 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 (equity) | 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 |
| 6. | POLICY LOANS | $\mathbf{X X X}$ | $\mathbf{X X X}$ |
| 7. | REAL ESTATE: |  |  |
| (a) | Occupied by the group (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 |
| (b) | Segregated accounts - LT business - variable annuities | XXX | XXX |
| (c) | Segregated accounts - LT business - other | 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 |  |  |

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| (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 |
| 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 |
|  | LONG-TERM BUSINESS INSURANCE TECHNICAL PROVISIONS |  |  |
| 20. | BEST ESTIMATE RESERVES FOR REPORTED CLAIMS | XXX | XXX |
| 21. | BEST ESTIMATE RESERVES FOR UNREPORTED CLAIMS | XXX | XXX |
| 22. | BEST ESTIMATE POLICY RESERVES - LIFE | XXX | XXX |
| 23. | BEST ESTIMATE POLICY RESERVES - ACCIDENT AND HEALTH | XXX | XXX |
| 24. | BEST ESTIMATE POLICYHOLDERS' FUNDS ON DEPOSIT | XXX | $\mathbf{X X X}$ |
| 25. | BEST ESTIMATE LIABILITY FOR FUTURE | XXX | XXX |

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|  | POLICYHOLDERS' DIVIDENDS |  |  |
| :---: | :---: | :---: | :---: |
| 26. | BEST ESTIMATE OTHER LONG-TERM BUSINESS INSURANCE RESERVES | XXX | $\mathbf{X X X}$ |
| 27. | TOTAL BEST ESTIMATE LONG-TERM BUSINESS INSURANCE PROVISIONS |  |  |
| (a) | Total gross long-term business insurance provisions | XXX | XXX |
| (b) | Less: Reinsurance recoverable balance on long-term business |  |  |
|  | (i) Foreign affiliates | XXX | XXX |
|  | (ii) Domestic affiliates | XXX | XXX |
|  | (iii) Pools \& associations | XXX | XXX |
|  | (iv) All other insurer | XXX | XXX |
| (c) | Total reinsurance recoverable balance | XXX | XXX |
| (d) | Total net long-term business insurance provisions | XXX | XXX |
| 27A. | RISK MARGIN - LONG-TERM INSURANCE BUSINESS | $\mathbf{X X X}$ | $\mathbf{X X X}$ |
| 27B. | LONG-TERM TECHNICAL PROVISIONS CALCULATED AS A WHOLE |  |  |
| (a) | Total gross long-term business insurance technical provisions calculated as a whole | XXX | XXX |
| (b) | Less: Reinsurance recoverable balance on long-term business calculated as a whole |  |  |
|  | (i) Foreign affiliates | XXX | XXX |
|  | (ii) Domestic affiliates | XXX | XXX |
|  | (iii) Pools \& associations | XXX | XXX |
|  | (iv) All other insurer | XXX | XXX |
| (c) | Total reinsurance recoverable balance | XXX | XXX |
| (d) | Total net long-term business insurance technical provisions calculated as a whole | XXX | XXX |
| 27C. | TOTAL LONG-TERM BUSINESS INSURANCE TECHNICAL PROVISIONS | XXX | XXX |
|  | OTHER LIABILITIES |  |  |
| 28. | INSURANCE AND REINSURANCE BALANCES PAYABLE | $\mathbf{X X X}$ | $\mathbf{X X X}$ |
| 29. | COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE | XXX | $\mathbf{X X X}$ |
| 30. | LOANS AND NOTES PAYABLE | XXX | $\mathbf{X X X}$ |
| 31. | TAX LIABILITIES |  |  |
|  | (a) INCOME TAXES PAYABLE | XXX | XXX |
|  | (b) DEFERRED INCOME TAXES | XXX | XXX |
| 32. | AMOUNTS DUE TO AFFILIATES | XXX | $\mathbf{X X X}$ |
| 33. | ACCOUNTS PAYABLE AND ACCRUED LIABILITIES | XXX | $\mathbf{X X X}$ |
| 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 |
| (c) | Segregated accounts - LT business - variable annuities | XXX | XXX |
| (d) | Segregated accounts - LT business - other | 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 |
|  |  |  |  |

## NOTES TO FORM 1EBS

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

| Additional Disclosures |  | 20 XX |
| :--- | :--- | :---: |
| Line 10 | Details of the amount of any collateral placed in favour of the <br> members of the Group | XXX |
| Line 11(e) | Details of the amount of any collateral placed in favour of the <br> members of the Group | XXX |
| Line <br> $17(\mathrm{c})$-(ii) | Details of the amount of any collateral placed in favour of the <br> members of the Group | XXX |
| Line <br> $27(\mathrm{c})$-(ii) | Details of the amount of any collateral placed in favour of the <br> members of the Group | XXX |
| Line <br> $27 \mathrm{~B}(\mathrm{c})$-(ii) | Details of the amount of any collateral placed in favour of the <br> members of the Group | XXX |
| Line 13(j) | Details of the assets included as "other sundry assets" as part of Line <br> 13(j). | XXX |
| Line 36(i) | Details of the liabilities included as "other sundry liabilities" as part <br> of Line 36(i). | XXX |
| Line 15 | The total amount of encumbered assets that are not securing <br> policyholder obligations shall be disclosed, split between the following <br> items, and stating the purpose of the encumbrance: <br> Line 1: Cash and cash equivalents <br> Line 2(f): Total quoted investments <br> Line 3(f): Total unquoted investments <br> Line 12: Funds held by ceding reinsurers <br> Other assets | XXX |
| Line 13(e) | Details of business treated under deposit accounting techniques as <br> an asset | XXX |
| Line 36(f) | Details of business treated under deposit accounting techniques as a <br> liability | XXX |
| Line 37 | Details of the basis used to derive the amounts disclosed on this line, <br> including the undiscounted amounts of the liabilities. | XXX |
| Line 40 | A reconciliation between Line 40 of Form 1EBS and Line 40 of Form 1 <br> required under Schedule 1 of the Insurance (Group Supervision) <br> Rules 2011 | XXX |


| General Business Provisions Additional Disclosures |  |  |  | XXX |
| :--- | :--- | :---: | :---: | :---: |
| Line 16(c) | The adjustment included in the best estimate of reinsurance <br> recoveries that was made to reflect expected losses due to <br> counterparty default (for whatever reason, including reinsurer <br> insolvency or contractual disputes) | XXX |  |  |
| Line <br> 17 (c)-(i) | The adjustment included in the best estimate of reinsurance <br> recoveries that was made to reflect expected losses due to <br> counterparty default (for whatever reason, including reinsurer <br> insolvency or contractual disputes) | XXX |  |  |
| Line <br> $16(d)-(i)$ | The amount of premium included as 'Bound But Not Incepted' (as <br> defined in paragraph 12 of the Instructions Affecting Form 1EBS) in <br> the calculation of line 16(d), | XXX |  |  |
| Line <br> $16(d)-(i i)$ | The amount of best estimate premium provision included in line 16(d) <br> in respect of the 'Bound but Not Incepted' business identified above. <br> The amount shall be separately split between the statutory lines of <br> general business set out in Schedule III. | XX |  |  |


| Line <br> 17 (d)-(i) | The amount by which the best estimate loss and loss expense <br> provisions were reduced as a result of discounting. | XXX |
| :--- | :--- | :---: |
| Line <br> 17 (d)-(ii) | The amount of best estimate loss and loss expense provisions <br> calculated using the scenario-based approach (as set out in <br> paragraph 17 of the Instructions Affecting Form 1EBS) included in <br> line 17(d), along with details of the business it was applied to. | XXX |


| Long-Term Business Provisions Additional Disclosures |  |  |
| :---: | :---: | :---: |
| Line 27(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 |
| $\begin{aligned} & \text { Line 27(d) } \\ & -(\mathrm{i}) \end{aligned}$ | 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 27 Long-term business provisions. <br> The amount shall be separately split between the statutory lines of business set out Schedule IVB. | XXX |
| $\begin{aligned} & \text { Line 27(d) } \\ & - \text { (ii) } \end{aligned}$ | The amount of best estimate provision included in line 27(d) in respect of the 'Bound But Not Incepted' business identified above. The amount shall be separately split between lines of business set out in Schedule IVB. | XXX |
| $\begin{aligned} & \text { Line 27(d) } \\ & \text { - (iii) } \end{aligned}$ | The amount of best estimate provisions which have been calculated making use of the 16 year transitional arrangements (as defined in paragraph 20 of the Instructions Affecting Form 1EBS) <br> The amount shall be split between the statutory lines of business set out in Schedule IVB. | XXX |
| $\begin{aligned} & \text { Line 27(d) } \\ & - \text { (iv) } \end{aligned}$ | In respect of the amount identified in the above note (Line 27(d)-(iii), the amount of best estimate provisions which would have resulted had the transitional arrangements not been applied. <br> The amount shall be separately split between the lines of business set out in Schedule IVB. | XXX |
| $\begin{aligned} & \text { Line 27(d) } \\ & -(v) \end{aligned}$ | Where the 'Scenario-based approach' (as defined in paragraph 17 of the Instructions Affecting Form 1EBS) has been used for some of its business, the Group shall disclose the amount of best estimate technical provisions included in line 27(d) relating to that business. The amount shall be separately split between the lines of business set out in Schedule IVB. | XXX |
| $\begin{aligned} & \text { Line 27(d) } \\ & \text { - (vi) } \end{aligned}$ | Where the 'Scenario-based approach' (as defined in paragraph 17 of the Instructions Affecting Form 1EBS), the Group shall disclose the amount of best estimate technical provisions relating to that business had the 'standard approach' (as defined in paragraph 16 of the Instructions Affecting Form 1EBS) been used. <br> The amount shall be separately split between the lines of business set out in Schedule IVB. | XXX |
| $\begin{aligned} & \text { Line 27(d) } \\ & \text { - (vii) } \end{aligned}$ | Where the 'Scenario-based approach' (as defined in paragraph 17 of the Instructions Affecting Form 1EBS), the Group shall disclose the amount of best estimate technical provisions relating to that business if only the 'base scenario' were used. <br> The amount shall be separately split between the lines of business set out in Schedule IVB. | XXX |
| $\begin{aligned} & \hline \text { Line } \\ & 27 \mathrm{~B}(\mathrm{c})-(\mathrm{i}) \end{aligned}$ | 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 | The amount of premium included as 'Bound but Not Incepted' (as | XXX |


| $27 B(d)-$ (i) | defined in paragraph 12 of the Instructions Affecting Form 1EBS) |  |
| :--- | :--- | :---: |
| Line <br> $27 B(d)-$ <br> (ii) | The amount of technical provision included in line 27B(d) in respect <br> of the 'Bound But Not Incepted' business identified above. | XXX |

## General Business Reserves:

|  | 20 XX |
| :--- | :---: |
| Net best estimate loss and loss expense provisions at start of year <br> (line 17(d) prior year) | XXX |
|  | XXX |
| Net loss and loss expenses incurred related to business written in prior <br> 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 <br> prior years | XXX |
| Net loss and loss expenses incurred related to business written in current <br> year | XXX |
| Net loss and loss expenses paid or payable related to current year |  |
| Net best estimate loss and loss expense provisions at end of year related to <br> current year | XXX |
|  | Net best estimate loss and loss expense provisions at end of year (line 17(d) |

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## 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 insurance group, 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 Group, 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 insurance group shall apply the fair value model.
3. For cases where the GAAP principles do not require an economic valuation the insurance group 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 insurance group.
5. Insurance groups 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;
(iii) Administrative expenses;
(iv) Investment management expenses;

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(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 received 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 insurance group is no longer required to provide coverage;
(b) The insurance group 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 insurance group 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. For general business, 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 insurance group or not (loss and loss expense provisions).
12. Where the insurance group 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 insurance group, then that policy shall be included in the best estimate ("bound but not incepted" 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. This shall include non-balance sheet reserves such as those set out under Modified Coinsurance arrangements under paragraph ( r ) of THE INSTRUCTIONS AFFECTING SCHEDULE V: The corresponding assets supporting these modified continuance arrangements shall be included in Lines 1 to 15 of Form 1EBS.
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 insurance groups 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. Insurance groups 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 insurance groups can produce rates

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for other currencies if needed. Details of the approach used for determining the 'standard approach' discount rate curves will be directed by the Authority.
17. Insurance groups 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. Where future cash flows associated with Long-Term insurance obligations can be replicated reliably using financial instruments for which a reliable market value is observable, the value of technical provisions associated with those future cash flows may be determined on the basis of the market price of those financial instruments. This approach to calculating technical provisions 'as a whole' does not then require the calculation of an explicit separate risk margin .
19. 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 18), and be discounted using the risk free discount curve. The risk margin shall be calculated separately for general business and Long-Term business, making allowance for the effects of the diversification of regulatory capital requirements within the insurance group. For general business, the risk margin shall not be split between premium provisions and loss and loss expense provisions.
20. Subject to prior approval of the Authority, insurance groups may elect to make use of transitional arrangements to calculate some or all of their best estimate Long-Term business insurance provisions. This applies only for Long-term business in force at 31 December 2015 for which the standard approach has been applied. Under the transitional arrangement, the insurance group would calculate technical provisions using the EBS approach set out in paragraphs 8-16 above (and using the standard approach for the risk free discount rate), and also using approaches consistent with the current approach (defined as the valuation approach in force at 31 December 2015). The insurance group would then interpolate linearly between the 2 values, such that the current approach applies for year end 31 December 2016 and the full EBS approach would apply 16 years later at year end 31 December 2032.
21. Subject to prior approval of the Authority, insurance groups 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 <br> balance sheet | Instructions |  |
| :--- | :--- | :--- |
| 1. Cash and cash equivalents | Cash and cash equivalents (maturities of less than 90 days) as at <br> balance sheet shall be included here. This includes restricted <br> cash |  |
| 2. Quoted investments | There shall be disclosed severally - |  |
|  | (b) | Total bonds and debentures; |
|  | (c) | Equities - |
|  | (i) | common stock: <br> investments in quoted common shares |
|  | (ii) | preferred shares: <br> investments in quoted preferred shares; and |
|  | (iii) | mutual funds: |



|  | (c) | Total investments in mortgage loans on real estate: The total of (a) and (b). |
| :---: | :---: | :---: |
| 6. Policy loans | Loans to policyholders on the security of cash surrender value of the policyholder's long-term insurance policy shall be included here. |  |
| 7. Real estate | Commercial investments occupied by group members shall be included here. |  |
|  | (a) | Occupied by any member of the group (less encumbrances): Both land and buildings and any other commercial investments occupied by group members shall be included here. |
|  | (b) | Other properties (less encumbrances): Other residential and commercial investments. |
|  | (c) | Total real estate: <br> 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 | Amounts due in more than one year shall be discounted at the relevant risk free rate. <br> There shall be disclosed severally: |  |
|  | (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 |
|  | (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 members of the Group shall be disclosed in a supplementary note. <br> 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; |
|  | (b) | Non-affiliated; |
|  | (c) | The total of (i) and (ii |
| 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. <br> There shall be disclosed severally - |  |
|  | (a) | Derivative instruments: |


|  |  | Derivative instruments with a favourable position shall be included here |
| :---: | :---: | :---: |
|  | (b) | Segregated accounts - LT business - variable annuities |
|  | (c) | Segregated accounts - LT business - other |
|  | (d) | Segregated accounts - General business |
|  | (e) | Deposit assets. |
|  | (f) | Balances receivable on the sale of investments |
|  | (g) | Intangible assets <br> 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 |  | are contractual rights arising from off-balance sheet gements to receive financial assets through: |
|  | (a) | Letters of Credit |
|  | (b) | Guarantees |
|  | (c) | Other instruments |
|  | (d) | Total letters of credit, guarantees and other instruments: The total of (a) to (c). |
|  |  | assets may, with the approval of the Authority obtained on plication made for that purpose, be recorded and the capital ased by a corresponding amount. Letters of credit, ntees or other instruments in favour of the group which to insurance or reinsurance contracts shall not be recorded. |
| 15. Total Assets |  | hall be the total of lines 1 to 14 inclusive. <br> otal amount of encumbered assets that are not securing holder obligations shall be disclosed, stating the purpose of cumbrance. |
| General Business Insurance Technical Provisions |  |  |
| 16. Best Estimate Premium Provisions | 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. <br> Cash flows to be considered here include all those referred to in paragraph 8 of the EBS valuation principles <br> There shall be disclosed severally - |  |
|  | (a) | Gross premium provisions: <br> Gross premium provisions assessed on the Economic |




|  |  | counterparty default shall be disclosed in a supplementary note. <br> The amount of any collateral placed in favour of members of the Group shall be disclosed in a supplementary note. |
| :---: | :---: | :---: |
|  | (d) | Net long term business provisions: <br> The total of (a) and (c) - which is also the same as the sum of lines 20 to 26 inclusive. |
| 27A. Risk Margin - Longterm 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 the line items 20-26, and shall be calculated at an aggregate level for longterm insurance business, making allowance for the effects of the diversification effects of regulatory capital requirements within the long-term business of the Group. |  |
| 27B. Long-term technical provisions calculated as a whole | This line shall contain the total of all technical provisions calculated as a whole, which have been determined based on the market price of financial instruments that reliably replicate the cash flows of the insurance obligations. <br> There shall be disclosed severally - |  |
|  | (a) | Total gross long-term business insurance reserves calculated as a whole. |
|  | (b) | Less: reinsurance recoverable balances): <br> The amount of recoverables shall be assessed 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) <br> 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. <br> The amount of any collateral placed in favour of members of the Group shall be disclosed in a supplementary note. |
|  | (d) | Net long term business technical provisions: The total of (a) and (c). |
| 27C. Total Long-term insurance business technical provisions | This shall be the total of lines 27(d), 27A and 27B(d). |  |
| Other Liabilities |  |  |
| 28. Insurance and Reinsurance balances payable | These are amounts payable to reinsurers (eg, premiums received in advance, reinsurance premiums payable. etc.) <br> 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. <br> 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. <br> There shall be disclosed severally: |
| :---: | :---: | :---: |
|  | (a) | Income taxes payable |
|  | (b) | Deferred income taxes |
| 32. Amounts due to affiliates | All amounts due to affiliates shall be included here. <br> 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 <br> 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; |
|  | (c) | Segregated accounts - LT business - variable annuities |
|  | (d) | Segregated accounts - LT business - other |
|  | (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 | All contractual liabilities or contingent liabilities arising from offbalance 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). <br> 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. <br> 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 a member of the group which relate to the group's insurance or reinsurance contracts shall not be recorded. <br> Details of the basis used to derive amounts disclosed shall be set out in a supplementary note, including the undiscounted amounts of the liabilities. |  |


|  | There shall be disclosed severally - |  |
| :--- | :--- | :--- |
|  | (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 <br> technical provisions and <br> other liabilities | This shall be the total of lines 19, 27C and 38 inclusive |  |
| 40. Total statutory <br> economic capital and <br> surplus $\quad$This is the capital and surplus total as at the valuation date. <br> It is derived as line 15 less line 39 <br> A reconciliation between this amount and line 40 for Form 1 <br> required under Schedule 1 of the Insurance (Group Supervision) <br> Rules 2011 shall be shown in a supplementary note. <br> 41. TotalThis shall be the total of lines 39 and 40 <br> It should equal line 15 |  |  |

## SCHEDULE XV (Paragraph 6) <br> GROUP ACTUARY'S OPINION

6 In relation to Lines 27B (a) and 27B(d), the group actuary shall provide commentary on the nature of the business valued 'as a whole' and whether or not their approach is in accordance with the requirements of Schedule XIV.
$7 \quad$ Where the group actuary 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.

8 Where the Group has made use of the 16 year transitional arrangements for certain insurance business, the group actuary shall provide estimates for that business for both the EBS approach and the approach consistent with the valuation approach in force before EBS requirements came into force, as referred to in paragraph 20 of the Economic Balance Sheet valuation principles set out in Schedule XIV

9 The group actuary shall provide commentary on any aspects of the technical provisions of the Group which give rise to greater levels of uncertainty than would typically be associated with the group's business.
The group actuary's Opinion must state whether or not, in the opinion of the group actuary, the aggregate amount of technical provisions shown at Line 19 and Line 27C in the Group 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.

The group actuary 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 group actuary 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)
(e) Line 27(a)
(f) Line 27(d)
(g) Line 27B(a)
(h) Line 27B(d)

3 The group actuary is required to state their estimates for the risk margin (Line 18 and line 27 A ) and state whether or not, in their opinion, these amounts have been calculated in accordance with the requirements of Schedule XIV.

In relation to Lines $16(\mathrm{a}), 27(\mathrm{a})$ and $27 \mathrm{~B}(\mathrm{a})$, the group actuary 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 set out in Schedule XIV.

The group actuary shall provide commentary for Lines 16(d), 17(d), 27(d) and 27B(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.

The group actuary's Opinion shall further confirm:
(a) the group actuary'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 Group Actuary) ;
(b) whether or not the group actuary 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 group actuary is in full compliance with the most recent Continuing Professional Development requirements of their official actuarial body;
(d) whether or not the group actuary has any perceived conflicts of interest relative to providing the opinion.
(e) whether or not the work supporting the Opinion complies with applicable standards of actuarial practice.

Working papers supporting the group actuary's Opinion are required to be made available to the Authority by the group actuary 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.

The Opinion shall be signed and dated by the group actuary and must include their current contact information, including but not limited to, telephone number and email address.

SCHEDULE XVIII - EXPANDED 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) | (F) | (G) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Name of Reinsurer | Rating | Rating <br> Agency | BSCR <br> Rating | Jurisdiction | Premiums Ceded During the Year <br> (Form 2, Lines 2 \&13) | $\begin{gathered} \text { Reinsurance } \\ \text { Recoverable } \\ \text { (Form 1EBS, Lines 11, } \\ 12,17(\mathrm{c}) \& 27(\mathrm{c}) \text { ) } \\ \hline \end{gathered}$ | Market Risk (Form 1EBS, Line 12) |
|  |  |  |  |  |  |  |  |
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| (H) | (I) | (J) | (K) | (L) | (M) | (N) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Adjusted <br> Reinsurance <br> Recoverable <br> [F) Less (G)] | Reinsurance <br> Payable <br> Form 1EBS <br> Line 28, 29, <br> 33 and 34(c) | Net <br> Reinsurance <br> Recoverable <br> [(F) Less (I)] | Net <br> Reinsurance <br> Recoverable <br> Due For <br> Less than <br> 180 Days | Net <br> Reinsurance <br> Recoverable <br> Due For More <br> than 180 Days | Collateral <br> Notes to Form 1EBS Line <br> $11(e)$ and Line 17(c) | Qualifying Collateral | Net Qualifying <br> Exposure |
|  |  |  |  |  |  |  |  |
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|  | (F) | (G) | (H) | (I) | (J) | (M) | (N) | (0) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Exposure By BSCR Rating | Reinsurance Recoverable <br> (Form 1EBS, <br> Lines 11, 12, <br> 17(c) \& 27(c)) | Market Risk (Form 1EBS, Line 12) | Adjusted Reinsurance Recoverable [(F) Less (G)] | Reinsurance Payable <br> Form 1EBS Line 28, 29, 33 and 34(c) | Net Reinsurance Recoverable [(F) Less (I)] | Collateral <br> Notes to Form 1EBS Line 11(e) and Line 17(c) | 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) the expanded particulars of ceded reinsurance shall disclose the top 10 unaffiliated reinsurers for which the group has the highest recoverable balance and any reinsurer with recoverable balance exceeding $15 \%$ of the insurance group's statutory capital and surplus, as prescribed in Schedule 2 of the Group Rules, including-
(i) any remaining recoverable balance not included above shall be grouped according to BSCR ratings and/or a single consolidated recoverable balance;
(ii) the BSCR rating;
(iii) the amount of reinsurance recoverable from it in the form of funds held by ceding reinsurers (as reflected in Form 1EBS, Line 12);
(iv) the amount of any collateral placed in favour of the members of the group relating to the recoverable balances (as reflected in Notes to Form 1EBS, Lines 11 (e), 17(c), and 27(c));
(v) the amount of qualifying collateral shall be the collateral amount in iv) 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 reinsurance recoverable and reinsurance balances payable;
(vi) the net qualifying exposure shall be the determined as the net exposure less any funds held by ceding reinsurers included under Schedule IIA and the qualifying collateral; and
(vii) 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 a reinsurer is not rated but is regulated in a jurisdiction that applies the International Association of Insurance Supervisors' Insurance Core Principles and in particular imposes both a minimum capital requirement and a prescribed capital requirement ("PCR") and fully meets its PCR in that jurisdiction, it shall be assigned a BSCR rating of 4 or otherwise, it shall be assigned a BSCR rating of 8; and
(D) where the insurance group has disclosed a single consolidated reinsurance exposure, that exposure shall be assigned a BSCR rating of 8 ;
[blank] name of Company
As at [blank] (day/month/year)
All amounts expressed in ................................. (currency used)

| Cash and Cash <br> Counterparty <br> Balance for 10 | BSCR Rating | Asset Value |
| :--- | :---: | :---: |
| Largest |  |  |
| Exposures |  | (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 insurance group 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 ; and
(vi) A list of credit ratings agencies and the manner in which short term ratings issued by such agencies must be applied, shall be prescribed by the Authority and applied in determining the appropriate BSCR rating for cash and cash equivalent balances. Where the Authority prescribes long-term ratings, such ratings may be alternately applied.

## Schedule XIXA - Schedule of Cash and Cash Equivalent Counterparty Analysis <br> (Paragraph 6)

[blank] name of Parent
As at [blank] (day/month/year)
All amounts expressed in
(currency used)

| Cash and Cash |  |  |
| :---: | :---: | :---: |
| Counterparty <br> Balance for 10 <br> Largest <br> Exposures | BSCR Rating | Asset Value |
|  |  | (A) |
|  |  |  |
|  |  |  |


| Exposure By BSCR Rating | Asset Value |
| :---: | :---: |
| (A) |  |
| BSCR R0ating 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 XIXA:

(i) cash and cash equivalent balances are to be reported based on its BSCR Rating;
(ii) an insurance group may disclose at least the top 10 cash and cash counterparty exposures (as reflected in Form 1EBS and Schedules IIB to IIF Column 1, Line 58);
(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) A list of credit ratings agencies and the manner in which short term ratings issued by such agencies must be applied, shall be prescribed by the Authority and applied in determining the appropriate BSCR rating for cash and cash equivalent balances. Where the Authority prescribes long-term ratings, such ratings may be alternately applied; and
(vii) amounts shall be reported on an EBS Valuation basis.

SCHEDULE XX - SCHEDULE OF CURRENCY RISK
(Paragraph 6)
[blank] name of Company
As at [blank] (day/month/year)
All amounts expressed in .................................. (currency used)

| Currency | GrossCurrast <br> $i$ | Currast $_{i}$ <br> (B) | GrossCurrliab <br> (A) | Currliab $_{i}$ <br> (C) |
| :--- | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  | $\underline{\text { (D) }}$ |  |  |

## INSTRUCTIONS AFFECTING SCHEDULE XX:

(i) insurance groups 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 insurance group uses currency hedging arrangements to manage its currency risk, then Currast $_{i}$ and $C u r r l i a b ~_{i}$ may be adjusted to reflect the impact of those arrangements on GrossCurrast $i_{i}$ and GrossCurrliab ${ }_{i}$ of a $25 \%$ adverse movement in foreign exchange rates, otherwise the amounts GrossCurrast ${ }_{i}$ and GrossCurrliab ${ }_{i}$ shall apply; and
(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".

Schedule XXA - Schedule of Currency Risk
[blank] name of Parent
As at [blank] (day/month/year)
All amounts expressed in
MARKET VALUE BEFORE SHOCK

|  |  |  |  |  |  |  |  | MARKET VALUE BEFORE SHOCK |  |  |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011


## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

REQUIREMENT) RULES 2011
$\square$
INSTRUCTIONS AFFECTING SCHEDULE XXA:
(i) insurance groups shall report currencies representing not less than $95 \%$ of their economic balance sheet liabilities;
(ii) assets qualifying as held for risk mitigation purposes; assets not qualifying for risk mitigation purposes and liabilities without management actions shall be valued in line with the Economic Balance Sheet principles set out in Schedule XIV and in accordance with criteria prescribed by the Authority; and
(iii) liabilities with management actions shall be valued in accordance to criteria prescribed by the Authority in relation to the valuation of future bonuses and other discretionary benefits.

## [blank] name of Company

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

| All amounts expressed in $\ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots$ (currency used) |  |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Name of <br> Exposure | Asset Type <br> (A) | Asset sub-type <br> (B) | BSCR Rating <br> (C) | Asset Value <br> (D) |  |
|  |  |  |  |  |  |
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## INSTRUCTIONS AFFECTING SCHEDULE XXI:

(i) Disclosure of an insurance group'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; and
(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.

Schedule XXIA - Schedule of Concentration Risk
[blank] name of Parent
As at [blank] (day/month/year)

| All amounts expressed in ............................. (currency used) |  |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Name of <br> Exposure | Asset Type <br> (A) | Asset sub-type <br> (B) | BSCR Rating <br> (C) | Asset Value <br> (D) |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

## INSTRUCTIONS AFFECTING SCHEDULE XXIA:

(i) disclosure of an insurance group's ten largest exposures to single counterparty risk by reporting the name, the exposure and allocation by asset type, bond or mortgage type (if applicable), BSCR Rating (if applicable) and asset value consistent with Form 1EBS.
(ii) for the purposes of this Schedule, a counterparty shall include all related or connected counterparties captured by either of the following criteria:
(i) controller relationship: if a counterparty, directly or indirectly, has control of (as a result of its majority shareholding in or significant influence) the other counterparties; or
(ii) economic interdependence: if one of the counterparties were to experience financial difficulties which directly or indirectly affect the ability of any or all of the remaining counterparties to perform their financial obligations (for example where a counterparty becomes unable to fund or repay certain financial contractual obligations, and as a result, other counterparties, are likely to be unable to fund or repay certain obligations imposed on them);
(iii) asset Type (Column A) shall be determined by the insurer as one of the following:
(i) cash and cash equivalents (as defined in Schedule XIX Column B Schedules IIB, IIC, IID, IIE, and IIF Column (1), Line 68);
(ii) quoted and Unquoted Investments (as defined in Schedules IIB, IIC, IID, IIE, and IIF Column (11), Line 14);
(iii) equity holdings (as defined in Schedules IIB, IIC, IID, IIE, and IIF Column (11), Line 37);
(iv) advances to Affiliates (reported on Form 1EBS, Line 4(g));
(v) policy Loans (reported on Form 1EBS, Line 6);
(vi) real Estate 1 (reported on Form 1EBS, Line 7(a));

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY

 REQUIREMENT) RULES 2011(vii) real Estate 2 (reported on Form 1EBS, Line 7(b));
(viii) collateral Loans (reported on Form 1EBS, Line 8);
(ix) for equity exposures that are grandfathered according to paragraph 28A, the appropriate asset type given in Instructions affecting Schedule XXI, point (iii).
(iv) when reporting asset sub-type (under Column B) shall provide further details of the type of asset as included in Table 1, Table 2 or Table 8 as appropriate;
(v) when applying the BSCR Rating (under Column C) the designated insurer shall apply the BSCR rating that was allocated to the asset when it was included in Table 1, Table 2 or Table 8 as appropriate; and
(vi) asset value (under Column D) shall be the value of the asset as required by the Economic Balance Sheet valuation principles as set out in Schedule XIV.

Schedule XXIII - Schedule of Interest Rate Sensitive Assets and Liabilities

| [blank] name of Parent |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| As at [blank] (day/month/year) |  |  |  |  |  |  |  |  |  |  |  |  |
| All amounts expressed in ............................... (currency used) |  |  |  |  |  |  |  |  |  |  |  |  |
|  | INTEREST RATE DOWN SHOCK |  |  |  |  |  |  |  |  |  |  |  |
|  | Exposures other than derivatives |  |  |  |  | Derivative exposures |  |  |  |  |  |  |
| Currency | Assets |  | Liabilitie <br> $\mathbf{s}$ <br> Before <br> Shock | Liabilities without Managem ent Actions After Shock | Liabilities with Management Actions After Shock | Assets - Not Qualifying as held for riskmitigation purposes |  | Assets - Not Qualifying as held for risk-mitigation purposes |  | Liabilitie <br> $\mathbf{s}$ <br> Before <br> Shock | Liabilitie s without Manage ment Actions | Liabilitie s with Manage ment Actions |
|  | Before Shock | After Shock |  |  |  | Before Shock | After Shock | Before Shock | After Shock |  | After Shock | After Shock |
|  | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Euro |  |  |  |  |  |  |  |  |  |  |  |  |
| United Kingdom Pounds |  |  |  |  |  |  |  |  |  |  |  |  |
| Japan Yen |  |  |  |  |  |  |  |  |  |  |  |  |
| Canada Dollars |  |  |  |  |  |  |  |  |  |  |  |  |
| Swiss Francs |  |  |  |  |  |  |  |  |  |  |  |  |
| Australia Dollar |  |  |  |  |  |  |  |  |  |  |  |  |
| New Zealand Dollar |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 1 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 2 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 3 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 4 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 5 |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Other } \\ & \text { currency } 6 \\ & \hline \end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 7 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |  |  |  |  |  |  |

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| currency 8 |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{aligned} & \text { Other } \\ & \text { currency } 9 \\ & \hline \end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Other } \\ & \text { currency } 10 \end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest Down Shock Total |  |  |  |  |  |  |  |  |  |  |  |  |
|  | INTEREST RATE UP SHOCK |  |  |  |  |  |  |  |  |  |  |  |
|  | Exposures other than derivatives |  |  |  |  | Derivative exposures |  |  |  |  |  |  |
| Currency | Assets |  | $\begin{gathered} \text { Liabilitie } \\ \mathbf{s} \end{gathered}$ | Liabilities <br> without <br> Managem ent <br> Actions | Liabilities with <br> Management Actions | Assets - Not Qualifying as held for riskmitigation purposes |  | Assets - Not Qualifying as held for risk-mitigation purposes |  | $\begin{gathered} \text { Liabilitie } \\ \mathrm{S} \\ \hline \end{gathered}$ | Liabilitie <br> s without <br> Manage ment Actions | Liabilitie <br> s with <br> Manage ment Actions |
|  | Before Shock | After Shock | Before Shock | After Shock | After Shock | Before Shock | After Shock | Before Shock | After Shock | Before Shock | After Shock | After Shock |
|  | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) |
| United States Dollars |  |  |  |  |  |  |  |  |  |  |  |  |
| Euros |  |  |  |  |  |  |  |  |  |  |  |  |
| United Kingdom Pounds |  |  |  |  |  |  |  |  |  |  |  |  |
| Japan Yens |  |  |  |  |  |  |  |  |  |  |  |  |
| Canada Dollars |  |  |  |  |  |  |  |  |  |  |  |  |
| Swiss Francs |  |  |  |  |  |  |  |  |  |  |  |  |
| Australia Dollars |  |  |  |  |  |  |  |  |  |  |  |  |
| New Zealand Dollars |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 1 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 2 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 3 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 4 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 5 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 6 |  |  |  |  |  |  |  |  |  |  |  |  |
| Other currency 7 |  |  |  |  |  |  |  |  |  |  |  |  |

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| Other currency 8 |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{aligned} & \text { Other } \\ & \text { currency } 9 \end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Other } \\ & \text { currency } 10 \end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |

## INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011

## INSTRUCTIONS AFFECTING SCHEDULE XXIII:

(a) insurance groups are required to report all interest rate sensitive assets including but not limited to fixed income assets, hybrid instruments, deposits, loans (including mortgage and policyholder loans), reinsurance balance receivables and exposures as determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for the following items:
i. collective investment vehicles and other investments packaged as funds, including related undertakings used as investment vehicles;
ii. segregated account companies assets;
iii. deposit asset;
iv. other sundry;
v. derivatives;
vi. funds held by ceding insurers.
(b) insurance groups are required to report all interest rate sensitive liabilities including but not limited to best estimate of insurance liabilities, other liabilities and liability exposures as determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for the following items:
i. segregated account companies liabilities;
ii. deposit liabilities;
iii. other sundry liabilities;
iv. derivatives;
v. funds held under retrocession.
(c) Assets qualified as held for risk mitigating purposes and assets not qualified as held for risk mitigating purposes shall be determined in accordance with criteria prescribed by the Authority.
(d) liabilities with management actions shall be determined in accordance with criteria prescribed by the Authority.


[^0]:    Where-
    $A d j_{T P}$
    Adj ${ }_{\text {Other }}$

[^1]:    * Shall be prescribed by the Authority.

[^2]:    3. For those contracts that are written by the insurance group that are modeled, provide splits of those that are:
