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

Made this 30th day of December 2011

Chairman
The Bermuda Monetary Authority

[*Amended by:*
- BR 94 / 2012
- BR 114 / 2013
- BR 91 / 2014
- BR 57 / 2015
- BR 9 / 2016
- BR 73 / 2016]

SCHEDULE I **(Paragraph 4)**

Group Bermuda Solvency Capital Requirement

1. The Group BSCR shall be established in accordance with the following formula-

Group BSCR =

$$\sqrt{C_f^2 + C_{eq}^2 + C_{\text{int}}^2 + C_{cur}^2 + C_{conc}^2 + C_{prem-gb}^2 + \left[\tfrac{1}{2} C_{cred} + C_{rsvs-gb}\right]^2 + \left[\tfrac{1}{2} C_{cred}\right]^2 + \left[C_{LTmort} + C_{LTsl} + C_{LTr}\right]^2}$$

$$cont'd \sqrt{-.5 \times \left(\left(C_{LTmort} + C_{LTsl} + C_{LTr}\right) \times C_{LTlong}\right) + C_{LTmort}^2 + C_{LTlong}^2 + C_{LTother}^2 + C_{LTVA}^2 + C_{cat-gb}^2} + C_{op} + C_{adj}$$

where-

C_{fi}	= fixed income investment risk charge as calculated in accordance with paragraph 2;
C_{eq}	= equity investment risk charge as calculated in accordance with paragraph 3;
C_{int}	= interest rate / liquidity risk charge as calculated in accordance with paragraph 4;
C_{Curr}	= currency risk charge as calculated in accordance with paragraph 5;
C_{Conc}	= concentration risk charge as calculated in accordance with paragraph 6;
$C_{prem-gb}$	= premium risk charge for general business as calculated in accordance with paragraph 7;
$C_{rsvs-gb}$	= reserve risk charge for general business as calculated in accordance with paragraph 8;
C_{cred}	= credit risk charge as calculated in accordance with paragraph 9;
C_{cat-gb}	= catastrophe risk charge for general business as calculated in accordance with paragraph 10;
$C_{LTother}$	= other insurance risk charge for long-term business as calculated in accordance with paragraph 11;
C_{LTmort}	= insurance risk - mortality charge for long-term business as calculated in accordance with paragraph 12;
C_{LTsl}	= insurance risk - stop loss charge for long-term business as calculated in accordance with paragraph 13;
C_{LTr}	= insurance risk - riders charge for long-term business as calculated in accordance with paragraph 14;
$C_{LTmortb}$	= insurance risk - morbidity and disability charge for long-term business as calculated in accordance with paragraph 15;
C_{LTlong}	= insurance risk - longevity charge for long-term business as calculated in accordance with paragraph 16;
C_{LTVA}	= variable annuity guarantee risk charge for long-term business as calculated in accordance with paragraph 17;
C_{op}	= operational risk charge as calculated in accordance with paragraph 18; and.
C_{adj}	= charge for capital adjustment, calculated as the sum of (1) and (2) where: (1) Regulatory capital requirement for regulated non-insurance financial operating entities as determined in accordance with paragraph 19; and (2) Capital requirement for unregulated entities as determined in accordance with paragraph 20.

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

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

χ_i = the capital charge factors prescribed in Table 1 for each type of $FIastclass_i$;and

$FIastclass_i$ = value of investment in corresponding asset Class i

μ_r = additional diversification adjustment factor applied to cash and cash equivalent balances, or 1 for other asset classes..

Table 1 – Capital charge factors for $FIastclass_i$

Type of fixed income investments $FIastclass_i$	**Statement Source** These Rules	**Capital Factor** χ_i
Corporate and Sovereign Bonds		
BSCR rating 0	Schedule II & IIA, Line 1, Column (1)	0.0%
BSCR rating 1	Schedule II & IIA, Line 2, Column (1)	0.4%
BSCR rating 2	Schedule II & IIA, Line 3, Column (1)	0.8%
BSCR rating 3	Schedule II & IIA, Line 4, Column (1)	1.5%
BSCR rating 4	Schedule II & IIA, Line 5, Column (1)	3.0%
BSCR rating 5	Schedule II & IIA, Line 6, Column (1)	8.0%
BSCR rating 6	Schedule II & IIA, Line 7, Column (1)	15.0%
BSCR rating 7	Schedule II & IIA, Line 8, Column (1)	26.3%
BSCR rating 8	Schedule II & IIA, Line 9, Column (1)	35.0%
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-

$$C_{eq} = \sum_i \chi_i \times Eqastclass_i$$ where -

χ_i = the capital charge factors prescribed in Table 2 for each type $Eqastclass_i$ of and

$Eqastclass_i$ = value of investment in corresponding asset Class i.

Table 2 – Capital charge factors for $Eqastclass_i$

Type of equity	Statement Source	Capital Factor

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

INSTRUCTIONS AFFECTING TABLE 2: Capital charge factors for $Eqastclass_i$

(a) all assets comprising of common stock, preferred stock, real estate, and other miscellaneous investments that are subject to capital charges within the equity investment risk charge shall be included;

(b) all non-affiliated quoted and unquoted common and preferred stock shall be included in the equity investment risk charge;

(c) all common and preferred stock, real estate, and other miscellaneous investments shall be reported on a basis consistent with that used for purposes of statutory financial reporting; and

(d) 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-

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

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

$duration$ = 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;

(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 investments $bonds$	**Statement Source** These Rules	**Estimated duration**	**200 basis point interest rate increase** $marketdecline$
Total bonds and debentures	Schedule II and Schedule IIA, Column 9, Line 10	$duration$	2.0%
Preferred stock	Schedule II and Schedule IIA, Column 3, Line 21	$duration$	2.0%
Mortgage loans	Schedule II and Schedule IIA, 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 –

$$C_{Curr} = \sum_i \chi_i \times (Currproxybscr_i + Currliab_i - Currast_i)$$ where -

χ_i = 25% where ($Currast_i$ - $Currliab_i$ - $Currproxybscr_i$)<0

0% otherwise

$Currency_i$ = refers to a currency used by the insurance group

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

Table 4 – Capital charge factors for Currency Risk

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

INSTRUCTIONS AFFECTING TABLE 4: Capital charge factors for Currency Risk

(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-

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

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

$Concastclass_i$ = value of corresponding asset in Asset Class

Table 5 – Capital charge factors for $Concastclass_i$

Asset Class	**Statement Source** These Rules	**Capital Factor** χ_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%
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	Schedule XXI, Column D	20.0%

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

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

(a) $Concastclass_i$ shall only apply to the 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-

$$C_{prem-gb} = \left[\sum_{i>1} \alpha_i \times geolineprem_i\right] \times \left[\max_{i>1}\left\{\frac{geolineprem_i}{totalprem}\right\} \times \mu + \vartheta\right] - \left[avgpremcap \times \frac{avgannloss}{catlossratio}\right]$$

where –

α_i = individual general business $geolineprem_i$ risk capital charge factor as prescribed in table 6;

$totalprem$ = total geographic diversification of premium measure over all lines of business (except Property Catastrophe) i.e. $\sum_{i>1} geolineprem_i$;

$geolineprem_i$	= geographic diversification of premium measure for line of general business i as prescribed in Table 6;
$avgpremcap$	= weighted average general business premium risk capital charge factor (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;
μ	= additional concentration adjustment factor taking into consideration an insurance group's diversified lines of general business equal to 40%; and
ϑ	= minimum concentration adjustment factor is equal to 60%

Table 6 – Capital charge factors for $geolineprem_i$

Line of General Business $geolineprem_i$	**Statement Source** These Rules	**Capital Factor** χ_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-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%

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

(a) all reported net premiums written for the relevant year by statutory line of business as prescribed in this Schedule that are subject to capital charges within the premium risk charge shall be included;

(b) all net premiums written by statutory line of 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. $geolineprem_i$ is then derived from the total premium for that line of business by reducing the total by 25% times $\frac{\sum x_i^2}{(\sum x_i)^2}$ 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, Timor-Leste, and Vietnam
Zone 4 - Oceania	American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, Niue, Norfolk Island, N. Mariana Islands, Palau, Papua New Guinea, Pitcairn, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis & Futuna Island
Zone 5 - Northern Africa	Algeria, Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Cote d' Ivoire, Egypt, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Saint Helena, Senegal, Sierra Leone, Sudan, Togo, Tunisia, and Western Sahara
Zone 6 - Southern Africa	Angola, Botswana, Burundi, Democratic Republic of Congo, Comoros, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mayotte, Mozambique, Namibia, Republic of Congo, Reunion, Rwanda, Sao Tome & Principe, Seychelles, Somalia, South Africa, Swaziland, Uganda, United Republic of Tanzania, Zambia, and Zimbabwe
Zone 7 - Eastern Europe	Belarus, Bulgaria, Czech Republic, Hungary, Moldova, Poland, Romania, Russian Federation, Slovakia, and Ukraine
Zone 8 - Northern Europe	Aland Islands, Channel Islands, Denmark, Estonia, Faeroe Islands, Finland Guernsey, Iceland, Republic of Ireland, Isle of Man, Jersey, Latvia, Lithuania, Norway, Svalbard, Jan Mayen, Sweden, United Kingdom
Zone 9 - Southern Europe	Albania, Andorra, Bosnia, Croatia, Cyprus, Gibraltar, Greece, Italy FYR of Macedonia, Malta, Montenegro, Portugal, San Marino, Serbia, Slovenia, Spain, and Vatican City
Zone 10 - Western Europe	Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands, and Switzerland

Zone 11 - Northern America (Excluding USA)	Bermuda, Canada, Greenland, and St Pierre & Miquelon
Zone 12 - Caribbean & 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-East United States	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virginia, and West Virginia
Zone 17 - Mid-West United States	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin
Zone 18 - Western United States	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming

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

$$C_{rsvs-gb} = \left[\sum_i \beta_i \times geolinersvs_i\right] \times \left[\max_i \left\{\frac{geolinersvs_i}{totalrsvs}\right\} \times \mu + \vartheta\right]$$ where –

β_i individual $geolinersvs_i$ risk capital charge factor as prescribed in Table 6;

$totalrsvs$ = total geographic diversification of reserves over all lines of general business, i.e. $\sum_{i>1} geolinersvs_i$;

$geolinersvs_i$ = geographic diversification of reserves for individual line of general business $_i$ as prescribed in Table 7 ;

μ = additional concentration adjustment factor taking into consideration an insurance group's diversified lines of general business equal to 40%; and

ϑ = minimum concentration adjustment factor is equal to 60%

Table 7 – Capital charge factors for $geolinersvs_i$

Line of General Business $geolinersvs_i$	**Statement Source** These Rules	**Capital Factor** β_i
Property catastrophe	Schedule III, Line 1	46.2%
Property	Schedule III, Line 2	43.8%
Property non- proportional	Schedule III, Line 3	49.7%
Personal accident	Schedule III, Line 4	29.7%
Personal accident non-proportional	Schedule III, Line 5	34.9%
Aviation	Schedule III, Line 6	46.0%
Aviation non- proportional	Schedule III, Line 7	48.3%
Credit / surety	Schedule III, Line 8	38.4%
Credit / surety non- proportional	Schedule III, Line 9	43.5%
Energy offshore /marine	Schedule III, Line 10	39.5%
Energy offshore / marine non- proportional	Schedule III, Line 11	43.9%
US casualty	Schedule III, Line 12	43.0%
US casualty non- proportional	Schedule III, Line 13	48.8%
US professional	Schedule III, Line 14	46.3%
US professional non- proportional	Schedule III, Line 15	51.5%
US specialty	Schedule III, Line 16	46.5%
US specialty non- proportional	Schedule III, Line 17	48.3%
International motor	Schedule III, Line 18	37.1%
International motor non-proportional	Schedule III, Line 19	43.5%
International casualty non-motor	Schedule III, Line 20	43.7%
International casualty non-motor non-proportional	Schedule III, Line 21	49.4%
Retro property	Schedule III, Line 22	47.8%
Structured / finite reinsurance	Schedule III, Line 23	24.1%
Health	Schedule III, Line 24	12.5%

INSTRUCTIONS AFFECTING TABLE 7: Capital charge factors for $geolinersvs_i$

(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. $geolinersvs_i$ is then derived from the total loss and loss expense provisions for that line of business by reducing the total by 25% times $\frac{\sum x_i^2}{(\sum x_i)^2}$ where x_i = best estimate net loss and loss expense provisions in that line of business for $Zone_i$; and where the summation covers all zones

9. The credit risk charge calculation shall be established in accordance with the following formula-

$C_{cred} = \sum_i \delta_i \times debtor_i \times \mu_r$ where -

δ_i = the credit risk capital charge factor for type of as prescribed in Table 8; and

$debtor_i$ = receivable amount from debtor i net of any collateral placed in favour of the insurer; and.

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

Table 8 – Capital charge factors for $debtor_i$

Type of debtor $debtor_i$	**Statement Source** These Rules	**Capital Factor** δ_i
Accounts and Premiums Receivable		
In course of collection	Form 1EBS, Line 10(a)	5.0%
Receivables from retrocessional contracts less: collateralized balances	Form 1EBS, Line 10(c) and instruction (c) below	10.0%
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 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);

(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-

$$C_{cat-gb} = NetPML - Netcatprem + CR_{PML}$$ where –

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

$Netcatprem$ = average annual loss for general insurance excluding Property Catastrophe as prescribed in Schedule V paragraph (j) / {(estimated industry catastrophe loss ratio of 40% as prescribed in this Schedule) + property catastrophe premium as included in Schedule IVA, Line 1 of these rules}; and

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

(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 –

$$C_{LToth} = \sum_{i>1} \alpha_i \times NetBAR_i$$ Where:

α_i = individual BAR_i capital charge factor as prescribed in Table 7; and

BAR_i = the BSCR adjusted reserves for other insurance risk for long-term business as described in Table 7.

Table 9 – Capital charge factors for BAR_i

BSCR adjusted reserves BAR_i	**Statement Source** These Rules	**Capital Factor** α_i
Mortality (term insurance, whole life, universal life)	Schedule VII, Column (7), Line 1	2.0%
Critical illness (including accelerated critical illness products)	Schedule VII, Column (7), Line 2	2.0%
Longevity (immediate pay-out annuities, contingent annuities, pension pay-outs)	Schedule VII, Column (7), Line 3(f)	0.5%
Longevity (deferred pay-out annuities, future contingent annuities, future pension	Schedule VII, Column (7), Line 4(g)	0.5%

pay- outs)		
Annuities certain only	Schedule VII, Column (7), Line 5	0.5%
Deferred accumulation annuities	Schedule VII, Column (7), Line 6	0.5%
Disability income: active lives – including waiver of premium and long-term care	Schedule VII, Column (7), Line 7(d)	2.0%
Disability income: active lives – other accident and sickness	Schedule VII, Column (7), Line 8	2.0%
Disability income: claims in payment – including waiver of premium and long-term care	Schedule VII, Column (7), Line 9	0.5%
Disability income: claims in payment – other accident 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 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 –

$$C_{LTmort} = \left[\sum_{i>1} \alpha 1_i \times NAAR1_i\right] + \left[\sum_{i>1} \alpha 2_i \times NAAR2_i\right]$$ Where

$\alpha 1_i$ = capital charge factor for adjustable mortality long-term business as prescribed in Table 10;

$NAAR1_i$ = 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;

$NAAR2_i$ = 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 $NAAR1_i$ or $NAAR2_i$

Net Amount at Risk $NAAR1_i$ **or** $NAAR2_i$	**Capital Factor** $\alpha 1_i$	**Capital Factor** $\alpha 2_i$
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

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

C_{LTsl} = 50% x 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_{LTr} = 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 –

$$C_{LTmorb} = (a) + (b) + (c) + (d) + (e)$$ Where:

(a) = 7.00% x 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) = 10% x 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) $\left[\sum_{i>1} \alpha_i \times NAP_i\right]$

Where –

α_i = individual NAP_i capital charge factor as prescribed in Table 9;

NAP_i = the Net Annual Premium for disability income business – active lives as described in Table 11;

Table 11 – Capital charge factors for NAP_i

Net Annual Premium NAP_i	**Statement Source** These Rules	**Capital Factor** $\alpha 1_i$
Benefit period less than or equal to two years, premium guarantee less than or equal to 1 year	Schedule VII, Column (9), Line 7(a)	9.0%
Benefit period less than or equal to two years, premium guarantee of more than 1 year but less than or equal to 5 years	Schedule VII, Column (9), Line 7(b)	15.0%
Benefit period less than or equal to two years, premium guarantee of more than 5 years	Schedule VII, Column (9), Line 7(c)	22.5%
Benefit period less than or equal to two years, premium guarantee less than or equal to 1 year	Schedule VII, Column (10), Line 7(a)	12.0%
Benefit period less than or equal to two years, premium guarantee of more than 1 year but less than or equal to 5 years	Schedule VII, Column (10), Line 7(b)	20.0%
Benefit period less than or equal to two years, premium guarantee of more than 5 years	Schedule VII, Column (10), Line 7(c)	30.0%

(d) 12% 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

$$=\left[\sum_{i>1}\alpha 1_i \times NAAR1_i\right]+\left[\sum_{i>1}\alpha 2_i \times NAAR2_i\right]$$

Where –

$\alpha 1_i$ = capital charge factor for adjustable critical illness insurance business as prescribed in Table 12;

(e) $NAAR1_i$ = 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;

$NAAR2_i$ = 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 $NAAR1_i$ or $NAAR2_i$

Net Amount at Risk $NAAR1_i$ **Or** $NAAR2_i$	**Capital Factor** $\alpha 1_i$	**Capital Factor** $\alpha 2_i$
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 –

$$C_{LTlong} = \sum_{i>1}\alpha_i \times BAR_i$$ Where:

α_i = capital charge factor as prescribed in Table 13; and

BAR_i = the BSCR adjusted reserves for longevity risk as described in Table 13.

Table 13 – Capital charge factors for BAR_i

BSCR adjusted reserves BAR_i	**Statement Source** These Rules	**Capital Factor** α_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-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 BAR_i

For joint and survivor annuities, the youngest age should be used.

16. The variable annuity guarantee risk charge calculation for long-term business shall be established in accordance with the following formula –

$$C_{LTVA} = either \sum_{i>1} \left(TotalBS\,\mathrm{Re}\,q_i - TotalBAR - TotalGMB_{adj} \right) or \left(IMC\,\mathrm{Re}\,q_{LTVA} \right)$$

Wherein:

(i) $TotalBS\,\mathrm{Re}\,q_i$ = higher of (a) $\left(\alpha 1_i \times GV1_i + \alpha 2_i \times GV2_i + \alpha 3_i \times GV3_i\right)$ and (b) $\left(\alpha 4_i \times NAR1_i + \alpha 5_i \times NAR2_i + \alpha 6_i \times NAR3_i\right)$;

(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) $TotalGMDB_{adj}$ = 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) $IMC\,\mathrm{Re}\,q_{LTVA}$ = 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 $IMC\,\mathrm{Re}\,q_{LTVA}$ is Schedule VIIIA, line 1, column (7) of these Rules;

(v) $\left(GV1_i, GV2_i, GV3_i, NAR1_i, NAR2_i, NAR3_i\right)$ have the statement source identified in Table 12; 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 $\left(GV1_i, GV2_i, GV3_i, NAR1_i, NAR2_i, NAR3_i\right)$

Variable Annuity Benefit Type	Statement Source These Rules $GV1_i$	Statement Source These Rules $GV2_i$	Statement Source These Rules $GV3_i$	Statement Source These Rules $Nar1_i$	Statement Source These Rules $Nar2_i$	Statement Source These Rules $Nar3_i$
Guaranteed minimum death benefit: Return of premium, ratchet and reset	Schedule VIII, lines 1 and 16, column (2)	Schedule VIII, lines 1 and 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, Lines 2 and 17, column (3)	Schedule VIII, Lines 2 and 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 18, column (2)	Schedule VIII, Lines 3 and 18, column (3)	Schedule VIII, Lines 3 and 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 19, column (2)	Schedule VIII, Lines 4 and 19, column (3)	Schedule VIII, Lines 4 and 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, Lines 5 and 20, column (2)	Schedule VIII, Lines 5 and 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 21, column (2)	Schedule VIII, Lines 6 and 21, column (3)	Schedule VIII, Lines 6 and 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 22, column (2)	Schedule VIII, Lines 7 and 22, column (3)	Schedule VIII, Lines 7 and 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 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 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, 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	Schedule VIII,	Schedule VIII,	Schedule VIII,	Schedule VIII,	Schedule VIII,	Schedule VIII,

but less than or equal to 8 years to maturity	Lines 13 and 28, column (2)	Lines 13 and 28, column (3)	Lines 13 and 28, column (4)	Lines 13, column (5)	Lines 13, column (6)	Lines 13, column (7)
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, Lines 14 and 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%

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

$C_{op} = \rho \times ACov$ where –

ρ = 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 ρ

Overall Score	Applicable Operational Risk Charge ρ
<=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 tolerance limits for all material foreseeable operational risks at least annually and ensures they are communicated to insurance group entities		200
Parent company's board monitors adherence to operational risk tolerance limits more regularly than annually		200
Parent company's board receives, at least annually, reports on the effectiveness of material operational risk internal controls as well as senior managers's plans to address related weaknesses		200
Parent company's board ensures that systems and/or procedures are in place to identify, report and promptly address internal control deficiencies related to operational risks		200
Parent company's board promotes full, open and timely disclosure from senior management on all significant issues related to operational risk		200
Parent company's board ensures that periodic independent reviews of the risk management function are performed and receives the findings of the review		200
Total		**XX**
Comments		

INSTRUCTIONS AFFECTING TABLE 16A

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

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

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.

TABLE 16C – Insurance Group 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 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.

TABLE 16D - Insurance Group 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 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	Business	Business	IT	Compliance

						Channels	Processes	Continuity		
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.

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 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

17. 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.

18. (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.

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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)

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

18	BSCR rating 8									
19	Quoted equity funds									
20	Unquoted equity funds									
21	Total									
Mortgage loans		Mortgage loans (Form 1EBS, Line 5(c))								
		20xx (000)	20xx (000)							
22	Insured/ guaranteed mortgages									
23	Other commercial and farm mortgages									
24	Other residential mortgages									
25	Mortgages not in good standing									
26	Total									

INSTRUCTIONS AFFECTING SCHEDULE II:

(a) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities/asset-backed securities, and bond mutual funds and classified by BSCR rating;

(b) equity investments, both quoted and unquoted, shall be categorized into common stock, preferred stock and equity mutual funds;

(c) preferred stock shall be classified by BSCR rating;

(d) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;

(e) where the ratings of a security by different rating agencies differ, the 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.

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

SCHEDULE IIA **(Paragraph 6)**

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

19	Quoted equity funds										
20	Unquoted equity funds										
21	Total										
Mortgage loans		Mortgage loans									
		20xx (000)	20xx (000)								
22	Insured/ guaranteed mortgages										
23	Other commercial and farm mortgages										
24	Other residential mortgages										
25	Mortgages not in good standing										
26	Total										
Cash and cash equivalents		Cash and cash equivalents									
		20xx (000)	20xx (000)								
27											
28											

INSTRUCTIONS AFFECTING SCHEDULE IIA:

(a) All funds held by ceding reinsurers (as reflected in Form 1EBS, Line 12) 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;

(d) preferred stock shall be classified by BSCR rating;

(e) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;

(f) where the ratings of a security by different rating agencies differ, the insurer shall classify the security according to the most conservative rating;

(g) unrated securities shall be assigned a BSCR rating of 8;

(h) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds shall be classified in a similar manner as corporate bonds;

(i) debt issued by government-owned and related entities that were explicitly guaranteed by that government, with the exception of mortgage-backed securities, shall be assigned a BSCR rating of 0;

(j) bond mutual funds shall be classified based on the underlying bond ratings as advised by the fund managers; equity mutual funds shall be classified in a similar manner as direct equity investments while money market funds shall be treated as cash and cash equivalents; and

(k) other investments shall include investments not reported as bond and debentures, common stock, preferred stock or equity mutual funds.

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

SCHEDULE III Paragraph 6
SCHEDULE OF NET LOSS AND LOSS EXPENSE PROVISIONS BY GENERAL BUSINESS
[blank] name of Parent
As at [blank] (day/month/year)
All amounts expressed in .... (currency used)

	Schedule Line no	Gross Loss Reserves [Form 1 EBS, Line 17(a)]	Net Loss Reserves [Form 1 EBS, Line 17(d)]	*geolinersvs*; Geo Loss Reserves [Schedule IIIA GEO LR]	Supplemental Notes to FORM1EBS: Bound But Not Incepted (BBNI) Premium [Form 1EBS,note Line 16(d)-(i)]	Best Estimate Premium Provision In Respect of BBNI [Form 1EBS,note Line 16(d)-(ii)]	Discount included in Best Estimate Loss and Loss Expense Provisions [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

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.

Statutory Lines of General Business (Proportional and Non-Proportional)	**Line of General Business Mappings & Definitions**
Property Catastrophe	**Property catastrophe** - coverage of damage arising from a peril that triggers an event (or events) that causes $25 million or more indirect insured industry losses to property (or a loss value in accordance with the coverage provider’s stated policies) and that may affect a significant number of policyholders and insurers - peril could be hurricane, earthquake, tsunami, and tornado.
Property	**U.S. property** - coverage of U.S. risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses. **Crop / agriculture** - coverage of risks including on-shore/off-shore farms, livestock, agriculture and other food production related losses. **International property** - coverage of non-U.S. risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses.
Personal Accident	**Personal accident** - coverage of risks arising from an accident that causes loss of sight, loss of limb, other permanent disablement or death, including related medical expenses, etc.
Aviation	**Aviation** - coverage of risks arising from airport, fleet, or satellite property and operations related losses.
Credit/Surety	**Credit / surety** - coverage of risks arising from various types of guarantees, commercial surety bonds, contractor bonds and various credit related losses.

Energy Offshore/Marine	**Energy offshore/marine** - coverage of risks arising from offshore exploration and production, refining, power generation and/or cargo, hull and other marine related losses.
U.S. Casualty	**U.S. casualty motor** - coverage of U.S. risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for motor related activities/actions, including auto liability. **U.S. casualty - general** - coverage of U.S. risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for non-motor related activities including theft, fraud, negligence, and workers' compensation. **Terrorism -** coverage of risks arising from acts of both certified and uncertified acts of terrorism (e.g. the calculated use or threat of violence against civilians to achieve an objective(s)) and related losses associated with act of terrorism. **Other** - business that does not fit in any other category.
U.S. Professional	**U.S. casualty - professional** - coverage of U.S. risks arising from injuries to persons and/or legal liability imposed upon the insured as a professional (e.g. Director of a Board, etc.) for negligent or fraudulent activities.
U.S. Specialty	**U.S. casualty - medical malpractice** – coverage of U.S. risks arising from injuries to persons and/or legal liability imposed upon the insured as a medical professional for negligent (or other) medical related activities.
International Motor	**International casualty - motor** - coverage of non-U.S. risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for motor related activities/actions, including auto liability.
International Casualty Non-motor	**International casualty - non-motor** - coverage of non-U.S. risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for non-motor related activities/actions, including professional, medical, and workers' compensation.
Retro Property	**Retro property –** retrocession cover for risks including buildings, structures, equipment, business interruption, contents and All Risk (not included in other categories) related losses. **Retro casualty –** retrocession cover for risks arising from injuries to persons or damage of the property of others and/or legal liability imposed upon the insured for motor and non-motor related activities including theft, fraud, and negligence, etc.

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

SCHEDULE IIIA (Paragraph 6)

SCHEDULE OF GEOGRAPHIC DIVERSIFICATION OF NET LOSS AND LOSS EXPENSE PROVISIONS BY GENERAL BUSINESS

[blank] name of Parent

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

All amounts expressed in .... (currency used)

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

INSTRUCTIONS AFFECTING SCHEDULE IIIA:

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

SCHEDULE IVA (Paragraph 6)

SCHEDULE OF PREMIUMS WRITTEN BY LINE OF BUSINESS OF GENERAL BUSINESS

[blank] name of Parent

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

All amounts expressed in .... (currency used)

Schedule Line no		**Gross Premiums Written**						**Net Premiums**		**geolineprem$_i$ Geo NPW Schedule IVC**
		Unrelated		**Related**		**Total Form 2, Line 1(c)**		**Form 2, Line 3**		
		20XX	**20X**	**20XX**	**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 IVC (Paragraph 6)

SCHEDULE OF GEOGRAPHIC DIVERSIFICATION OF NET PREMIUMS WRITTEN BY GENERAL BUSINESS

[blank] name of Parent

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

All amounts expressed in .... (currency used)

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

INSTRUCTIONS AFFECTING SCHEDULE IVC:

(a) For each line of business, the net 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 $geolineprem_i$ in line with sub-paragraph (c) of the Instructions affecting Table 6

.

SCHEDULE V **(Paragraph 6)**

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;

(l) 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;

(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 and mining; and Paper and forest products
Industrial	Machinery and equipment; Construction, engineering and building products; Commercial and professional services; and Transportation (air, road and water)
Consumer Discretionary	Automobile and components; Consumer durables and textile apparel; Hotels and restaurants; Consumer services; and retailing Media
Consumer Staples	Food and staples retailing; Agricultural products; beverage and tobacco; Household and personal products
Healthcare	Healthcare equipment and services; Pharmaceuticals, biotechnology and life sciences
Financial	Banks; Diversified financials; Insurance; Real Estate; Capital markets
Information Technology	Software and internet services; Technology hardware and equipment; IT services, computer components and semiconductor equipment
Telecommunications Services	Telecommunications services
Utilities	Electric, water and gas utilities
Other	Unspecified industry group

(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);

(l) 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 long-term 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

(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 York, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, the District of Columbia, Alabama, Arkansas, Louisiana, Mississippi, Texas, Florida, Georgia, North Carolina, and South Carolina
2	Caribbean
3	Arizona, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Montana, Minnesota, Missouri, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Utah, Wisconsin, and Wyoming
4	California
5	Oregon, Washington
6	Hawaii
7	Canada, Alaska
8	United Kingdom, Continental Europe
9	Australia / New Zealand
10	Japan
11	Nationwide covers
12	Worldwide covers
13	All exposures not included in Zones 1 to 12

(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% TVaR and for business with unlimited exposure, provide details of such business.”.

SCHEDULE VI (Paragraph 6)

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;

SCHEDULE VII **(Paragraph 6)**

SCHEDULE OF LONG-TERM BUSINESS DATA AND RECONCILIATION

All amounts expressed in .... (currency used)

		(1)	(7)	(9)	(10)	(11)
				Net Amount at Risk		
Line No	Description	Bermuda EBS Best Estimate Provision	BSCR Adjusted Reserve [Greater of Column (1) and 0	Adjustable Product/ Treaty (000)	Non-adjustable Product/ Treaty (000)	Total (000)
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 pay- 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 long-term care					
	Length of premium guarantee:			Benefit Period <=2	Benefit Period >2	Total (000)
	(a) <=1 year					

	(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 and long-term care					
10.	Disability income: claims in payment – other accident and sickness					
11.	Group life					
12.	Group disability					
13.	Group health					Annual Premiums (000)
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 **(Paragraph 6)**

SCHEDULE OF LONG-TERM VARIABLE ANNUITY GUARANTEES DATA AND RECONCILIATION

All amounts expressed in .... (currency used)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Guaranteed Value			Net Amount at Risk		
Line No.	Description	Bermuda EBS Best Estimate Provisions	Volatility 0%-10%	Volatility 10%- 15%	Volatility >15%	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							

31.	Time to maturity – >9 years							
32.	Percentage of GMDB with multiple guarantees							

		(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(2
Line No	Description	Bound But Not Incepted (BBNI) Premium	Best Estimate Provision In Respect to BBNI	Best Estimate Provision Using Transitional Arrangements	Equivalent of Column (14) if Transitional Arrangements were not used	Scenario Based approach Best Estimate For Technical Provisions	Equivalent of column (16) if the Scenario based approach were not used	Equivalent of column (16) if the Base Scenario were used	BBNI Premium	Be Estin Prov In Resp to B
		[Form 1EBS,note Line 27(d)-(i]	[Form 1EBS,note 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,note Line 27(d)-(vii]	[Form 1EBS,note Line 27B(d)-(i]	[Fo 1EBS e L 27E
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									

5.	Deferred annuities									
6.	Deferred accumulation annuities									
7.	Disability income: active lives - including waiver of premium and									
	Length of premium guarantee:									
	(a) <=1 year									
	(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									
10.	Disability income: claims in payment – otheraccident and sickness									
11.	Group life									
12.	Group disability									
13.	Group health									
14.	Stop loss									
15.	Rider (other product riders not									
16.	Total (excluding variable annuities)									
17.	Total for variable annuities									
18.	Total with variable annuities									

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

SCHEDULE VIIIA **(Paragraph 6)**

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 Estimate Provisions	Policy count	Account value (000)	Guarantee value (000)	Net amount at risk (000)
By policy type:					
By number of years since issuance:					
By policy position (in the money vs. out of the money):					
By fund volatility					
By number of years to next maturity **(for GMAB only)**:					

INSTRUCTIONS AFFECTING SCHEDULE VIIIA (a)

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

Line Schedule No.	Description	(6) Without Hedging (000)	(7) 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)		

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 X **(Paragraph 6)**

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 and Strategic risk		
Other (specify)		
Total capital pre-diversification between risk categories		
Diversification credit between risk categories		
Total capital after diversification between risk categories before operational risk		
Operational risk		
Total capital after diversification and operational risk		

Where:

(a) 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. ____________________ (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. ____________________ (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. ____________________ (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	**XXX**

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.

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 self-assessment 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.

(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	
(l)	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 **(Paragraph 6)**

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

	Gross loss ($M)		**Net loss ($M)**
Annual average aggregate gross loss		Annual average aggregate net loss (net of reinstatements terms)	
Standard deviation of annual aggregate gross loss		Standard deviation of annual aggregate net loss (net of reinstatements terms)	
Total gross statutory property catastrophe premium modeled		Total net statutory property catastrophe premium modeled	
Total gross all other premium modeled		Total net all other premium modeled	
Total gross statutory property catastrophe limits exposed – modeled		Total net statutory property catastrophe limits exposed – modeled	
Total gross statutory property catastrophe limits exposed - not modeled		Total net statutory property catastrophe limits exposed– not modeled	
Total gross all other lines limits exposed - modeled		Total net all other lines limits exposed – modeled	
Total gross all other lines limits exposed - not modeled		Total net all other lines limits exposed - not modeled	
Total gross premium without an occurrence or aggregate limit		Total net premium without an occurrence or aggregate limit	
Total gross premium with non determinable Total Insured Value (“TIV”)		Total net premium with non determinable TIV	

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

	Select	**If no, briefly explain**
Allocated loss adjustment expense		
Property – buildings		
Property – contents		
Additional living expenses		
Business interruption		
Auto physical damage		
Worker's compensation		
Personal accident		
Life insurance		
Onshore energy		
Offshore energy		
Ocean marine		
Inland marine		
Flood		
Crop		
Other primary insurance		

3. Assumed reinsurance information

	Select	**If no, briefly explain**
Proportional - quota share		
Proportional - surplus share		
Non-proportional - catastrophe		
Non-proportional - per risk		
Other reinsurance assumed		

4. Pools and assessments information

	Select	**If no, briefly explain**
Voluntary pools and/or assessments		
Involuntary pools and/or assessments		

5. Supplemental perils and model options

	Select	**If no, briefly explain**
Fire following		
Sprinkler leakage		
Storm surge		
Demand surge		
Secondary uncertainty		
Atlantic multi-decadal oscillation selection		

6. Other adjustments information

	Select	**If no, briefly explain**
Adjustments for exposure data quality		
Adjustments for insurance to value		
Adjustments for exposure growth		
Supplemental losses for non-modeled line of business		
Adjustments for model deficiencies severity		
Adjustments for model deficiencies frequency		
Additional demand surge loadings		
Other factors for prudence		
Average loading factor applied to ground up loss for all adjustments applied:		
Is this average loading factor determined analytically or estimated?		
Which vendor catastrophe models ("cat model") do you include in this modeling:		
Which version of the model or version of the region-peril models are used for each cat model as appropriate:		

INSTRUCTIONS AFFECTING TABLE 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 period (years)	Gross per occurrence loss TVaR	Gross aggregate TVaR	Net per occurrence loss TVaR	Net aggregate TVaR
		($M)	($M)	($M)	($M)
	50				
	100				
	250				
	500				
	1000				

	Gross loss ($M)		**Net loss ($M)**
Annual average aggregate gross loss		Annual average aggregate net loss (net of reinstatements terms)	
Standard deviation of annual aggregate gross loss		Standard deviation of annual aggregate net loss (net of reinstatements terms)	
Total gross statutory property catastrophe premium modeled		Total net statutory property catastrophe premium modeled	
Total gross all other premium modeled		Total net all other premium modeled	
Total gross statutory property catastrophe limits exposed – modeled		Total net statutory property catastrophe limits exposed – modeled	
Total gross statutory property catastrophe limits exposed - not modeled		Total net statutory property catastrophe limits exposed– not modeled	
Total gross all other lines limits exposed - modeled		Total net all other lines limits exposed – modeled	
Total gross all other lines limits exposed - not modeled		Total net all other lines limits exposed - not modeled	
Total gross premium without an occurrence or aggregate limit		Total net premium without an occurrence or aggregate limit	
Total gross premium with non determinable Total Insured Value ("TIV")		Total net premium with non determinable TIV	

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

	Select	**If no, briefly explain**
Allocated loss adjustment expense		
Property – buildings		
Property – contents		
Additional living expenses		
Business interruption		
Auto physical damage		
Worker's compensation		
Personal accident		
Life insurance		
Onshore energy		
Offshore energy		
Ocean marine		
Inland marine		
Flood		
Crop		
Other primary insurance		

3. Assumed reinsurance information

	Select	**If no, briefly explain**
Proportional - quota share		
Proportional - surplus share		
Non-proportional - catastrophe		
Non-proportional - per risk		
Other reinsurance assumed		

4. Pools and assessments information

	Select	**If no, briefly explain**
Voluntary pools and/or assessments		
Involuntary pools and/or assessments		

5. Supplemental perils and model options

	Select	**If no, briefly explain**
Fire following		
Sprinkler leakage		
Storm surge		
Demand surge		
Secondary uncertainty		
Atlantic multi-decadal oscillation selection		

6. Other adjustments information

	Select	**If no, briefly explain**
Adjustments for exposure data quality		
Adjustments for insurance to value		
Adjustments for exposure growth		
Supplemental losses for non-modeled line of business		
Adjustments for model deficiencies severity		
Adjustments for model deficiencies frequency		
Additional demand surge loadings		
Other factors for prudence		
Average loading factor applied to ground up loss for all adjustments applied:		
Is this average loading factor determined analytically or estimated?		
Which vendor catastrophe models ("cat model") do you include in this modeling:		
Which version of the model or version of the region-peril models are used for each cat model as appropriate:		

INSTRUCTIONS AFFECTING TABLE 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 period (years)	Gross per occurrence loss TVaR	Gross aggregate TVaR	Net per occurrence loss TVaR	Net aggregate TVaR
		($M)	($M)	($M)	($M)
	50				
	100				
	250				
	500				
	1000				

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

INSTRUCTIONS AFFECTING TABLE 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 Atlantic Basin Hurricane	**EP Curve North American Earthquake**	**EP Curve European Windstorm**	**EP Curve Japanese Earthquake**	**EP Curve Japanese Typhoon**	**EP Curve All Other Perils**
Zone 1						
Zone 2						
Zone 3						
Zone 4						
Zone 5						
Zone 6						
Zone 7						
Zone 8						
Zone 9						
Zone 10						
Zone 11						
Zone 12						
Zone 13						

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

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

INSTRUCTIONS AFFECTING TABLE 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	Gross limit provided	Net limit provided	Contract count	Gross limit provided	Net limit provided
		($M)	($M)		($M)	($M)		($M)	($M)
Modelable									
Not modelable									
Total									

2. For those contracts that are written by the 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	Gross limit provided	Net limit provided	Contract count	Gross limit provided	Net limit provided
		($M)	($M)		($M)	($M)		($M)	($M)
Modeled									
Not Modeled									
Total									

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

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

If other is selected, describe the methodology as appropriate:

4. For those contracts that are written by the 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	Gross limit provided	Net limit provided	Contract count	Gross limit provided	Net limit provided
		($M)	($M)		($M)	($M)		($M)	($M)
Data deficient									
Model deficient									
Other									
Total									

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

5. For contracts that are written by the 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	Gross limit provided	Net limit provided	Contract count	Gross limit provided	Net limit provided
		($M)	($M)		($M)	($M)		($M)	($M)
Data deficient									
No catastrophe model exists									
Model 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, man-made and pandemic perils covered on aggregate basis.

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

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

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

NBCR terrorism exposure		U.S. State/ Province (if applicable)	Country	Direct terrorism property exposure($M)	Total gross exposure ($M)	TRIP or other terror pool recoverables if any ($M)	Reinsurance recoveries if any ($M)	Total net exposure ($M)
	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

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

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

TABLE 16H cont'd

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

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 **(Paragraph 6)**

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
								XXX	**XXX**	**XXX**	**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;
(k) the regulatory capital requirement (RCR) shall be provided based on the jurisdiction's solvency laws for the regulated sector in which the entity is licensed to conduct non- insurance financial business; and
(l) 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
								XXX	**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;

(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 **(Paragraph 6)**

Schedule Of Unregulated Entities Where the Parent Exercises Significant Influence

Group member name	Jurisdiction	Sector classification	Strategic purpose	Entity type	Products & services offered	Group member category	Percentage of participating interest	Total assets	Proportionate share of the investment amount (equity method)
							x.x%	XXX	XXX
							x.x%	XXX	XXX
							x.x%	XXX	XXX
								XXX	**XXX**

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 XID **(Paragraph 6)**

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
									XXX	**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

(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 name	Jurisdiction	Entity type	Participation Type	Percentage of participating interest	Net Premiums Written	Total assets	Minimum Margin of Solvency (MSM)	Proportionate 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 ______(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
<u>TIER 1-BASIC CAPITAL</u>				
(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			
		Policy holder obligations (Column (A))	Encum-bered (pledged) assets (Column (B))	
(i)	Contracts where pledged assets exceed the policyholder obligations	XXX	XXX	
(ii)	Contracts where pledged assets are equal to the policyholder obligations	XXX	XXX	
(iii)	Contracts where pledged assets are less than the policyholder obligations	XXX	XXX	
(iv)	Contracts where policyholder obligations are not collateralized	XXX		
(v)	Total	XXX	XXX	
(vi)	Excess encumbered assets i.e. contracts where pledged assets exceed the policyholder obligations (Column (B)(i) - Column (A)(i))			XXX
(vii)	Capital requirement applicable to the encumbered assets under (i) above (equal to the contribution of the pledged assets to the ECR)			XXX

(viii)	Capital requirement applicable to the policyholder obligations under (i) above (equal to the contribution of the policyholder obligations to the ECR)	XXX
(ix)	Excess encumbered assets transferable to Tier 2 ((vi)- (vii)-(viii))	XXX
(x)	Policyholder obligations that are fully collateralized(Column (A)(i)+ Column (A)(ii) + Column (B)(iii))	XXX
(xi)	Total policyholder obligations (Column (A)(v))	XXX
(xii)	Proportion of policyholder obligations that are not collateralized (1 – (x)/(xi))	XX%
(xiii)	Excess encumbered assets transferred to Tier 2 ((ix) x (xii))	XXX
(i)	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: 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		**XXX**
TIER 3 BASIC CAPITAL		
(a)	Short-term hybrid capital instruments: 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
(b)	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		**XXX**
TOTAL AVAILABLE STATUTORY ECONOMIC CAPITAL AND SURPLUS		**XXX**
REGULATORY CAPITAL LEVELS		
Minimum Margin of Solvency		**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 capital instrument	Date of issue	Maturity date (as applicable)	Date approved by the Authority	Value of the capital instrument	Eligible 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**	**XXX**	**XXX**
2.	**QUOTED INVESTMENTS:**		
(b)	Total Bonds and Debentures	XXX	XXX
(c)	Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
(d)	Total equities	XXX	XXX
(e)	Other quoted investments	XXX	XXX
(f)	Total quoted investments	XXX	XXX
3.	**UNQUOTED INVESTMENTS:**		
(b)	Total Bonds and Debentures	XXX	XXX
(c)	Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual Funds	XXX	XXX
(d)	Total equities	XXX	XXX
(e)	Other unquoted investments	XXX	XXX
(f)	Total unquoted investments	XXX	XXX
4.	**INVESTMENTS IN AND ADVANCES TO AFFILIATES (Equity)**		
(a)	Unregulated entities that conduct ancillary services	XXX	XXX
(b)	Unregulated non-financial operating entities	XXX	XXX
(c)	Unregulated financial operating entities	XXX	XXX
(d)	Regulated non-insurance financial operating entities	XXX	XXX
(e)	Regulated insurance financial operating entities	XXX	XXX
(f)	Total investments in affiliates	XXX	XXX
(g)	Advances to affiliates	XXX	XXX

(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**	**XXX**	**XXX**
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**		

(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**	**XXX**
25.	**BEST ESTIMATE LIABILITY FOR FUTURE**	**XXX**	**XXX**

	POLICYHOLDERS' DIVIDENDS		
26.	**BEST ESTIMATE OTHER LONG-TERM BUSINESS INSURANCE RESERVES**	**XXX**	**XXX**
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**	**XXX**	**XXX**
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**	**XXX**	**XXX**
29.	**COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE**	**XXX**	**XXX**
30.	**LOANS AND NOTES PAYABLE**	**XXX**	**XXX**
31.	**TAX LIABILITIES**		
	(a) INCOME TAXES PAYABLE	XXX	XXX
	(b) DEFERRED INCOME TAXES	XXX	XXX
32.	**AMOUNTS DUE TO AFFILIATES**	**XXX**	**XXX**
33.	**ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**	**XXX**	**XXX**
34.	**FUNDS HELD UNDER REINSURANCE CONTRACTS**		
(a)	Affiliated	XXX	XXX
(b)	Non-affiliated	XXX	XXX
(c)	Total funds held under reinsurance contracts	XXX	XXX

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

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

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

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
Line 27(d) – (i)	The amount of premium included as 'Bound but Not Incepted' (as defined in paragraph 12 of the Instructions Affecting Form 1EBS) in the calculation of line 27 Long-term business provisions. The amount shall be separately split between the statutory lines of business set out Schedule IVB.	XXX
Line 27(d) – (ii)	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
Line 27(d) – (iii)	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) The amount shall be split between the statutory lines of business set out in Schedule IVB.	XXX
Line 27(d) – (iv)	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. The amount shall be separately split between the lines of business set out in Schedule IVB.	XXX
Line 27(d) – (v)	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
Line 27(d) – (vi)	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. The amount shall be separately split between the lines of business set out in Schedule IVB.	XXX
Line 27(d) – (vii)	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. The amount shall be separately split between the lines of business set out in Schedule IVB.	XXX
Line 27B(c)-(i)	The adjustment included in the best estimate of reinsurance recoveries that was made to reflect expected losses due to counterparty default (for whatever reason, including reinsurer insolvency or contractual disputes)	XXX
Line	The amount of premium included as 'Bound but Not Incepted' (as	XXX

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

General Business Reserves:

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

INSTRUCTIONS AFFECTING FORM 1EBS

Economic Balance Sheet valuation principles

1. The economic balance sheet (EBS) shall be produced on a consolidated basis in line with GAAP principles adopted by the 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;

(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

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.

<table>
<tr><th>Line of statutory economic balance sheet</th><th colspan="2">Instructions</th></tr>
<tr><td>1. Cash and cash equivalents</td><td colspan="2">Cash and cash equivalents (maturities of less than 90 days) as at balance sheet shall be included here. This includes restricted cash</td></tr>
<tr><td>2. Quoted investments</td><td colspan="2">There shall be disclosed severally -</td></tr>
<tr><td></td><td>(b)</td><td>Total bonds and debentures;</td></tr>
<tr><td></td><td>(c)</td><td>Equities –</td></tr>
<tr><td></td><td>(i)</td><td>common stock:
investments in quoted common shares</td></tr>
<tr><td></td><td>(ii)</td><td>preferred shares:
investments in quoted preferred shares; and</td></tr>
<tr><td></td><td>(iii)</td><td>mutual funds:</td></tr>
</table>

		investments in quoted mutual funds, etc
	(d)	Total equities: The total of (c)(i), (ii) and (iii).
	(e)	Other quoted investments: Other quoted investments not included in 2(b) and 2(d) e.g. alternative funds.
	(f)	Total quoted investments: The total of 2(b), (d) and (e).
3. Unquoted investments	There shall be disclosed severally -	
	(b)	Total bonds and debentures;
	(c)	Equities –
	(i)	common stock: investments in unquoted common shares
	(ii)	preferred shares: investments in unquoted preferred shares; and
	(iii)	mutual funds: investments in unquoted mutual funds, etc
	(d)	Total equities: The total of (c)(i), (ii) and (iii).
	(e)	Other unquoted investments: Other unquoted investments not included in 3(b) and 3(d) e.g. alternative funds.
	(f)	Total unquoted investments: The total of 3(b), (d) and (e).
4. Investment in and advances to affiliates (equity)	All investments where the Group does not hold a majority equity interest but has the ability to exercise significant influence (generally at least a 20% interest or a general partner interest) over operating and financial matters shall be included here and should be accounted for under the equity method of accounting. Economic Balance Sheet valuation principles shall be applied to the affiliates before deriving values to be included here. There shall be disclosed severally	
	(a)	Unregulated entities that conduct ancillary services : All unregulated entities that conduct ancillary services accounted for under equity method shall be included here;
	(b)	Unregulated non-financial operating entities: All unregulated non-financial operating entities accounted for under equity method shall be included here;
	(c)	Unregulated financial operating entities: All unregulated financial operating entities accounted for under equity method shall be included here;
	(d)	Regulated non-insurance financial operating entities: All regulated non-insurance financial operating entities accounted for both under control and equity method shall be included here;
	(e)	Regulated insurance financial operating entities: All regulated insurance financial operating entities accounted for under equity method shall be included here.
	(f)	Total investments in affiliates: The total of (a) to (e) inclusive.
5. Investments in mortgage loans on real estate	Residential and commercial investment loans shall be included here. There shall be disclosed severally	
	(a)	First liens.
	(b)	Liens other than first liens.

	(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: 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. 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. 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. 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 These shall only be recognised if it is probable that the expected future economic benefits will flow to the insurer and the value of the assets can be reliably measured. The assets must be separable and there should be evidence of exchange transactions for the same or similar assets indicating they are saleable in the market place. If a fair value assessment of an intangible asset is not possible then such asset should be valued at nil. Goodwill shall be valued at nil.
	(h)	Deferred tax assets
	(i)	Pension Benefit surplus
	(j)	Any other assets – please provide details in a supplementary note
	(k)	Total sundry assets: The total of (a) to (j) inclusive.
14. Letters of credit, guarantees and other instruments	These are contractual rights arising from off-balance sheet arrangements to receive financial assets through:	
	(a)	Letters of Credit
	(b)	Guarantees
	(c)	Other instruments
	(d)	Total letters of credit, guarantees and other instruments: The total of (a) to (c).
	Such assets may, with the approval of the Authority obtained on an application made for that purpose, be recorded and the capital increased by a corresponding amount. Letters of credit, guarantees or other instruments in favour of the group which relate to insurance or reinsurance contracts shall not be recorded.	
15. Total Assets	This shall be the total of lines 1 to 14 inclusive. The total amount of encumbered assets that are not securing policyholder obligations shall be disclosed, stating the purpose of the encumbrance.	
General Business Insurance Technical Provisions		
16. Best Estimate Premium Provisions	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. Cash flows to be considered here include all those referred to in paragraph 8 of the EBS valuation principles There shall be disclosed severally -	
	(a)	Gross premium provisions: Gross premium provisions assessed on the Economic

		Balance Sheet valuation principles
	(b)	Less: reinsurance recoverable balances): Amounts expected to be recoverable from reinsurers assessed on the Economic Balance Sheet valuation principles on a basis consistent with the gross assessment. Allowance shall be made for any reinstatement premiums that may be payable to reinsurers. Allowance shall be made for expected uncollectable amounts (for whatever reason). The amounts shall be subdivided between:
	(i)	Foreign affiliates
	(ii)	Domestic affiliates
	(iii)	Pools and associations
	(iv)	All other reinsurers
	(c)	Total reinsurance recoverable balance: The total of (b) (i) to (iv) The adjustment to the best estimate of reinsurance recoveries that was made to reflect expected losses due to counterparty default shall be disclosed in a supplementary note.
	(d)	Net premium provisions: The total of (a) and (c).
17. Best Estimate Loss and loss expense provisions	Best Estimate loss and loss expense provisions shall be assessed on the Economic Balance Sheet valuation principles. It shall include all unpaid amounts in respect of claim events that have occurred on or before the valuation date, whether reported to the Group or not. There shall be disclosed severally -	
	(a)	Gross loss and loss expense provisions: Gross unpaid loss and loss expenses assessed on the Economic Balance Sheet valuation principles
	(b)	Less: reinsurance recoverable balances): Losses and loss expenses recoverable shall be assessed on the Economic Balance Sheet valuation principles on a basis consistent with the gross assessment. Allowance shall be made for any reinstatement premiums that may be payable to reinsurers. Allowance shall be made for expected uncollectable amounts (for whatever reason). The amounts shall be subdivided between:
	(i)	Foreign affiliates
	(ii)	Domestic affiliates
	(iii)	Pools and associations
	(iv)	All other reinsurers
	(c)	Total reinsurance recoverable balance: The total of (b) (i) to (iv) The adjustment to the best estimate of reinsurance recoveries that was made to reflect expected losses due to counterparty default shall be disclosed in a supplementary note. The amount of any collateral placed in favour of members of the Group shall be disclosed in a supplementary note.
	(d)	Net loss and loss expense provisions: The total of (a) and (c).
18. Risk Margin – General Insurance Business	The risk margin shall be calculated using the cost of capital method, using a 6% cost of capital, as per the Economic Balance Sheet valuation principles. It shall not be split between premium provisions, loss provisions and other reserves, and may be calculated at an aggregate level for general business, making allowance for the effects of the diversification effects of regulatory	

	capital requirements within the general business of the Group.	
19. Total general insurance business technical provisions	This shall be the total of lines 16(d), 17(d), and 18 inclusive.	
Long-term Business Insurance Technical Provisions		
20. Best Estimate Reserves for reported claims	Best estimate reserves, calculated in line with Economic Balance Sheet valuation principles, to meet unpaid claims at the valuation date and made under long-term insurance policies in respect of incidents occurring and reported to the insurer before the valuation date, net of any expected recoverable amounts	
21. Best Estimate Reserves for unreported claims	Best estimate reserves, calculated in line with Economic Balance Sheet valuation principles, to meet unpaid claims at the valuation date and made under long-term insurance policies in respect of incidents occurring but not reported to the insurer before the valuation date, net of any expected recoverable amounts.	
22. Best Estimate Policy reserves - life	Best estimate provisions, calculated in line with Economic Balance Sheet valuation principles, in respect of future guaranteed benefits as they become payable under the provisions of life insurance policies in force, including any 'bound but not incepted' business. These may also include amounts applicable to other life contract benefits (such as disability waiver of premium, disability income benefits and additional accidental death benefits). These amounts are net of any expected recoverable balances.	
23. Best Estimate Policy reserves – accident and health	Best estimate provisions, calculated in line with Economic Balance Sheet valuation principles, in respect of accident and health policies, including any 'bound but not incepted' business. These amounts are net of any expected recoverable balances	
24. Best Estimate Policyholders' funds on deposit	These consist of premiums paid in advance of the due date, and shall be valued in line with Economic Balance Sheet valuation principles.	
25. Best Estimate Liability for future policyholders' dividends	Best estimate dividends payable, as declared by the directors, on participating life policies which qualify for such dividends, and valued in line with Economic Balance Sheet valuation principles.	
26. Best Estimate Other long-term business insurance reserves	Best estimate reserves not included in lines 20 to 25, and valued in line with Economic Balance Sheet valuation principles, including any 'bound but not incepted' business.	
27. Total Best Estimate long-term business insurance provisions	Best estimate Long-term business insurance provisions calculated in line with Economic Balance Sheet valuation principles (and are not included on Form1EBS, Line 27B). It comprises the total of lines 20 to 26 inclusive, showing an analysis between the gross and net positions. There shall be disclosed severally -	
	(a)	Total gross long-term business insurance provisions: Gross unpaid loss and loss expenses assessed on the Economic Balance Sheet valuation principles
	(b)	Less: reinsurance recoverable balances): The amount of recoverables shall be assessed on the Economic Balance Sheet valuation principles on a basis consistent with the gross assessment. Allowance shall be made for any reinstatement premiums that may be payable to reinsurers. Allowance shall be made for expected uncollectable amounts (for whatever reason). The amounts shall be subdivided between:
	(i)	Foreign affiliates
	(ii)	Domestic affiliates
	(iii)	Pools and associations
	(iv)	All other reinsurers
	(c)	Total reinsurance recoverable balance: The total of (b) (i) to (iv) The adjustment to the best estimate of reinsurance recoveries that was made to reflect expected losses due to

		counterparty default shall be disclosed in a supplementary note. The amount of any collateral placed in favour of members of the Group shall be disclosed in a supplementary note.
	(d)	Net long term business provisions: The total of (a) and (c) – which is also the same as the sum of lines 20 to 26 inclusive.
27A. Risk Margin – Long-term 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 long-term 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. There shall be disclosed severally -	
	(a)	Total gross long-term business insurance reserves calculated as a whole.
	(b)	Less: reinsurance recoverable balances): 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) The adjustment to the best estimate of reinsurance recoveries that was made to reflect expected losses due to counterparty default shall be disclosed in a supplementary note. The amount of any collateral placed in favour of 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.) Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
29. Commissions, expenses, fees and taxes payable	All unearned commissions shall be included here. Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
30. Loans and notes payable	Loans and notes payable shall be included here. This shall include subordinated debt. Amounts payable in more than one year shall be discounted at the relevant risk free rate.	

31. Tax liabilities		Amounts payable in more than one year shall be discounted at the relevant risk free rate. There shall be disclosed severally:
	(a)	Income taxes payable
	(b)	Deferred income taxes
32. Amounts due to affiliates	All amounts due to affiliates shall be included here. Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
33. Accounts payable and accrued liabilities	All accounts payable and accrued liabilities shall be included here Amounts payable in more than one year shall be discounted at the relevant risk free rate.	
34. Funds held under reinsurance contracts	Funds held under reinsurance contracts shall be included here, and shall be included at amounts consistent with the fair value of the underlying assets.	
	(a)	Affiliated reinsurers
	(b)	Non-affiliated reinsurers
	(c)	This shall be the total of (a) and (b)
35. Dividends payable	All dividends payable shall be included here	
36. Sundry liabilities	There shall be disclosed severally:	
	(a)	Those derivative instruments which are held for hedging purposes, with an unfavourable position shall be included here;
	(b)	Other derivative instruments (ie those which are not held for hedging purposes), with an unfavourable position shall be included here;
	(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 off-balance sheet arrangements are reported in this line. A liability is recorded decreasing the statutory capital and surplus equal to the expected present value of such contingent obligations discounted to take into consideration the time value of money at an appropriate rate (to be disclosed). 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. 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. 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 technical provisions and other liabilities	This shall be the total of lines 19, 27C and 38 inclusive	
40. Total statutory economic capital and surplus	This is the capital and surplus total as at the valuation date. It is derived as line 15 less line 39 A reconciliation between this amount and line 40 for Form 1 required under Schedule 1 of the Insurance (Group Supervision) Rules 2011 shall be shown in a supplementary note.	
41. Total	This shall be the total of lines 39 and 40 It should equal line 15	

SCHEDULE XV (Paragraph 6)

GROUP ACTUARY'S OPINION

1 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.

2 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 27A) and state whether or not, in their opinion, these amounts have been calculated in accordance with the requirements of Schedule XIV.

4 In relation to Lines 16(a), 27(a) and 27B(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.

5 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.

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 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.

10 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.

11 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.

12 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 Agency**	**BSCR Rating**	**Jurisdiction**	**Premiums Ceded During the Year** (Form 2, Lines 2 &13)	**Reinsurance Recoverable** (Form 1EBS, Lines 11, 12, 17(c) & 27(c))	**Market Risk** (Form 1EBS, Line 12)

(H)	**(I)**	**(J)**	**(K)**	**(L)**	**(M)**	**(N)**	**(O)**
Adjusted Reinsurance Recoverable [(F) Less (G)]	**Reinsurance Payable** Form 1EBS Line 28, 29, 33 and 34(c)	**Net Reinsurance Recoverable** [(F) Less (I)]	**Net Reinsurance Recoverable Due For Less than 180 Days**	**Net Reinsurance Recoverable Due For More than 180 Days**	**Collateral** Notes to Form 1EBS Line 11(e) and Line 17(c)	**Qualifying Collateral**	**Net Qualifying Exposure**

	(F)	(G)	(H)	(I)	(J)	(M)	(N)	(O)
Exposure By BSCR Rating	**Reinsurance Recoverable** (Form 1EBS, Lines 11, 12, 17(c) & 27(c))	**Market Risk** (Form 1EBS, Line 12)	**Adjusted Reinsurance Recoverable** [(F) Less (G)]	**Reinsurance Payable** Form 1EBS Line 28, 29, 33 and 34(c)	**Net Reinsurance Recoverable** [(F) Less (I)]	**Collateral** 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;

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

SCHEDULE XIX – SCHEDULE OF CASH AND CASH EQUIVALENT COUNTERPARTY ANALYSIS

(Paragraph 6)

[blank] name of Company

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

All amounts expressed in .... (currency used)

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

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

INSTRUCTIONS AFFECTING SCHEDULE XIX:

(i) cash and cash equivalent balances are to be reported based on its BSCR Rating;
(ii) an 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) insurance groups may allocate BSCR Rating based on the table below or with the allocation detailed in Schedule II.

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

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

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 $Currliab_i$ may be adjusted to reflect the impact of those arrangements on $GrossCurrast_i$ and $GrossCurrliab_i$ of a 25% adverse movement in foreign exchange rates, otherwise the amounts $GrossCurrast_i$ and $GrossCurrliab_i$ shall apply; 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 XXI - SCHEDULE OF CONCENTRATION RISK

(Paragraph 6)

[blank] name of Company

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

All amounts expressed in .... (currency used)

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

INSTRUCTIONS AFFECTING SCHEDULE XXI:

(i) Disclosure of an 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.