

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

SCHEDULES

The following Schedules, have been omitted from these Rules. They are published on the Authority's website www.bma.bm, in accordance with section 6A(8) of the Insurance Act 1978—

SCHEDULE I

Prescribed Forms of Statutory Financial Returns

SCHEDULE II

Statutory Financial Statements: Instructions

SCHEDULE III

Alternative Capital Arrangements

SCHEDULE IV

Cyber Risk Management

SCHEDULE V

Compliance with Sanctions

Made this 30th day of April 2020

Chairman
The Bermuda Monetary Authority

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

SCHEDULE I

PRESCRIBED FORMS OF STATUTORY FINANCIAL RETURNS

Form 1A

Paragraph 4

STATUTORY BALANCE SHEET

(General Business – Special Purpose Insurer)

[blank] name of Company

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

expressed in [blank] (currency used)

STMT. LINE No.		20XX	20XX
ASSETS			
1.	CASH AND TIME DEPOSITS	XXX	XXX
2.	QUOTED INVESTMENTS		
	(a) Bonds and Debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(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 equity investments	XXX	XXX
	(e) Other quoted investments	XXX	XXX
	(f) Total quoted investments	XXX	XXX
3.	UNQUOTED INVESTMENTS		
	(a) Bonds and Debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(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 equity investments	XXX	XXX
	(e) Other unquoted investments	XXX	XXX
	(f) Total unquoted investments	XXX	XXX
4.	INVESTMENT IN AND ADVANCES TO AFFILIATES		
	(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 (equity method)	XXX	XXX
	(g) Advances to affiliates	XXX	XXX
	(h) Total investments in and advances to affiliates	XXX	XXX

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE		
	(a) First liens	XXX	XXX
	(b) Other than first liens	XXX	XXX
	(c) Total investment in mortgage loans on real estate	XXX	XXX
7.	REAL ESTATE		
	(a) Occupied by the company (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
	(b) Deferred – not yet due	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 balances receivable	XXX	XXX
12.	FUNDS HELD BY CEDING REINSURERS		
	(a) Affiliates	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 companies	XXX	XXX
	(c) Deposit assets	XXX	XXX
	(d) Other sundry assets	XXX	XXX
	(e) Total sundry assets	XXX	XXX
14.	LETTERS OF CREDIT AND 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	XXX	XXX
LIABILITIES			
INSURANCE RESERVES			
16.	UNEARNED PREMIUMS	XXX	XXX
17.	LOSS AND LOSS EXPENSE PROVISIONS		
	(a) Gross loss and loss expense provisions	XXX	XXX
	(b) Less: Reinsurance recoverable balance	XXX	XXX
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other insurers	XXX	XXX
	(c) Total reinsurance recoverable balance	XXX	XXX

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

	(d) Net loss and loss expense provisions	<u>XXX</u>	<u>XXX</u>
18.	OTHER INSURANCE RESERVES – GENERAL BUSINESS	<u>XXX</u>	<u>XXX</u>
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	<u>XXX</u>	<u>XXX</u>
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.	(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	XXX	XXX
	(a) Affiliated	XXX	XXX
	(b) Non-affiliated	<u>XXX</u>	<u>XXX</u>
	(c) Total funds held by ceding reinsurers	<u>XXX</u>	<u>XXX</u>
35.	DIVIDENDS PAYABLE	XXX	XXX
36.	SUNDRY LIABILITIES	XXX	XXX
	(a) Derivative instruments	XXX	XXX
	(b) Segregated account companies	XXX	XXX
	(c) Deposit liabilities	XXX	XXX
	(d) Other sundry liabilities	XXX	XXX
	(e) Total sundry liabilities	<u>XXX</u>	<u>XXX</u>
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	<u>XXX</u>	<u>XXX</u>
38.	TOTAL OTHER LIABILITIES	<u>XXX</u>	<u>XXX</u>
39.	TOTAL GENERAL BUSINESS INSURANCE RESERVERS AND OTHER LIABILITIES	<u>XXX</u>	<u>XXX</u>
STATUTORY CAPITAL AND SURPLUS			
40.	TOTAL STATUTORY CAPITAL AND SURPLUS	XXX	XXX
41.	TOTAL	<u>XXX</u>	<u>XXX</u>

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

Form 2A

Paragraph 4

STATUTORY STATEMENT OF INCOME

(General Business – Special Purpose Insurer)

[blank] name of Company

For the period [blank] (day/month/year) - [blank] (day/month/year)

expressed in [blank] (currency used)

STMT. LINE No.		20XX	20XX
UNDERWRITING INCOME			
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	<u>XXX</u>	<u>XXX</u>
	(b) Assumed gross premiums written	<u>XXX</u>	<u>XXX</u>
	(c) Total gross premiums written	<u>XXX</u>	<u>XXX</u>
2.	REINSURANCE PREMIUMS CEDED	<u>XXX</u>	<u>XXX</u>
3.	NET PREMIUMS WRITTEN	<u>XXX</u>	<u>XXX</u>
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS	<u>XXX</u>	<u>XXX</u>
5.	NET PREMIUMS EARNED	<u>XXX</u>	<u>XXX</u>
6.	OTHER INSURANCE INCOME	<u>XXX</u>	<u>XXX</u>
7.	TOTAL UNDERWRITING INCOME	<u>XXX</u>	<u>XXX</u>
UNDERWRITING EXPENSES			
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	<u>XXX</u>	<u>XXX</u>
9.	COMMISSIONS AND BROKERAGE	<u>XXX</u>	<u>XXX</u>
OTHER UNDERWRITING EXPENSES			
10.	GENERAL AND ADMINISTRATIVE	<u>XXX</u>	<u>XXX</u>
11.	PERSONNEL COSTS	<u>XXX</u>	<u>XXX</u>
12.	OTHER	<u>XXX</u>	<u>XXX</u>
13.	TOTAL UNDERWRITING EXPENSES	<u>XXX</u>	<u>XXX</u>
UNDERWRITING NET PROFIT (LOSS)			
14	UNDERWRITING PROFIT (LOSS)	<u>XXX</u>	<u>XXX</u>
17	GENERAL BUSINESS INVESTMENT INCOME—NET	<u>XXX</u>	<u>XXX</u>
18.	INCOME BEFORE UNDER NOTED ITEMS	<u>XXX</u>	<u>XXX</u>
37.	OTHER INCOME (DEDUCTIONS)	<u>XXX</u>	<u>XXX</u>
38.	INCOME BEFORE TAXES	<u>XXX</u>	<u>XXX</u>
39.	INCOME TAXES (IF APPLICABLE):		
	(a) Current	<u>XXX</u>	<u>XXX</u>
	(b) Deferred	<u>XXX</u>	<u>XXX</u>
	(c) Total	<u>XXX</u>	<u>XXX</u>
40.	INCOME BEFORE REALISED GAINS (LOSSES)	<u>XXX</u>	<u>XXX</u>
41.	REALISED GAINS (LOSSES)	<u>XXX</u>	<u>XXX</u>
42.	NET INCOME	<u>XXX</u>	<u>XXX</u>

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

Form 4

Paragraph 5

STATUTORY BALANCE SHEET

(Long-term Business – Special Purpose Insurer)

[blank] name of Company

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

expressed in [blank] (currency used)

STMT. LINE No.		20XX	20XX
ASSETS			
1.	CASH AND TIME DEPOSITS	XXX	XXX
2.	QUOTED INVESTMENTS		
	(a) Bonds and Debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(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 equity investments	XXX	XXX
	(e) Other quoted investments	XXX	XXX
	(f) Total quoted investments	XXX	XXX
3.	UNQUOTED INVESTMENTS		
	(a) Bonds and Debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(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 equity investments	XXX	XXX
	(e) Other unquoted investments	XXX	XXX
	(f) Total unquoted investments	XXX	XXX
4.	INVESTMENT IN AND ADVANCES TO AFFILIATES		
	(i) Unregulated entities that conduct ancillary services	XXX	XXX
	(j) Unregulated non-financial operating entities	XXX	XXX
	(k) Unregulated financial operating entities	XXX	XXX
	(l) Regulated non-insurance financial operating entities	XXX	XXX
	(m) Regulated insurance financial operating entities	XXX	XXX
	(n) Total investments in affiliates (equity method)	XXX	XXX
	(o) Advances to affiliates	XXX	XXX
	(p) Total investments in and advances to affiliates	XXX	XXX

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE		
	(a) First liens	XXX	XXX
	(b) Other than first liens	<u>XXX</u>	<u>XXX</u>
	(c) Total investment in mortgage loans on real estate	<u>XXX</u>	<u>XXX</u>
6.	POLICY LOANS	XXX	XXX
7.	REAL ESTATE		
	(a) Occupied by the company (less encumbrances)	XXX	XXX
	(b) Other properties (less encumbrances)	<u>XXX</u>	<u>XXX</u>
	(c) Total real estate	<u>XXX</u>	<u>XXX</u>
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
	(b) Deferred – not yet due	XXX	XXX
	(c) Receivables from retrocessional contracts	<u>XXX</u>	<u>XXX</u>
	(d) Total accounts and premiums receivable	<u>XXX</u>	<u>XXX</u>
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 balances receivable	<u>XXX</u>	<u>XXX</u>
12.	FUNDS HELD BY CEDING REINSURERS		
	(a) Affiliates	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held by ceding reinsurers	<u>XXX</u>	<u>XXX</u>
13.	SUNDRY ASSETS		
	(a) Derivative instruments	XXX	XXX
	(b) Segregated accounts companies	XXX	XXX
	(c) Deposit assets	XXX	XXX
	(d) Other sundry assets	XXX	XXX
	(e) Total sundry assets	<u>XXX</u>	<u>XXX</u>
14.	LETTERS OF CREDIT AND 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	<u>XXX</u>	<u>XXX</u>
15.	TOTAL	<u>XXX</u>	<u>XXX</u>
LIABILITIES			
LONG-TERM BUSINESS INSURANCE RESERVES			
20.	RESERVES FOR REPORTED CLAIMS	XXX	XXX
21.	RESERVES FOR UNREPORTED CLAIMS	XXX	XXX
22.	POLICY RESERVES – LIFE	XXX	XXX
23.	POLICY RESERVES – ACCIDENT AND HEALTH	XXX	XXX
24.	POLICYHOLDERS’ FUNDS ON DEPOSIT	XXX	XXX
25.	LIABILITY FOR FUTURE POLICYHOLDERS’ DIVIDENDS	XXX	XXX
26.	OTHER INSURANCE RESERVES – LONG TERM	XXX	XXX

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES	<u>XXX</u>	<u>XXX</u>
	(a) Gross long-term business insurance reserves	XXX	XXX
	(b) Less: Reinsurance recoverable balance	XXX	XXX
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other insurers	XXX	XXX
	(c) Total reinsurance recoverable balance	<u>XXX</u>	<u>XXX</u>
	(d) Net long-term business insurance reserves	<u>XXX</u>	<u>XXX</u>
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.	(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	<u>XXX</u>	<u>XXX</u>
	(c) Total funds held by ceding reinsurers	<u>XXX</u>	<u>XXX</u>
35.	DIVIDENDS PAYABLE	XXX	XXX
36.	SUNDRY LIABILITIES		
	(a) Derivative instruments	XXX	XXX
	(b) Segregated account companies	XXX	XXX
	(c) Deposit liabilities	XXX	XXX
	(d) Other sundry liabilities	<u>XXX</u>	<u>XXX</u>
	(e) Total sundry liabilities	<u>XXX</u>	<u>XXX</u>
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	<u>XXX</u>	<u>XXX</u>
38.	TOTAL OTHER LIABILITIES	<u>XXX</u>	<u>XXX</u>
39.	TOTAL GENERAL BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	<u>XXX</u>	<u>XXX</u>
STATUTORY CAPITAL AND SURPLUS			
40.	TOTAL STATUTORY CAPITAL AND SURPLUS	<u>XXX</u>	<u>XXX</u>
41.	TOTAL	<u>XXX</u>	<u>XXX</u>

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

Form 5

Paragraph 5

**STATUTORY STATEMENT OF INCOME
(Long-Term Business – Special Purpose Insurer)**

[blank] name of Company
For the period [blank] (day/month/year) - [blank] (day/month/year)
expressed in [blank] (currency used)

STMT. LINE No.		20XX	20XX
UNDERWRITING INCOME			
19.	GROSS PREMIUMS AND OTHER CONSIDERATIONS		
	(a) Direct gross premiums written	<u>XXX</u>	<u>XXX</u>
	(b) Assumed gross premiums written	<u>XXX</u>	<u>XXX</u>
	(c) Total gross premiums and other considerations	<u>XXX</u>	<u>XXX</u>
	(d) Reinsurance Ceded	<u>XXX</u>	<u>XXX</u>
	(e) NET PREMIUMS AND OTHER CONSIDERATIONS		
	(i) Life	<u>XXX</u>	<u>XXX</u>
	(ii) Annuities	<u>XXX</u>	<u>XXX</u>
	(iii) Accident and Health	<u>XXX</u>	<u>XXX</u>
	(iv) Total Net Premiums and Other Considerations	<u>XXX</u>	<u>XXX</u>
20.	LONG-TERM BUSINESS INVESTMENT INCOME - NET	<u>XXX</u>	<u>XXX</u>
21.	OTHER INSURANCE INCOME	<u>XXX</u>	<u>XXX</u>
22.	TOTAL UNDERWRITING INCOME	<u>XXX</u>	<u>XXX</u>
DEDUCTIONS			
23.	CLAIMS - LIFE	<u>XXX</u>	<u>XXX</u>
24.	POLICYHOLDERS' DIVIDENDS	<u>XXX</u>	<u>XXX</u>
25.	SURRENDERS	<u>XXX</u>	<u>XXX</u>
26.	MATURITIES	<u>XXX</u>	<u>XXX</u>
27.	ANNUITIES	<u>XXX</u>	<u>XXX</u>
28.	ACCIDENT AND HEALTH BENEFITS	<u>XXX</u>	<u>XXX</u>
29.	COMMISSIONS	<u>XXX</u>	<u>XXX</u>
30.	OTHER	<u>XXX</u>	<u>XXX</u>
31.	TOTAL DEDUCTIONS	<u>XXX</u>	<u>XXX</u>
32.	OPERATING EXPENSES	<u>XXX</u>	<u>XXX</u>
33.	UNDERWRITING PROFIT BEFORE POLICYHOLDER RESERVES	<u>XXX</u>	<u>XXX</u>
34.	INCREASE (DECREASE) IN POLICYHOLDER RESERVES:		
	(a) Life	<u>XXX</u>	<u>XXX</u>
	(b) Annuities	<u>XXX</u>	<u>XXX</u>
	(c) Accident and health	<u>XXX</u>	<u>XXX</u>
	(d) Total (Increase) Decrease in policy reserves	<u>XXX</u>	<u>XXX</u>
35.	INCOME BEFORE THE UNDERNOTED ITEMS	<u>XXX</u>	<u>XXX</u>
37.	OTHER INCOME (DEDUCTIONS)	<u>XXX</u>	<u>XXX</u>
38.	INCOME BEFORE TAXES	<u>XXX</u>	<u>XXX</u>
39.	INCOME TAXES (IF APPLICABLE):		
	(a) Current	<u>XXX</u>	<u>XXX</u>
	(b) Deferred	<u>XXX</u>	<u>XXX</u>
	(c) Total	<u>XXX</u>	<u>XXX</u>
40.	INCOME BEFORE REALISED GAINS (LOSSES)	<u>XXX</u>	<u>XXX</u>
41.	REALISED GAINS (LOSSES)	<u>XXX</u>	<u>XXX</u>
42.	NET INCOME	<u>XXX</u>	<u>XXX</u>

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

Form 8

Paragraph 4, 5

STATUTORY STATEMENT OF CAPITAL AND SURPLUS

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

STMT. LINE No.		20XX	20XX
1.	STATUTORY CAPITAL		
(a)	Capital Stock		
	(i) Common Shares: authorised shares of par value each issued and fully paid shares	XXX	XXX
	(ii) Preferred Shares: authorised shares of par value each issued and fully paid shares	XXX	XXX
	- Aggregate liquidation value	XXX	XXX
(b)	Contributed surplus	XXX	XXX
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	XXX	XXX
	(ii) Guarantees and others	XXX	XXX
	(iii) Total any other fixed capital	<u>XXX</u>	<u>XXX</u>
(d)	Total Statutory Capital	<u>XXX</u>	<u>XXX</u>
2.	STATUTORY SURPLUS		
(a)	Statutory Surplus – Beginning of Year	XXX	XXX
(b)	Add: Income for Year	XXX	XXX
(c)	Less: Dividends paid and payable	XXX	XXX
(d)	Add (Deduct) change in unrealised appreciation (depreciation of investments)	XXX	XXX
(e)	Add (Deduct) change in non-admitted assets	XXX	XXX
(f)	Add (Deduct) change in appraisal of real estate	XXX	XXX
(g)	Add (Deduct) change in any other statutory surplus	<u>XXX</u>	<u>XXX</u>
(h)	Statutory surplus – End of Year	XXX	XXX
3.	TOTAL STATUTORY CAPITAL AND SURPLUS	<u>XXX</u>	<u>XXX</u>

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

SCHEDULE II

STATUTORY FINANCIAL STATEMENTS: INSTRUCTIONS

(1) The statutory financial statements, including the: statutory balance sheet (Form 1A or Form 4); statutory statement of income (Form 2A or Form 5); and statutory statement of capital and surplus (Form 8), shall be populated from the corresponding values in the GAAP financial statements prepared by the Special Purpose Insurer. As a result, the statutory financial statements shall be prepared in accordance with the relevant GAAP accounting standards, except as noted in Instruction (5) below.

(2) The statutory financial statements are not required to be accompanied by statutory note disclosures. Refer to Instruction (4) below.

(3) A Special Purpose Insurer writing unrestricted special purpose business must file audited GAAP financial statements (unless it has been granted an audit exemption by the Authority). The Rules do not require a Special Purpose Insurer writing restricted special purpose business to audit its GAAP financial statements, but if that Special Purpose Insurer prepares audited GAAP financial statements for other purposes, it shall submit the audited GAAP financial statements to the Authority.

(4) GAAP financial statements, including the notes accompanying the GAAP financial statements shall be filed by a Special Purpose Insurer in all cases, even where the GAAP financial statements are unaudited.

(5) GAAP financial statements filed by a Special Purpose Insurer writing unrestricted special purpose business shall be audited. GAAP financial statements filed by unrestricted Special Purpose Insurers registered as a segregated accounts company under the Segregated Accounts Companies Act 2000 or a private act shall consolidate the assets and liabilities of the segregated accounts and the general account where consolidation is allowed under the relevant GAAP. If consolidation of the segregated and the general accounts is prohibited by the relevant GAAP, the unrestricted Special Purpose Insurers shall perform an audit of its Statutory Financial Statements in lieu of GAAP financial statements audit. In this case, the Authority requires the Statutory Financial Statements (together with the statutory note disclosures and the Auditor's Report) to be prepared on a consolidated basis. Such Statutory Financial Statements shall be prepared in accordance with the Insurance Accounts Regulation 1980.

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

SCHEDULE III

ALTERNATIVE CAPITAL ARRANGEMENTS

Every Special Purpose Insurer shall file, along with its Annual Statutory Financial Statements, the following information in relation to all contracts of insurance which were in force and for which the Special Purpose Insurer was required to hold collateral:

- (a) name of insured;
- (b) insurance contract reference number;
- (c) type of insurance coverage written;
- (d) statutory line of business written;
- (e) location of exposure covered;
- (f) aggregate maximum limit as at the inception date of the contract of insurance;
- (g) net aggregate maximum limit as at the end of the insurer's financial year;
- (h) inception date of coverage period;
- (i) effective date of contract;
- (j) expiry date of coverage period;
- (k) gross premium written for the cover period;
- (l) net premium written for the cover period;
- (m) attachment point;
- (n) aggregate losses outstanding at the beginning of the insurer's financial year;
- (o) aggregate losses incurred during the insurer's financial year;
- (p) aggregate losses outstanding at the end of the insurer's financial year;
- (q) reserved buffer collateral;
- (r) currency of exposure;
- (s) nature of collateral;
- (t) average collateral rating;
- (u) amount of collateral at the end of the insurer's financial year; and
- (v) any additional comments to assist the Authority in understanding any of the information provided under the preceding subparagraphs.
- (w) Account statement(s) produced by the trustee, custodian, grantor or party responsible for the holding of the assets held for the purpose of the special purpose business;

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

SCHEDULE IV

CYBER RISK MANAGEMENT

- (1) Every Special Purpose Insurer shall provide a Schedule of Cyber Risk Management in the form provided by the Authority from time to time.
- (2) Where a Special Purpose Insurer is managed by an insurance manager and primarily uses the insurance manager's cyber security systems, controls and processes, the Special Purpose Insurer shall be waived from this requirement. The waiver from this requirement is subject to the insurance manager filing the Schedule of Cyber Risk Management for the relevant year. The insurance manager must confirm that the Special Purpose Insurer is under its management and is relying on the cyber risk management systems, controls and processes of the insurance manager.

INSURANCE (SPECIAL PURPOSE INSURERS) (STATEMENTS, RETURNS AND SOLVENCY REQUIREMENT) RULES 2020

SCHEDULE V

COMPLIANCE WITH SANCTIONS

Every Special Purpose Insurer shall provide the following information in relation to management of sanctions processes and policies:

- (a) whether the Special Purpose Insurer screens policyholders and beneficiaries (where relevant) to determine whether they are subject to measures imposed under the International Sanctions Act 2003 and related regulations (“Bermuda sanctions regime”);
- (b) whether the Special Purpose Insurer screens employees to determine whether they are subject to measures imposed under the Bermuda sanctions regime;
- (c) the Special Purpose Insurer shall state if it has frozen any client assets in the last 12 months pursuant to enforcement action taken under the Bermuda sanctions regime;
- (d) if the answer to the query in paragraph (c) is in the affirmative, the Special Purpose Insurer shall state how many asset freezes there have been;
- (e) the Special Purpose Insurer shall provide the following details for asset freezes from the consolidated list:

	Group ID Name	Name of the Special Purpose Insurer	Name of the person/entity owned/controlled by the Special Purpose Insurer	Value of Assets
1				
2				
3				
4				

- (f) the Special Purpose Insurer shall include any additional information/comments which it thinks might be relevant to this exercise.