



BERMUDA MONETARY AUTHORITY

CONSULTATION PAPER

PROPOSED AMENDMENTS TO PRUDENTIAL RULES

MARCH 2021

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I. EXECUTIVE SUMMARY

1. The Bermuda Monetary Authority (Authority or BMA) has undertaken to enhance its oversight of commercial insurers¹ and insurance groups. Following international best practices, the Authority intends to amend Schedule VI - *Schedule of fixed income securities* of the Bermuda Solvency and Capital Requirement (BSCR) Model and Schedule VI - *Schedule of assets*, to provide a look through of all assets reported under Form 1SFS, Form 1EBS² and Form 4EBS³. Further, commercial insurers will be required to report the jurisdiction where the assets are held.
2. The Authority has observed changes in the asset allocation strategies of commercial insurers and insurance groups – which has led to an interest in certain non-traditional asset classes such as alternative assets and certain securitisation arrangements. These changes have been motivated by many factors, chief amongst them is the prolonged low-yield environment, which may have led to a search for higher yields by changing asset allocation to invest in more illiquid alternative assets. The low underwriting results and recent soft market cycle exacerbated the search-for-yield strategies adopted in the asset portfolios, increasing the range of investment products beyond what was popular traditionally.
3. Whilst these asset classes are permitted and, in most cases, aligned with the insurer's liability structure, the current statutory reporting Schedules need to be updated to incorporate these non-traditional asset classes. Further, some of these assets are below investment grade and/or unrated/volatile/illiquid and pose challenges to the Authority's ability to adequately assess, quantify and monitor the market, credit, and asset-liability management risks of the Bermuda market.
4. The proposed changes to the reporting forms and the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011, Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008, Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011 and Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 (collectively the Prudential Rules) will provide the Authority with more detailed, granular information to further differentiate the risks presented and better assess the direct exposure to non-traditional assets, sector exposure and risk concentration. Consequently, the Authority proposes to introduce new asset classes with sub-classes (e.g., loans and alternative investments,

¹ Commercial insurers: Classes 3A, 3B, 4, C, D and E.

² Applicable to general business commercial insurers (Classes 3A, 3B and 4).

³ Applicable to long-term business commercial insurers (Classes C, D and E).

including hedge funds and private equity), which will enhance the Authority's analysis and understanding of the asset allocation and the shift in investment strategies for commercial insurers and insurance groups.

5. The Authority invites views of the insurance industry and of other interested persons on the proposals set out in this consultation paper and draft bill. Comments should be addressed to riskanalytics@bma.bm no later than 30 April 2021.
6. The Authority intends that the new Rules will be effective 1 January 2022.
7. Thank you in advance for your participation during this consultation process.

II. INTRODUCTION

8. This consultation paper sets out the Authority's proposed changes to the asset reporting requirements set out in the BSCR Model and accompanying Rules and legislations. The Authority proposes to make these changes to the reporting forms and the Prudential Rules.
9. The Authority is proposing to make changes to specific Schedules in the BSCR Model in the exercise of the power conferred to it by Section 6A of the Insurance Act 1978.

III. ENHANCEMENTS TO THE INVESTMENT (ASSET) REPORTING REQUIREMENTS

10. The current statutory asset reporting Schedules in the BSCR model do not adequately disclose the nature of certain asset classes that are gaining popularity in the insurance industry.
11. The Authority proposes to amend the asset reporting forms and the supporting Schedules in the BSCR model to reflect the evolving asset allocation and investment strategies adopted by commercial insurers and insurance groups. These changes will also ensure that asset reporting and disclosure requirements remain relevant in changing market conditions. Whilst assets may fluctuate in value because of general market conditions and dislocations, the Authority should have an appropriate level of information for its prudential oversight.

12. The proposed changes to the asset reporting disclosure forms aim to provide disclosure and visibility into the portfolio of assets and highlight directly or indirectly the:

- (a) Inherent risks
- (b) Risk concentrations
- (c) Sector exposure of asset classes
- (d) Risk profile (e.g., market, credit, liquidity risks)

The information collected will further assist the Authority in its prudential supervision relating to:

- (e) Downside exposure assessment
- (f) Understanding of the reliability and resilience of cash flows
- (g) Understanding of the protections and covenants that are present in each asset class

13. The proposed asset classes will cover: cash and cash equivalent; bond and debentures; asset-backed securities; listed equities and preferred shares; alternative investments; loans; derivatives and other assets. There will be respective subcategories under these broad classes.

14. The proposed changes to the BSCR Model Schedules (Asset Reporting) are:

- (a) Insurers will now be required to report the following:
 - i. Breakdown of asset classes reported under Forms 1SFS, 1EBS and 4EBS
 - ii. Jurisdiction where assets are held
 - iii. Effective convexity of the asset portfolio, where applicable
- (b) Insurers will still be required to report the following:
 - i. BSCR rating of each asset type
 - ii. Average Yield To Maturity
 - iii. Effective duration
 - iv. Face value and fair value

15. These proposed changes to asset portfolio reporting will not impact the capital requirements and do not alter or seek to revise the current solvency regime in place. The capital charges on assets will remain consistent based on the broader asset classes, subcategories and assigned Nationally Recognised Statistical Ratings Organisation credit rating currently in place.

IV. PROPOSED AMENDMENTS TO THE PRUDENTIAL RULES

16. The Authority proposes to amend paragraph 6 of the Prudential Rules by replacing Schedule VI - *Schedule of fixed income securities* with Schedule VI - *Schedule of assets*. This will apply to all commercial insurers and insurance groups.
17. The Schedule of assets will provide greater disclosure and transparency of the various asset types as reported in Forms 1SFS, 1EBS⁴ and 4EBS⁵ of the BSCR Model. In addition, the Authority proposes to introduce Schedule VIA – *Schedule of funds held by ceding reinsurers*, which will provide granular information on the assets held by ceding reinsurers.
18. The proposed asset types that will be reported in Schedule VI - *Schedule of assets* and Schedule VIA – *Schedule of funds held by ceding reinsurers*:
- (a) CASH AND CASH EQUIVALENTS
(Cash, certificates of deposit, money market funds)
 - (b) BONDS AND DEBENTURES
(Sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds)
 - (c) SECURITIES/ASSET-BACKED SECURITIES
(Residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities)
 - (d) LISTED EQUITIES AND PREFERENCE SHARES
(Public equities, public preferred stock, exchange-traded funds)
 - (e) ALTERNATIVE INVESTMENTS
(Private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages)

⁴ Applicable to general business commercial insurers (Classes 3A, 3B, 4).

⁵ Applicable to long-term business commercial insurers (Classes C, D, E).

(f) LOANS

(Insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans)

(g) REAL ESTATE

(Real estate – owner-occupied, real estate - Investment)

(h) DERIVATIVES

(Listed options, futures, forwards, swaps, swaptions, over-the-counter options)

(i) OTHER ASSETS

(Investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, funds held by ceding reinsurers, sundry assets, letters of credit, guarantees and other instruments (i.e. other assets exclude assets reported elsewhere))

V. APPENDICES

A. Proposed Changes - Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011

SCHEDULE VI

(Paragraph 6)

Schedule of assets

The Schedule of assets shall–

- (a) represent the amounts stated in Form 1SFS - Lines 1 to 15 and Form 1EBS - Lines 1 to 15;
- (b) include the following asset types–;
 - (i) cash, certificates of deposit, money market funds ;
 - (ii) sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds;
 - (iii) residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities;

- (iv) public equities, public preferred stock, exchange-traded funds;
 - (v) private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages;
 - (vi) insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans;
 - (vii) investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, funds held by ceding reinsurers, sundry assets, letters of credit, guarantees and other instruments;
 - (viii) real estate – owner-occupied, real estate - investment
 - (ix) listed options, futures, forwards, swaps, swaptions, over-the-counter options;
- (c) include the following information according to asset type–;
- (i) for assets listed in (b).(i) – (b).(vii)–;
 1. the jurisdiction where the asset is held/stock exchange-traded;
 2. average rating of the asset type (if applicable);
 3. face value;
 4. fair value;
 5. average effective yield to maturity (if applicable); and
 6. average duration and convexity (if applicable);
 - (ii) for assets listed in (b). (viii) i.e. real estate-;
 1. the jurisdiction where the asset is located;
 2. the purpose of the asset;
 3. face value; and,
 4. fair value.
 - (iii) for assets listed in (b).(ix) i.e. derivatives–;
 1. the purpose of holding the derivative;
 2. the position held in the derivative;
 3. whether the derivative is centrally cleared;
 4. fair value;
 5. notional value; and
 6. exposure.
 - (iv) the amounts are to be reported on both EBS and unconsolidated basis.
- (d) include the following information for the total asset portfolio–;
- (i) effective duration and the convexity of the asset portfolio.

SCHEDULE VIA

(Paragraph 6)

Schedule of funds held by ceding reinsurers

The Schedule of funds held by ceding reinsurers shall-

- (a) represent the amounts stated in Form 1SFS - Line 12 and Form 1EBS - Line 12;
- (b) include the following information according to asset type-;
 - (i) cash, certificates of deposit, money market funds;
 - (ii) sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds;
 - (iii) residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities;
 - (iv) public equities, public preferred stock, exchange-traded funds;
 - (v) private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages;
 - (vi) insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans;
 - (vii) investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, sundry assets, letters of credit, guarantees and other instruments;
 - (viii) real estate – owner-occupied, real estate - investment
 - (ix) listed options, futures, forwards, swaps, swaptions, over-the-counter options;
- (c) include the following information according to asset type-;
 - (i) for assets listed in (b).(i) – (b).(vii)-;
 - 1. the jurisdiction where the asset is held/stock exchange-traded;
 - 2. average rating of the asset type (if applicable);
 - 3. face value;
 - 4. fair value;
 - 5. average effective yield to maturity (if applicable); and
 - 6. average duration and convexity (if applicable);
 - (ii) for assets listed in (b). (viii) i.e. real estate-;
 - 1. the jurisdiction where the asset is located;
 - 2. the purpose of the asset;

3. face value; and,
4. fair value.

(iii) for assets listed in (b).(ix) i.e. derivatives–;

1. the purpose of holding the derivative;
2. the position held in the derivative;
3. whether the derivative is centrally cleared;
4. fair value;
5. notional value; and
6. exposure.

(iv) the amounts are to be reported on both EBS and unconsolidated basis.

(d) include the following information for the total asset portfolio–;

(i) effective duration and the convexity of the asset portfolio.

B. Proposed Changes - Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008

SCHEDULE VI

(Paragraph 6)

Schedule of assets

The Schedule of assets shall–

- (a) represent the amounts stated in Form 1SFS - Lines 1 to 15 and Form 1EBS - Lines 1 to 15;
- (b) include the following information according to asset type–;
 - (i) cash, certificates of deposit, money market funds;
 - (ii) sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds;
 - (iii) residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities;
 - (iv) public equities, public preferred stock, exchange-traded funds;
 - (v) private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages;

- (vi) insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans;
 - (vii) investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, funds held by ceding reinsurers, sundry assets, letters of credit, guarantees and other instruments;
 - (viii) real estate – owner-occupied, real estate - investment
 - (ix) listed options, futures, forwards, swaps, swaptions, over-the-counter options;
- (c) include the following information according to asset type–;
- (i) for assets listed in (b).(i) – (b).(vii)–;
 1. the jurisdiction where the asset is held/stock exchange-traded;
 2. average rating of the asset type (if applicable);
 3. face value;
 4. fair value;
 5. average effective yield to maturity (if applicable); and
 6. average duration and convexity (if applicable);
 - (ii) for assets listed in (b). (viii) i.e. real estate–;
 1. the jurisdiction where the asset is located;
 2. the purpose of the asset;
 3. face value; and,
 4. fair value.
 - (iii) for assets listed in (b).(ix) i.e. derivatives–;
 1. the purpose of holding the derivative;
 2. the position held in the derivative;
 3. whether the derivative is centrally cleared;
 4. fair value;
 5. notional value; and
 6. exposure.
 - (iv) the amounts are to be reported on both EBS and unconsolidated basis.
- (d) include the following information for the total asset portfolio–;
- (i) effective duration and the convexity of the asset portfolio.

SCHEDULE VIA**(Paragraph 6)****Schedule of funds held by ceding reinsurers**

The Schedule of funds held by ceding reinsurers shall-

- (a) represent the amounts stated in Form 1SFS - Line 12 and Form 1EBS - Line 12;
- (b) include the following information according to asset type-;
 - (i) cash, certificates of deposit, money market funds;
 - (ii) sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds;
 - (iii) residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities;
 - (iv) public equities, public preferred stock, exchange-traded funds;
 - (v) private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages;
 - (vi) insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans;
 - (vii) investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, sundry assets, letters of credit, guarantees and other instruments;
 - (viii) real estate – owner-occupied, real estate - investment
 - (ix) listed options, futures, forwards, swaps, swaptions, over-the-counter options;
- (c) include the following information according to asset type-;
 - (i) for assets listed in (b).(i) – (b).(vii)-;
 - 1. the jurisdiction where the asset is held/stock exchange-traded;
 - 2. average rating of the asset type (if applicable);
 - 3. face value;
 - 4. fair value;
 - 5. average effective yield to maturity (if applicable); and
 - 6. average duration and convexity (if applicable);
 - (ii) for assets listed in (b). (viii) i.e. real estate-;
 - 1. the jurisdiction where the asset is located;
 - 2. the purpose of the asset;
 - 3. face value; and,
 - 4. fair value.

(iii) for assets listed in (b).(ix) i.e. derivatives–;

1. the purpose of holding the derivative;
2. the position held in the derivative;
3. whether the derivative is centrally cleared;
4. fair value;
5. notional value; and
6. exposure.

(iv) the amounts are to be reported on both EBS and unconsolidated basis.

(d) include the following information for the total asset portfolio–;

(i) effective duration and the convexity of the asset portfolio.

C. Proposed Changes - Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011

SCHEDULE VI

(Paragraph 6)

Schedule of assets

The Schedule of assets shall–

(a) represent the amounts stated in Form 1SFS - Lines 1 to 15 and Form 4EBS - Lines 1 to 15;

(b) include the following information according to asset type–;

- (i) cash, certificates of deposit, money market funds;
- (ii) sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds;
- (iii) residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities;
- (iv) public equities, public preferred stock, exchange-traded funds;
- (v) private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages;
- (vi) insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans;

- (vii) investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, funds held by ceding reinsurers, sundry assets, letters of credit, guarantees and other instruments;
 - (viii) real estate – owner-occupied, real estate - investment
 - (ix) listed options, futures, forwards, swaps, swaptions, over-the-counter options;
- (c) include the following information according to asset type–;
- (i) for assets listed in (b).(i) – (b).(vii)–;
 1. the jurisdiction where the asset is held/stock exchange-traded;
 2. average rating of the asset type (if applicable);
 3. face value;
 4. fair value;
 5. average effective yield to maturity (if applicable); and
 6. average duration and convexity (if applicable);
 - (ii) for assets listed in (b). (viii) i.e. real estate–;
 1. the jurisdiction where the asset is located;
 2. the purpose of the asset;
 3. face value; and,
 4. fair value.
 - (iii) for assets listed in (b).(ix) i.e. derivatives–;
 1. the purpose of holding the derivative;
 2. the position held in the derivative;
 3. whether the derivative is centrally cleared;
 4. fair value;
 5. notional value; and
 6. exposure.
 - (iv) the amounts are to be reported on both EBS and unconsolidated basis.
- (d) include the following information for the total asset portfolio–;
- (i) effective duration and the convexity of the asset portfolio.

SCHEDULE VIA**(Paragraph 6)****Schedule of funds held by ceding reinsurers**

The Schedule of funds held by ceding reinsurers shall-

- (a) represent the amounts stated in Form 1SFS - Line 12 and Form 4EBS - Line 12;
- (b) include the following information according to asset type-;
 - (i) cash, certificates of deposit, money market funds;
 - (ii) sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds;
 - (iii) residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities;
 - (iv) public equities, public preferred stock, exchange-traded funds;
 - (v) private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages;
 - (vi) insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans;
 - (vii) investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, sundry assets, letters of credit, guarantees and other instruments;
 - (viii) real estate – owner-occupied, real estate - investment
 - (ix) listed options, futures, forwards, swaps, swaptions, over-the-counter options;
- (c) include the following information according to asset type-;
 - (i) for assets listed in (b).(i) – (b).(vii)-;
 - 1. the jurisdiction where the asset is held/stock exchange-traded;
 - 2. average rating of the asset type (if applicable);
 - 3. face value;
 - 4. fair value;
 - 5. average effective yield to maturity (if applicable); and
 - 6. average duration and convexity (if applicable);
 - (ii) for assets listed in (b). (viii) i.e. real estate-;
 - 1. the jurisdiction where the asset is located;
 - 2. the purpose of the asset;
 - 3. face value; and,
 - 4. fair value.

(iii) for assets listed in (b).(ix) i.e. derivatives–;

1. the purpose of holding the derivative;
2. the position held in the derivative;
3. whether the derivative is centrally cleared;
4. fair value;
5. notional value; and
6. exposure.

(iv) the amounts are to be reported on both EBS and unconsolidated basis.

(d) include the following information for the total asset portfolio–;

(i) effective duration and the convexity of the asset portfolio.

D. Proposed Changes - Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011

SCHEDULE VI

(Paragraph 6)

Schedule of assets

The Schedule of assets shall–

- (a) represent the amounts stated in Form 1SFS - Lines 1 to 15, Form 1EBS - Lines 1 to 15 and Form 4EBS – Lines 1 to 15;
- (b) include the following information according to asset type–;
 - (i) cash, certificates of deposit, money market funds;
 - (ii) sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds;
 - (iii) residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities;
 - (iv) public equities, public preferred stock, exchange-traded funds;
 - (v) private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages;

- (vi) insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans;
 - (vii) investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, funds held by ceding reinsurers, sundry assets, letters of credit, guarantees and other instruments;
 - (viii) real estate – owner-occupied, real estate - investment
 - (ix) listed options, futures, forwards, swaps, swaptions, over-the-counter options;
- (c) include the following information according to asset type–;
- (i) for assets listed in (b).(i) – (b).(vii)–;
 1. the jurisdiction where the asset is held/stock exchange-traded;
 2. average rating of the asset type (if applicable);
 3. face value;
 4. fair value;
 5. average effective yield to maturity (if applicable); and
 6. average duration and convexity (if applicable);
 - (ii) for assets listed in (b). (viii) i.e. real estate–;
 1. the jurisdiction where the asset is located;
 2. the purpose of the asset;
 3. face value; and,
 4. fair value.
 - (iii) for assets listed in (b).(ix) i.e. derivatives–;
 1. the purpose of holding the derivative;
 2. the position held in the derivative;
 3. whether the derivative is centrally cleared;
 4. fair value;
 5. notional value; and
 6. exposure.
 - (iv) the amounts are to be reported on both EBS and unconsolidated basis.
- (d) include the following information for the total asset portfolio–;
- (i) effective duration and the convexity of the asset portfolio.

SCHEDULE VIA

(Paragraph 6)

Schedule of funds held by ceding reinsurers

The Schedule of funds held by ceding reinsurers shall-

- (a) represent the amounts stated in Form 1SFS - Line 12, Form 1EBS - Line 12 and Form 4EBS - Line 12;
- (b) include the following information according to asset type-;
 - (i) cash, certificates of deposit, money market funds;
 - (ii) sovereign bonds, municipals, supranationals (multilateral development banks and international organisations), corporate bonds, private placements, mutual funds, other-secured bonds, other-unsecured bonds;
 - (iii) residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, auto loan asset-backed securities, student loan asset-backed securities, credit card receivables asset-backed securities;
 - (iv) public equities, public preferred stock, exchange-traded funds;
 - (v) private equities, investment funds, hedge funds, private credit funds, catastrophe bonds, other insurance-linked securities, infrastructure debt, equity investments in infrastructure, investment in affiliates, advances in affiliates, equity release/reverse mortgages;
 - (vi) insured/guaranteed mortgages, other commercial and farm mortgages, other residential mortgages, mortgages not in good standing, collateral loans, middle-market loans, other direct private lending, policy loans;
 - (vii) investment income due and accrued, accounts and premiums receivable, reinsurance balance receivable, sundry assets, letters of credit, guarantees and other instruments;
 - (viii) real estate – owner-occupied, real estate - investment
 - (ix) listed options, futures, forwards, swaps, swaptions, over-the-counter options;
- (c) include the following information according to asset type-;
 - (i) for assets listed in (b).(i) – (b).(vii)-;
 - 1. the jurisdiction where the asset is held/stock exchange-traded;
 - 2. average rating of the asset type (if applicable);
 - 3. face value;
 - 4. fair value;
 - 5. average effective yield to maturity (if applicable); and
 - 6. average duration and convexity (if applicable);
 - (ii) for assets listed in (b). (viii) i.e. real estate-;
 - 1. the jurisdiction where the asset is located;

2. the purpose of the asset;
3. face value; and,
4. fair value.

(iii) for assets listed in (b).(ix) i.e. derivatives–;

1. the purpose of holding the derivative;
2. the position held in the derivative;
3. whether the derivative is centrally cleared;
4. fair value;
5. notional value; and
6. exposure.

(iv) the amounts are to be reported on both EBS and unconsolidated basis.

(d) include the following information for the total asset portfolio–;

(i) effective duration and the convexity of the asset portfolio.