



14 February 2020

NOTICE

BERMUDA SOLVENCY CAPITAL REQUIREMENT (BSCR)
FOR 2019 YEAR-END

SCHEDULE XXIA – CONCENTRATION RISK GRANDFATHERING EQUITY
RISK CHARGES

Bermuda Monetary Authority (Authority) advises insurance groups, Class E, Class D and Class C (re)insurers, 2019 year-end BSCR models have been updated to include Grandfathering Equity risk charges as reported on Schedule XXIA Concentration Risk.

If an insurer has long-term policies supported by equity investments, and the insurer has taken advantage of the grandfathering of equity risk charges for policies in force prior to the 2018 year-end, then the insurer can use the updated model that allows for recognition of the equity risk grandfathered charges on Schedule XXIA Concentration Risk. If insurers (including commercial general business insurers with a Class 4, 3B or 3A licence) do not have long-term business eligible for grandfathering, then the Authority suggests insurers use the models released on 20 December 2019. The updated models are on the Authority's website at:

<https://www.bma.bm/document-centre/reporting-forms-and-guidelines-insurance>

Any questions relating to the above, or BSCR regulatory reporting should be directed to riskanalytics@bma.bm.