FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation
Materials Available on the Web at:
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December 17, 2025

MEMBERS
Governor Ron DeSantis
Attorney General James Uthmeier
Chief Financial Officer Blaise Ingoglia
Commissioner Wilton Simpson

Contact:	Kevin Jacobs (850-413-2427)	9:00 A.M. LL-03, The Capitol Tallahassee, Florida

ITEM	SUBJECT	RECOMMENDATION

1. Request for Approval for Publication of Rules 69O-197.007; Additional Qualifications for Independent Professional Examiners; 69O-197.008; Data Gathering; 69O-197.009; Market Regulation Handbook Adopted.; 69O-197.010; Reimbursement; and 197.012; Examination Cycles for Pharmacy Benefit Managers.

   To clarify the office's approach to market conduct examinations and better allow the office to perform orderly and systematic examinations of regulated entities, the office is proposing six new rules under 69O-197.

   Rule 69O-197.007, F.A.C., provides for additional qualifications for independent examiners that the office selects.

   Rule 69O-197.008, F.A.C., provides the office's directions for compliance with office data gathering requests during examinations.

   Rule 69O-197.009, F.A.C., adopts the Market Regulation Handbook for use in the office's market conduct examinations.

   Rule 69O-197.010, F.A.C., provides guidelines for how the office would be reimbursed for inhouse work conducting market conduct exams.

   Rule 69O-197.012, F.A.C., details when examination periods for pharmacy benefit managers begin and close as well as what years fall within the scope of an examination.

   (ATTACHMENT 1) **FOR APPROVAL**

2. Request for Approval for Adoption of Rule 69O-143.046; Registration of Insurers

   Rule 69O-143.046, F.A.C., is amended to enact changes required under the Insurance Holding Company System Regulatory Act, as adopted in December 2020. The Office is charged in Section 628.801(1), F.S., to enact rules that enact all requirements and standards of that Act. The rule contains new requirements regarding group capital calculations and liquidity stress test and includes two new forms: the Group Capital

Calculation 2024 Template, and the Liquidity Stress Test 2024 Template. This Rule is intended to take effect January 1, 2026.

A Notice of Change was published on December 4, 2025.

(ATTACHMENT 2) FOR APPROVAL

Request for Approval for Publication of Notice of Change for Rule 69O-197.005; Independent Professional Examiners

Rule 69O-197.005, F.A.C., is amended to correct a grammatical error and clarify the provisions of the Office's rule that implements section 626.8828(2), F.S., to comply with statutory requirements.

The Office intends to Publish a Notice of Change for this rule that will address comments made at the public hearing regarding the cost of pharmacy benefit manager examinations and potential conflicts of interest involving examiners.

(ATTACHMENT 3) FOR APPROVAL

Attachment 1

Rule 69O-197.007; Additional Qualifications for Independent Professional Examiners

69O-197.007 Additional Qualifications for Independent Professional Examiners

(1) Potential independent professional examiners or firms and entities employing such persons must submit a curriculum vitae detailing their experience and qualifying credentials to the office, as well as a proposed hourly rate for services to be performed.

(2) Independent professional examiners includes professional examination or audit firms that employ or contract with individuals meeting the qualifications listed under 69O-197.005 and this rule.

(3) The office will use the following additional criteria to select independent professional examiners for its examinations of pharmacy benefit managers.

(a) An independent certified public accountant must satisfy any of the qualifications under ss. 473.302(4), F.S. and 215.97(2)(i), F.S.

(b) An actuary must satisfy any of the criteria established in rules 69O-138.043 or 69O-170.031, F.A.C.

(c) An investment specialist must demonstrate competency by possessing one of the following combinations of education and experience:

i. The individual has a bachelor's degree in accounting, finance, or a similar field from an accredited college or university, four years of professional examination or audit experience, and a minimum of two years full-time regulatory work experience in any U.S. jurisdiction; or

ii. The individual has a master's degree from an accredited college or university in accounting, finance, or a similar field, two years of professional examination or audit experience, and a minimum of two years of full-time regulatory work experience in any U.S. jurisdiction.

(d) An informational technology specialist must demonstrate competency by possessing any of the following combinations of education and experience:

i. The individual has a bachelor's degree from an accredited college or university in information technology or a similar field, four years of professional examination or audit experience, and a minimum of two years of full-time regulatory work experience in any U.S. jurisdiction; or

ii. The individual has a master's degree from an accredited college or university in information technology or a similar field, two years of professional examination or audit experience, and a minimum of two years of full-time regulatory work experience in any U.S. jurisdiction.

(e) A lawyer must be admitted to practice law in at least one U.S. jurisdiction.

(f) A pharmacist must be licensed to practice the profession of pharmacy pursuant to ch. 465, F.S.

(g) A registered pharmacy technician licensed under s. 465.014, F.S., must have a minimum of four years professional examination or audit experience and a minimum of two years of full-time regulatory work experience in any U.S. jurisdiction.

(h) Other individuals. Such individuals must demonstrate competency by possessing any of the following combinations of certifications and experience:

i. The individual must be in good standing with the CFA Institute and be certified to hold a Chartered Financial Analyst designation, have a minimum of four years professional examination or audit experience, and have a minimum of two years full-time regulatory work experience in any U.S. jurisdiction;

ii. The individual must be in good standing with the Information Systems Audit and Control Association and must be certified to hold a Certified Information Systems Auditor designation, have a minimum of four years of professional examination or audit experience, and have a minimum of two years of full-time regulatory work experience in any U.S. jurisdiction;

iii. The individual must be in good standing with the Insurance Regulatory Examiner Society and be certified to hold an Accredited Insurance Examiner or Certified Insurance Examiner designation, have a minimum of four years of professional examination or audit experience, and have a minimum of two years of full-time regulatory work experience in any U.S. jurisdiction; or

iv. The individual must be in good standing with the Society of Financial Examiners and be certified to hold an Accredited Financial Examiner or Certified Financial Examiner designation, have a minimum of four years of professional examination or audit experience, and have a minimum of two years of full-time regulatory work experience in any U.S. jurisdiction.

Rulemaking Authority 624.308, 626.8828, 626.8991 FS. Law Implemented 626.8828 FS. History – New xx-xx-xx.

Rule 69O-197.008; Data Gathering

69O-197.008 Data Gathering

(1) All persons being examined or investigated during a market conduct examination of an administrator, including a person's officers, attorneys, employees, agents, and representatives, must freely provide the office and its examiners with access to the accounts, records, documents, files, information, assets, and matters in their possession and control in the format in which the records and information are created or stored, including the electronic platform(s) in which such accounts, records, documents, files, information, assets, and matters are created or stored.

(2) An electronic platform is a digital infrastructure, often a software-based system, that facilitates interactions, transactions, and the exchange of information between users. Electronic platforms may include, but are not limited to, systems that allow pharmacy benefit managers to:

(a) perform pharmacy claims processing;

(b) administrate or manage a pharmacy discount card program and perform of any other service;

(c) manage pharmacy networks or pharmacy reimbursement;

(d) pay or manage claims for pharmacist service;

(e) develop or manage a clinical formulary, including utilization management or quality assurance programs;

(f) perform pharmacy rebate administration; and

(g) administer or manage a mail-order pharmacy program.

Rulemaking Authority 624.308, 626.8828, 626.8991 FS. Law Implemented 624.307, 624.318, 624.321, 626.8828 FS. History – New 12-19-23, Amended XX-XX-XX.

Rule 69O-197.009; NAIC Market Regulation Handbook Adopted

69O-197.009 NAIC Market Regulation Handbook Adopted.

(1) The National Association of Insurance Commissioners Market Regulation Handbook 2024 is hereby adopted and incorporated by reference as a guide for market conduct examinations.

(2) The agency has determined that posting the incorporated material would be a violation of federal copyright law. The Market Regulation Handbook is available for public inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300, or at the Department of State, R.A. Gray Building, 500 South Bronough Street, Tallahassee, Florida 32399-0250. A copy of the Market Regulation Handbook may also be obtained from the National Association of Insurance Commissioners 1100 Walnut Street, Suite 1500, Kansas City, MO 64106-2197, Telephone (816)783-8500, website: http://www.naic.org.

(3) The Office will use the Handbook as a tool for developing state-specific procedures and guidelines for conducting market conduct examinations in accordance with the Florida Insurance Code.

Rulemaking Authority 624.308(1), 624.3161, 626.8828, 626.8991 FS. Law Implemented 624.3161, 626.8828 FS. History – New x-xx-25.

Rule 69O-197.010; Market Conduct Examination Reimbursement Expenses

69O-197.010 Market Conduct Examination Reimbursement Expenses.

(1) This rule establishes rates and procedures for reimbursement to the office for:

(a) the compensation and actual travel and per diem expenses of any person authorized by the office to make an examination or investigation, and

(b) the necessary costs to the office directly related to examinations or investigations conducted by the office pursuant to the provisions of s. 626.8828, F.S.

(2) If a full time employee of the office is authorized to make the investigation or examination, compensation expenses will be assessed by dividing the employee's monthly base rate of pay, as established in People First, by 175 hours to determine the hourly rate.

(3) Actual travel and per diem expenses will be assessed based on the the statewide travel management system requirements outlined in s. 112.061, F.S.

(4) Necessary costs of the office directly related to the examination or investigation may include but are not limited to office supplies and equipment, scanning, facsimile, or printing expenses incurred as a result of the examination or investigation.

(5) The expenses of the examination must be reimbursed to the office within 30 days of receiving a detailed statement from the office. All moneys collected shall be deposited by the office into the Insurance Regulatory Trust Fund.

(6) For purposes of s. 626.8828(5)(a), F.S., "make" or "making" means the act or process of forming, causing, doing, or coming into being.

(7) For purposes of s. 626.8828(5)(a), F.S., "other person" means any person authorized by the office to make the examination or investigation.

Rulemaking Authority 624.308, 626.8828, 626.8991 FS. Law Implemented 626.8828 FS. History – New xx-xx-xx.

Rule 69O-197.012; Examination Cycles for Pharmacy Benefit Managers

69O-197.012 Examination Cycles for Pharmacy Benefit Managers.

(1) The first 2-year cycle for conducting biennial reviews of pharmacy benefit managers began on January 1, 2025. The examination scope period for the first 2-year cycle was from January 1, 2024, through December 31, 2024.

(2) For each pharmacy benefit manager, each subsequent biennial examination cycle shall begin on the day immediately following the date that the office issues the final examination report from the pharmacy benefit manager's most recent examination.

Rulemaking Authority 624.308, 626.8828, 626.8991 FS. Law Implemented 626.8828 FS. History – New x-xx-xx.

Attachment 2

Rule 69O-143.046; Registration of Insurers

Draft Rule

JAPC Letter and Response

Notice of Change

Forms OIR-D0-1100 and OIR D0-1101

69O-143.046 Registration of Insurers.

(1) through (2) No Change

(3) Every insurer subject to registration shall file a registration statement on a Form OIR-D0-516, incorporated by reference in paragraph 69O-143.046(17)~~(15)~~(a), F.A.C. The form shall provide current information about:

(a) through (g) No Change

(4) All registration statements shall contain a summary outlining all items in the current registration statement representing changes from the prior registration statement filed on a Form OIR-A1-2116, incorporated by reference in paragraph 69O-143.046(17)~~(15)~~(b), F.A.C.

(5) No information need be disclosed on the registration statement filed pursuant to subsection (3) of this rule, if such information is not material for the purposes of this rule and Rule 69O-143.047, F.A.C. Unless the Office by rule, regulation or order provides otherwise, sales, purchases, exchanges, loans, or extensions of credit, or investments, involving one-half of 1% or less of an insurer's admitted assets as of the prior year end shall not be deemed material for purposes of this section. The definition of materiality provided in this subsection shall not apply for purposes of the Group Capital Calculation or the Liquidity Stress Test Framework.

(6) No Change

(7) In addition to the registration statement required in paragraph (3), each registered insurer, except foreign insurers subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this rule and Rule 69O-143.047, F.A.C., shall also provide on Form OIR-A1-2118, incorporated by reference in paragraph 69O-143.046(17)~~(15)~~(c), F.A.C., the information required under Section 628.801(2), F.S.

(8) Except as provided in paragraph (8)(a), the ultimate controlling person of every insurer required to file the registration statement in subsection (3), shall concurrently file with the registration an annual group capital calculation on Form OIR-D0-1100, incorporated by reference in paragraph 69O-143.046(17)(d), F.A.C. as directed by the Office. The report shall be completed in accordance with the NAIC Group Capital Calculation Instructions, which permits the Office to allow a controlling person that is not the ultimate controlling person to file the group capital calculation. The report must be filed with the Office as the lead state regulator of the insurance holding company system as determined by the Office in accordance with the procedures within the Financial Analysis Handbook adopted by the National Association of Insurance Commissioners.

(a) The following insurance holding company systems are exempt from filing the group capital calculation:

1. An insurance holding company system that has only one insurer within its holding company structure, that only writes business and is only licensed in its domestic state, and assumes no business from any other insurer.

2. An insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The Office shall request the calculation from the Federal Reserve Board under the terms of information sharing agreements in effect. If the Federal Reserve Board cannot share the calculation with the Office, the insurance holding company system is not exempt from the group capital calculation filing.

3. An insurance holding company system whose non-U.S. group-wide supervisor is located within a Reciprocal Jurisdiction as described in Section 624.610(4)(a)3., F.S. that recognizes the U.S. state regulatory approach to group supervision and group capital.

4. An insurance holding company system:

a. That provides information to the lead state that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly through the group-wide supervisor, who has determined such information is satisfactory to allow the lead state to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook, and

b. Whose non-U.S. group-wide supervisor that is not in a Reciprocal Jurisdiction recognizes and accepts, as specified by the Office in paragraph 69O-143.046(8)(e), F.A.C., the group capital calculation as the world-wide group capital assessment for U.S. insurance groups who operate in that jurisdiction.

5. Notwithstanding the provisions of subparagraphs (8)(a)3. and (8)(a)4., the Office shall require the group capital calculation for U.S. operations of any non-U.S. based insurance holding company system where, after any necessary consultation with other supervisors or officials, it is deemed appropriate by the Office for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

6. Notwithstanding the exemptions from filing the group capital calculation stated in subparagraph (8)(a)1. through subparagraph (8)(a)4, the Office has the discretion to exempt the ultimate controlling person from filing the annual group capital

calculation or to accept a limited group capital filing or report in accordance with criteria as specified in paragraphs (8)(b) and (c).

7. If the Office determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this section, the insurance holding company system shall file the group capital calculation at the next annual filing date unless given an extension by the Office for good cause shown.

(b) Where an insurance holding company system has previously filed the annual group capital calculation at least once, the Office has the discretion to exempt the ultimate controlling person from filing the annual group capital calculation if the Office makes a determination based upon that filing that the insurance holding company system meets all of the following criteria:

1. Has annual direct written and unaffiliated assumed premium (including international direct and assumed premium), but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000;

2. Has no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;

3. Has no banking, depository or other financial entity that is subject to an identified regulatory capital framework within its holding company structure;

4. The holding company system attests that there are no material changes in the transactions between insurers and non-insurers in the group that have occurred since the last filing of the annual group capital; and

5. The non-insurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

(c) Where an insurance holding company system has previously filed the annual group capital calculation at least once, the Office has the discretion to accept in lieu of the group capital calculation a limited group capital filing if the insurance holding company system has annual direct written and unaffiliated assumed premium (including international direct and assumed premium), but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000; and all of the following additional criteria are met:

1. Has no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;

2. Does not include a banking, depository or other financial entity that is subject to an identified regulatory capital framework; and

3. The holding company system attests that there are no material changes in transactions between insurers and non-insurers in the group that have occurred since the last filing of the report to the Office and the non-insurers within the holding company system do not pose a material financial risk to the insurers ability to honor policyholder obligations.

(d) For an insurance holding company that has previously met an exemption with respect to the group capital calculation pursuant to paragraph (8)(b) or (8)(c) of this regulation, the Office may require at any time the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC Group Capital Calculation Instructions, if any of the following criteria are met:

1. Any insurer within the insurance holding company system is in a Risk-Based Capital action level event as set forth in Section 624.4085, F.S. or a similar standard for a non-U.S. insurer; or

2. Any insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition as defined in Section 624.805, F.S.; or

3. Any insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer as determined by the Office based on unique circumstances including, but not limited to, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

(e) A non-U.S. jurisdiction is considered to "recognize and accept" the group capital calculation if it satisfies the following criteria:

1. With respect to the subparagraph (8)(a)4. exemption criteria:

a. The non-U.S. jurisdiction recognizes the U.S. state regulatory approach to group supervision and group capital, by providing confirmation by a competent regulatory authority, in such jurisdiction, that insurers and insurance groups whose lead state is accredited by the NAIC under the NAIC Accreditation Program shall be subject only to worldwide prudential insurance group supervision including worldwide group governance, solvency and capital, and reporting, as applicable, by the lead state and will not be subject to group supervision, including worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-U.S. jurisdiction; or

b. Where no U.S. insurance groups operate in the non-U.S. jurisdiction, that non-U.S. jurisdiction indicates formally in writing to the lead state with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. This will serve as the documentation otherwise required in sub-subparagraph (8)(e)1.a.

2. The non-U.S. jurisdiction provides confirmation by a competent regulatory authority in such jurisdiction that information regarding insurers and their parent, subsidiary, or affiliated entities, if applicable, shall be provided to the Office in accordance with a memorandum of understanding or similar document between the Office and such jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The Office shall determine, in consultation with the NAIC Committee Process, if the requirements of the information sharing agreements are in force.

(f) A list of non-U.S. jurisdictions that "recognize and accept" the group capital calculation will be published through the NAIC Committee Process and by the Office:

1. A list of jurisdictions that "recognize and accept" the group capital calculation pursuant to subparagraph (8)(a)4. exemption criteria, is published through the NAIC Committee Process to assist the Office in determining which insurers shall file an annual group capital calculation. The list will clarify those situations in which a jurisdiction is exempted from filing under subparagraph (8)(a)4. exemption criteria. To assist with a determination under subparagraph (8)(a)5., the list will also identify whether a jurisdiction that is exempted under either subparagraph (8)(a)3. or subparagraph (8)(a)4. requires a group capital filing for any U.S. based insurance group's operations in that non-U.S. jurisdiction.

2. For a non-U.S. jurisdiction where no U.S. insurance groups operate, the confirmation provided to meet the requirement of sub-subparagraph (8)(e)1.b. will serve as support for recommendation to be published as a jurisdiction that "recognizes and accepts" the group capital calculation through the NAIC Committee Process and by the Office.

3. If the Office makes a determination pursuant to subparagraph (8)(a)4. that differs from the NAIC List, the Office shall provide thoroughly documented justification to the NAIC and other states.

4. Upon determination by Office that a non-U.S. jurisdiction no longer meets one or more of the requirements to "recognize and accept" the group capital calculation, the Office may provide a recommendation to the NAIC that the non-U.S. jurisdiction be removed from the list of jurisdictions that "recognize and accepts" the group capital calculation.

(9) The ultimate controlling person of every insurer subject to registration and also scoped into the NAIC Liquidity Stress Test Framework shall file the results of a specific year's Liquidity Stress Test on Form OIR-D0-1101, incorporated by reference in paragraph 69O-143.046(17)(e), F.A.C.. The filing shall be made to the Office as the lead state regulator of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the National Association of Insurance Commissioners.

(a) Insurers meeting at least one threshold of the Scope Criteria are considered scoped into the NAIC Liquidity Stress Test Framework for the specified data year unless the Office, in consultation with the NAIC Financial Stability Task Force or its successor, determines the insurer should not be scoped into the Framework for that data year.

(b) The performance of, and filing of the results from, a specific year's Liquidity Stress Test shall comply with the NAIC Liquidity Stress Test Framework's instructions and reporting templates for that year and any Office determinations, in conjunction with the NAIC Financial Stability Task Force or its successor, provided within the Framework.

(8) through (14) renumbered (10) through (16). No Change

(17)~~(15)~~ The following forms and documents are hereby incorporated by reference:

(a) through (c) No Change

(d) Form OIR-D0-1100, "Group Capital Calculation 2024 Template," effective 01/26, available at https://flrules.org/Gateway/reference.asp?No=Ref-18851.

(e) Form OIR-D0-1101, "NAIC Liquidity Stress Test 2024 Template," effective 01/26, available at http://flrules.org/Gateway/reference.asp?No=Ref-18853.

(f) "Group Capital Calculation Instructions" means the Group Capital Calculation 2024 Instructions as adopted by the NAIC. The Office has determined that posting these incorporated materials would be a violation of federal copyright law. The document is available: from the National Association of Insurance Commissioners (NAIC), 1100 Walnut Street, Suite 1000, Kansas City, MO 64106-2197, at https://content.naic.org. The "Group Capital Calculation Instructions" is also available for inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300 or at the Department of State, The Capitol, 400 S. Monroe Street, Room 701, Tallahassee, FL 32399.

(g) "NAIC Liquidity Stress Test Framework" means the NAIC 2023 Liquidity Stress Test Framework For Life Insurers

Meeting the Scope Criteria as adopted by the NAIC on December 1, 2023. The Office has determined that posting these incorporated materials would be a violation of federal copyright law. The document is available: from the National Association of Insurance Commissioners (NAIC), 1100 Walnut Street, Suite 1000, Kansas City, MO 64106-2197, at https://content.naic.org. The "NAIC Liquidity Stress Test Framework " is also available for inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300 or at the Department of State, The Capitol, 400 S. Monroe Street, Room 701, Tallahassee, FL 32399.

(18) As used in this rule, the following terms shall have the respective meanings hereinafter set forth:

(a) "Group Capital Calculation Instructions" means the Group Capital Calculation 2024 Instructions as adopted by the NAIC.

(b) "Insurance Holding Company System" consists of two or more affiliated persons, one or more of which is an insurer.

(c) "NAIC Liquidity Stress Test Framework" means the NAIC 2023 Liquidity Stress Test Framework For Life Insurers Meeting the Scope Criteria which is a separate NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the Scope Criteria applicable for a specific data year, and the Liquidity Stress Test instructions and reporting templates for a specific data year, such Scope Criteria, instructions and reporting template being as adopted by the NAIC on December 1, 2023.

(d) "Scope Criteria" means as detailed in the NAIC 2023 Liquidity Stress Test Framework, are the designated exposure bases along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the NAIC Liquidity Stress Test Framework for that data year.

PROPOSED EFFECTIVE DATE: January 1, 2026

Rulemaking Authority 624.308, 628.801 FS. Law Implemented 624.307(1), 624.317, 624.424, 628.251, 628.461, 628.801 FS. History–New 12-16-70, Formerly 4-26.02, Amended 6-7-90, 1-30-91, Formerly 4-26.002, 4-143.046, Amended 5-31-16, 7-30-17, 12-26-19, 1-1-26.

BEN ALBRITTON
President

DANIEL PEREZ
Speaker

THE FLORIDA LEGISLATURE
JOINT ADMINISTRATIVE PROCEDURES COMMITTEE

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November 19, 2025

Ms. Kama Monroe
Assistant General Counsel
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399

RE: Department of Financial Services, OIR - Insurance Regulation
Proposed Rule Number 69O-143.046

Dear Ms. Monroe:

I have reviewed the above-referenced proposed rule, which was advertised in the Florida Administrative Register on October 15, 2025. I have the following comments.

Materials: Please provide the detailed written statement of the facts and circumstances justifying the proposed rule as is required by s. 120.54(3)(a)4., F.S.

69O-143.046(5): The reference should be to, "this subsection," in lieu of, "this paragraph."

69O-143.046(8)(a)7.: This subparagraph references the fact that the Office may grant an extension for reasonable grounds. By what standards, or under what definition, does the Office determine what constitute reasonable grounds? Pursuant to section 120.52(8)(d), F.S., a rule that is vague, fails to establish adequate standards for agency decisions, or vests unbridled discretion in the agency is an invalid exercise of delegated legislative authority. Please review and advise.

69O-143.046(8)(b)4.: Is the attestation referenced in this paragraph one under oath? If so, please provide the Office's authority for this requirement.

69O-143.046(8)(c)3.: Please see the comment above for rule 69O-143.046(8)(b)4.

69O-143.046(17)(f): Pursuant to s. 120.54(1)(i), F.S., the incorporation of this material can only include the version of the material existing at the time of the rule's adoption. The language in this paragraph should be revised to be consistent with this statute.

69O-143.046(17)(g): Please see the comment above for rule 69O-143.046(17)(f).

69O-143.046(18)(a): Section 120.54(1)(i), F.S., requires subsequent updates of incorporated material to be incorporated by reference to be effective. This paragraph should be revised consistent with the statute.

69O-143.046(18)(c): Please see the comment above for rule 69O-143.046(18)(a).

69O-143.046(18)(d): Please see the comment above for rule 69O-143.046(18)(a).

Please let me know if you have any questions. Otherwise, I look forward to your response.

Sincerely,

Jamie L. Jackson
Chief Attorney

JLJ:tf

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COMMISSION

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GOVERNOR

JAMES UTHMEIER
ATTORNEY GENERAL

BLAISE INGOGLIA
CHIEF FINANCIAL OFFICER

WILTON SIMPSON
COMMISSIONER OF
AGRICULTURE

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

December 1, 2025

Mr. Kenneth J. Plante
Coordinator
Joint Administrative Procedures Committee
Room 680, Pepper Building
111 W. Madison Street
Tallahassee, Florida 32399-1400

RE: Rule 69O-143.046, Florida Administrative Code ("F.A.C.")

Dear Mr. Plante:

Below are the Office of Insurance Regulation ("Office") responses to written material submitted to the Office from Jamie L. Jackson, Chief Attorney, Joint Administrative Procedures Committee.

Materials: Please provide the detailed written statement of the facts and circumstances justifying the proposed rule as is required by s. 120.54(3)(a)4., F.S.

Response: The statement of facts and circumstances was inadvertently left off our previous submission and is attached hereto.

690-143.046(5): The reference should be to, "this subsection," in lieu of, "this paragraph."

Response: You are correct and the error will be fixed.

690-143.046(8)(a)7.: This subparagraph references the fact that the Office may grant an extension for reasonable grounds. By what standards, or under what definition, does the Office determine what constitute reasonable grounds? Pursuant to section 120.52(8)(d), F.S., a rule that is vague, fails to establish adequate standards for agency decisions, or vests

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unbridled discretion in the agency is an invalid exercise of delegated legislative authority. Please review and advise.

Response: We understand your concern. We will reword this phrase to read "unless given an extension by the Office for good cause shown." so that the applicable standard under Florida law is clearly indicated.

690-143.046(8)(b)4.: Is the attestation referenced in this paragraph one under oath? If so, please provide the Office's authority for this requirement.

Response: The word "attest" is being used in the normal meaning, as in "to declare or confirm". There is no requirement for a notarized oath nor is there a form associated with this provision where such a notarization could be affixed.

690-143.046(8)(c)3.: Please see the comment above for rule 69O-143.046(8)(b)4.

Response: Please see the response above for rule 69O-143.046(8)(b)4.

690-143.046(17)(f): Pursuant to s. 120.54(1)(i), F.S., the incorporation of this material can only include the version of the material existing at the time of the rule's adoption. The language in this paragraph should be revised to be consistent with this statute.

Response: The phrase "and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent." will be removed from the rule draft.

690-143.046(17)(g): Please see the comment above for rule 69O-143.046(17)(f).

Response: The phrase "and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent." will be removed from the rule draft.

690-143.046(18)(a): Section 120.54(1)(i), F.S., requires subsequent updates of incorporated material to be incorporated by reference to be effective. This paragraph should be revised consistent with the statute.

Response: The phrase "and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent." will be removed from the rule draft.

690-143.046(18)(c): Please see the comment above for rule 69O-143.046(18)(a)

Response: The phrase "and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent." will be removed from the rule draft.

690-143.046(8)(d): Please see the comment above for rule 69O-143.046(18)(a)

Response: The phrase "and as amended if the methodology remains substantially consistent." will be removed from the rule draft.

Sincerely,

Kama Monroe
Assistant General Council

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES
OIR – Insurance Regulation
RULE NO.: RULE TITLE:
69O-143.046 Registration of Insurers

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 51 No. 201, October 15, 2025 issue of the Florida Administrative Register.

69O-143.046 Registration of Insurers.

(1) through (4) No Change

(5) No information need be disclosed on the registration statement filed pursuant to subsection (3) of this rule, if such information is not material for the purposes of this rule and Rule 69O-143.047, F.A.C. Unless the Office by rule, regulation or order provides otherwise, sales, purchases, exchanges, loans, or extensions of credit, or investments, involving one-half of 1% or less of an insurer's admitted assets as of the prior year end shall not be deemed material for purposes of this section. The definition of materiality provided in this subsection ~~paragraph~~ shall not apply for purposes of the Group Capital Calculation or the Liquidity Stress Test Framework.

(6) through (7) No Change

(8) Except as provided in paragraph (8)(a), the ultimate controlling person of every insurer required to file the registration statement in subsection (3), shall concurrently file with the registration an annual group capital calculation on Form OIR-D0-1100, incorporated by reference in paragraph 69O-143.046(17)(d), F.A.C. as directed by the Office. The report shall be completed in accordance with the NAIC Group Capital Calculation Instructions, which permits the Office to allow a controlling person that is not the ultimate controlling person to file the group capital calculation. The report must be filed with the Office as the lead state regulator of the insurance holding company system as determined by the Office in accordance with the procedures within the Financial Analysis Handbook adopted by the National Association of Insurance Commissioners.

(a) The following insurance holding company systems are exempt from filing the group capital calculation:

1. through 6. No Change.

7. If the Office determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this section, the insurance holding company system shall file the group capital calculation at the next annual filing date unless given an extension by the Office for good cause ~~based on reasonable grounds~~ shown.

(b) through (f) No Change

(9) through (16). No Change

(17) The following forms and documents are hereby incorporated by reference:

(a) through (e) No Change

(f) "Group Capital Calculation Instructions" means the Group Capital Calculation 2024 Instructions as adopted by the NAIC ~~and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent~~. The Office has determined that posting these incorporated materials would be a violation of federal copyright law. The document is available: from the National Association of Insurance Commissioners (NAIC), 1100 Walnut Street, Suite 1000, Kansas City, MO 64106-2197, at https://content.naic.org. The "Group Capital Calculation Instructions" is also available for inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300 or at the Department of State, The Capitol, 400 S. Monroe Street, Room 701, Tallahassee, FL 32399.

(g) "NAIC Liquidity Stress Test Framework" means the NAIC 2023 Liquidity Stress Test Framework For Life Insurers Meeting the Scope Criteria as adopted by the NAIC on December 1, 2023 ~~and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent~~. The Office has determined that posting these incorporated materials would be a violation of federal copyright law. The document is available: from the National Association of Insurance Commissioners (NAIC), 1100

Walnut Street, Suite 1000, Kansas City, MO 64106-2197, at https://content.naic.org. The "NAIC Liquidity Stress Test Framework " is also available for inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300 or at the Department of State, The Capitol, 400 S. Monroe Street, Room 701, Tallahassee, FL 32399.

(18) As used in this rule, the following terms shall have the respective meanings hereinafter set forth:

(a) "Group Capital Calculation Instructions" means the Group Capital Calculation 2024 Instructions as adopted by the NAIC ~~and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent~~.

(b) No Change

(c) “NAIC Liquidity Stress Test Framework” means the NAIC 2023 Liquidity Stress Test Framework For Life Insurers Meeting the Scope Criteria which is a separate NAIC publication which includes a history of the NAIC’s development of regulatory liquidity stress testing, the Scope Criteria applicable for a specific data year, and the Liquidity Stress Test instructions and reporting templates for a specific data year, such Scope Criteria, instructions and reporting template being as adopted by the NAIC on December 1, 2023 ~~and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent~~.

(d) “Scope Criteria” means as detailed in the NAIC 2023 Liquidity Stress Test Framework, are the designated exposure bases along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the NAIC Liquidity Stress Test Framework for that data year ~~and as amended if the methodology remains substantially consistent~~.

PROPOSED EFFECTIVE DATE: January 1, 2026

Rulemaking Authority 624.308, 628.801 FS. Law Implemented 624.307(1), 624.317, 624.424, 628.251, 628.461, 628.801 FS. History–New 12-16-70, Formerly 4-26.02, Amended 6-7-90, 1-30-91, Formerly 4-26.002, 4-143.046, Amended 5-31-16, 7-30-17, 12-26-19, 1-1-26, 1-1-26.

VERSION
XX.XX.X

Group Capital Calculation 2024 Template

Form OIR-D0-1100
Effective Date XX/XX
69O-143.046, Florida Administrative Code

GROUP INFORMATION PA
Group Capital Calcul
For the Year Ending Decembe

(A) Group Name

(B) NAIC Group Code

(C) Lead State

Contact Person for Group Capital Calculation:

(D) First Name (E) Middle

(G) Mail Address of Contact Person

(H) City (I) State

(K) Phone Number of GCC Contact Person Extension

(L) E-mail Address of GCC Contact Person

(M) Date Prepared

(N) Preparer (if different than Contact)

First Name

(O) Is this filing an Original, Amended or Refiling?

(Q1) If Amended, Amendment Number:

Predominant Type of Business?

Is Limited Filing? N

Officers Name:

Officers Title:

Each says that they are the above described officers of the said insurance group, and that this Group Capital Calculation report is a true a according to the best of their information, knowledge and belief, respectively.

(Signature)

Denotes items that must be manually entered.

GE (JURAT)
ation
r 31, 2024

(F) Last Name

(Street and Number or P.O. Box)

(J) Zip

Middle

Last Name

nd fair representation of the group's affairs and has been completed in accordance with the NAIC Group Capital Calculation instructi

(Signature)

(Signature)

Tab	Template Ref
Input 1	
Input 4 Analytics	
Inventory	
Summary 3 - Analytics	Row 4 & Row 14
Read-Me	A1
Attestation	A6
Summary 2	D19:E20; D25:E25
Summary 2	G8:H8
Summary 3 Analytics	F21:Y21

Description of change
Updated version number
Made 2024 the most recent year; removed 'XXXX' from prior years as, at least for some groups, five years of reporting will be available.
Added formulas to make equal to "" when inputs are blank
Updated the year numbers with 2024
Updated the year to be 2024
Updated the year to be 2024
Fixed Sign Error in adjustment of Permitted, Prescribed and Other Regulatory Discretion
Fixed formula error for top level company summary
Fixed formula error in total rows on the second table. Made them simple sum of above rows.

2024 GCC #

#
#
#

The following set of colors are used to identify cells: #

Parameters
Input cells
Data from other worksheets
Local calculations
Results propagated

Sheet	Content
Read-Me	This sheet
Attestation	
Input 1 - Schedule 1	Entity descriptions, financials, and inputs for calc capital
Input 2 - Inventory	Adjustments to legal entity available and calc capital.
Input 2 - Inventory (limited)	An abbreviated version of the Inventory for Limited Filers
Input 3 - Capital Instruments	Information on capital resources
Input 4 - Analytics	Inputs for analytics
Input 5 - Sensitivity Analysis	Inputs for on top adjustments due to XXX/AXXX and Permitted/Prescribed Practices
Input 6 - Questions	Text boxes on how the template has been completed.
Calc 1 - Scaling (Ins)	Calc of scaling options for ins entities.
Calc 2 - Other Calc Cap	Calculated capital for non-insurance entities
Summary 1 - Entity Level	Information on capital ratios at entity level
Summary 2 - Top Level	Information on capital ratios at group level and under various sensitivity tests
Summary 3 - Analytics	Summary of analytics
Summary 4 - Grouping Alternative	Updated design based on discussion with Health Industry
GCC.Param	Parameters and drop-down menus used in the template

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Template: S1A	Version of Template	Currency Must Be USD $'000s
	Version 20250108	$USD '000s

Schedule 1B: Entity Descriptions

S1B	Included / Excluded (Company)	Included / Excluded (Supervisor)	Included/Excluded	Entity Grouping	Entity Identifier (Use NAIC where possible)	Entity Identifier Type	Entity Name	Entity Category	Alternative Grouping
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
[1]	0		0						
[2]	0		0						
[3]	0		0						
[4]	0		0						
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[42]	0		0						

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Book Assets	Book Liabilities	Gross Paid In Capital
[6]	[7]	[8]

Schedule 1D

Prior Entity Identifier	Prior Equity C&S [e.g. surplus for insurance entities; equity for non-financial entities]	Net Income	Dividends Paid /Received Net	Capital Contribution Received	All Other Changes	***Current Equity C&S	Capital and Surplus Paid to Affiliates	Dividends Declared and Unpaid	Dividends Received and Not Retained [Y/N]	#
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	#
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Inventory A: Basic Entity Information from Schedule 1

S2	Insurance/Financial/NonIns,Non-Fin	Entity Identifier	Entity Identifier Type	Entity Name	Entity Category	Parent Identifier	Parent Name	Basis of Accounting	Carrying Value (Immediate Parent Regime)
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[1]
[1]									
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Inventory B: ADJUSTMENTS TO CARRYING VALUE

S2	Carrying Value (Local Regime)	Investment in Subsidiary	Intra-group capital instruments	Reported Intra-group Guarantees, LOCs and Other	Other Intra-group Assets	All Other Adjustments	Adjusted Carrying Value	Accounting Adjustments	Gross Revenue Second Prior Year (Financial Entities without Regulatory Capital Requirements and Non-financial Entities)	Gross Revenue First Prior Year (Financial Entities without Regulatory Capital Requirements and Non-financial Entities)	Gross Revenue Current Year (Financial Entities without Regulatory Capital Requirements and Non-financial Entities)	Average Revenue over past three years (Financial Entities without Regulatory Capital Requirements and Non-financial Entities)
	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
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Inventory C: ADJUSTMENTS TO REQUIRED CAPITAL

S2	Entity Required Capital (Immediate Parent Regime)	Entity Required Capital (Local Regime)	Investment in Subsidiary	Intra-group capital instruments	Reported Intra-group Guarantees, LOCs and Other	Other Intra-group Assets	All Other Adjustments	Adj. Capital Calculation
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
[1]								
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[169]								

Inventory D: REFERENCE CALCULATION CHECKS

S2	Sum of Subs (Available Capital)	Investment in Subsidiary	Diff	Sum of Subs (Calc Capital)	Investment in Sub	Diff	Unadj Carrying Value / Unadj Calc Capital	Adj Carrying Value / Adj Calc Capital	Equity on Schedule 1	Carrying Value Before Adjustments	diff
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
[1]									[illegible]		
[2]									[illegible]		
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[167]									[illegible]		
[168]									[illegible]		
[169]									[illegible]		

	ONLY LIMITED FILERS SHOULD COMPLETE
HoldCo	Non-operating Holding Co.
US Ins	RBC Filing U.S. Insurer (Life)
US Ins	RBC Filing U.S. Insurer (P&C)
US Ins	RBC Filing U.S. Insurer (Health)
US Ins	RBC Filing U.S. Insurer (Other)
US Ins	U.S. Mortgage Guaranty Insurers
US Ins	U.S. Title Insurers
US Ins	Other Non-RBC Filing U.S. Insurers
US Ins	RBC filing (U.S. Captive)
Non-US Ins	Canada - Life
Non-US Ins	Canada - P&C
Non-US Ins	Bermuda - Other
Non-US Ins	Bermuda - Commercial Insurers
Non-US Ins	Japan - Life
Non-US Ins	Japan - Non-Life
Non-US Ins	Japan - Health
Non-US Ins	Solvency II (EU) - Life
Non-US Ins	Solvency II (EU) - Non-Life
Non-US Ins	Solvency II (UK) - Life
Non-US Ins	Solvency II (UK) - Non-Life
Non-US Ins	Australia - All
Non-US Ins	Switzerland - Life
Non-US Ins	Switzerland - Non-Life
Non-US Ins	Hong Kong - Life
Non-US Ins	Hong Kong - Non-Life
Non-US Ins	Singapore - All
Non-US Ins	Chinese Taipei - All
Non-US Ins	South Africa - Life
Non-US Ins	South Africa - Composite
Non-US Ins	South Africa - Non-Life
Non-US Ins	Mexico
Non-US Ins	China
Non-US Ins	South Korea
Non-US Ins	Malaysia
Non-US Ins	Chile
Non-US Ins	India
Non-US Ins	Brazil
Non-US Ins	Argentina
Non-US Ins	Colombia
Non-US Ins	Indonesia
Non-US Ins	Thailand
Non-US Ins	Barbados
Non-US Ins	Regime A
Non-US Ins	Regime B
Non-US Ins	Regime C
Non-US Ins	Regime D

Non-US Ins	**New Zealand**
Fin	**Bank (Basel III)**
Fin	**Bank (Other)**
Fin	**Financial Entity with a Regulatory Capital Requirement**
Fin	**Asset Manager/Registered Investment Advisor - High Risk**
Fin	**Asset Manager/Registered Investment Advisor - Medium Risk**
Fin	**Other Fin without Reg Cap Req – High Risk**
Fin	**Other Fin without Reg Cap Req -Medium Risk**
Fin	**Other Fin without Reg Cap Req – Low Risk**
Non-Ins, Non-fin	**Other Non-Ins/Non-Fin with Material Risk**
Non-Ins, Non-fin	**Other Non-Ins/Non-Fin without Material Risk**

#	#

#
#

	Adjusted Carrying Value	Adj. Capital Calculation	#
	[1]	[2]	#
[1]	XXXX	XXXX	#
[2]	XXXX	XXXX	#
[3]	XXXX	XXXX	#
[4]	XXXX	XXXX	#
[5]	XXXX	XXXX	#
[6]	XXXX	XXXX	#
[7]	XXXX	XXXX	#
[8]	XXXX	XXXX	#
[9]	XXXX	XXXX	#
[10]	XXXX	XXXX	#
[11]	XXXX	XXXX	#
[12]	XXXX	XXXX	#
[13]	XXXX	XXXX	#
[14]	XXXX	XXXX	#
[15]	XXXX	XXXX	#
[16]	XXXX	XXXX	#
[17]	XXXX	XXXX	#
[18]	XXXX	XXXX	#
[19]	XXXX	XXXX	#
[20]	XXXX	XXXX	#
[21]	XXXX	XXXX	#
[22]	XXXX	XXXX	#
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[35]	XXXX	XXXX	#
[36]	XXXX	XXXX	#
[37]	XXXX	XXXX	#
[38]	XXXX	XXXX	#
[39]	XXXX	XXXX	#
[40]	XXXX	XXXX	#
[41]	XXXX	XXXX	#
[42]	XXXX	XXXX	#
[43]	XXXX	XXXX	#
[44]	XXXX	XXXX	#
[45]	XXXX	XXXX	#
[46]	XXXX	XXXX	#

	Complete for all capital instruments													Supporting Calcs		
Capital Instruments	Name of Issuer	Entity Identifier	Type of Financial Instrument	Instrument Identifier (e.g. CUSIP)	Entity Category	Year of Issue (or refinance)	Year of Maturity	Balance as of Reporting Date	Intragroup Issuance	Treatment on Inventory B	If intragroup, what is purchasing Entity Identifier?	If "Other" Debt instrument, provide description	Call Provisions Criteria	Potentially Recognized instrument?	Other Criteria met?	Qualifying Debt
S3A	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
[1]														N	N	0
[2]														N	N	0.0
[3]														N	N	0.0
[4]														N	N	0.0
[5]														N	N	0.0
[6]														N	N	0.0
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[32]														N	N	0.0
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[88]														N	N	0.0
[89]														N	N	0.0
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[91]														N	N	0.0
[92]														N	N	0.0
[93]														N	N	0.0
[94]														N	N	0.0

Subtotal Limits		Total Amount	Limit as % of Debt + AC	Apply Limit to Subtotal
S3B		[1]	[2]	[3]
Senior Debt	[1]	0	30%	0
Hybrid Instruments	[2]	0	15%	0
Total	[3]	0		0
Other (not used in later calculations)	[4]	0	15%	0

Totals (S3C)		Proxy Calc for Add'l Capital Allowance
Total Gross Paid In Capital and Contributed Surplus (U.S. Insurance Entities)	[1]	0
Alternate subordination calc (=Excess of Qualifying Debt over liquid assets at Top HC)	[2]	
Total Qualifying Debt	[3]	0
Downstream Estimate =min(qualifying debt, max(gross paid in, alt subord calc))	[4]	0
Proxy Calculation (=Debt after subtotal limits)	[5]	0
Additional capital = Max(Downstream Estimate, Proxy Calc)	[6]	0
75% of Total Available Capital Before Addition of Debt	[7]	0
Amount recognized	[8]	0

	TACV of entities without capital requirements	Available Capital
For information:	0	0

Summary of Capital Instruments On Top Adjustment		Adjustment Before Limits	Base Adjustment
	[1]	0.0	0.0

Note: some entries may contain doublecounting.

	Is limited?
	Core Insurance Table 1 Template Groupings
HoldCo	Non-operating Holding Co.
US Ins	RBC Filing U.S. Insurer (Life)
US Ins	RBC Filing U.S. Insurer (P&C)
US Ins	RBC Filing U.S. Insurer (Health)
US Ins	RBC Filing U.S. Insurer (Other)
US Ins	U.S. Mortgage Guaranty Insurers
US Ins	U.S. Title Insurers
US Ins	Other Non-RBC Filing U.S. Insurers
US Ins	RBC filing (U.S. Captive)
Non-US Ins	Canada - Life
Non-US Ins	Canada - P&C
Non-US Ins	Bermuda - Other
Non-US Ins	Bermuda - Commercial Insurers
Non-US Ins	Japan - Life
Non-US Ins	Japan - Non-Life
Non-US Ins	Japan - Health
Non-US Ins	Solvency II (EU) - Life
Non-US Ins	Solvency II (EU) - Non-Life
Non-US Ins	Solvency II (UK) - Life
Non-US Ins	Solvency II (UK) - Non-Life
Non-US Ins	Australia - All
Non-US Ins	Switzerland - Life
Non-US Ins	Switzerland - Non-Life
Non-US Ins	Hong Kong - Life
Non-US Ins	Hong Kong - Non-Life
Non-US Ins	Singapore - All
Non-US Ins	Chinese Taipei - All
Non-US Ins	South Africa - Life
Non-US Ins	South Africa - Composite
Non-US Ins	South Africa - Non-Life
Non-US Ins	Mexico
Non-US Ins	China
Non-US Ins	South Korea
Non-US Ins	Malaysia
Non-US Ins	Chile
Non-US Ins	India
Non-US Ins	Brazil
Non-US Ins	Argentina
Non-US Ins	Colombia
Non-US Ins	Indonesia
Non-US Ins	Thailand
Non-US Ins	Barbados
Non-US Ins	Regime A
Non-US Ins	Regime B
Non-US Ins	Regime C
Non-US Ins	Regime D
Non-US Ins	New Zealand

Fin	Bank (Basel III)
Fin	Bank (Other)
Fin	Financial Entity with a Regulatory Capital Requirement
Fin	Asset Manager/Registered Investment Advisor - High Risk
Fin	Asset Manager/Registered Investment Advisor - Medium Risk
Fin	Other Fin without Reg Cap Req – High Risk
Fin	Other Fin without Reg Cap Req -Medium Risk
Fin	Other Fin without Reg Cap Req – Low Risk
Non-Ins, Non-fin	Other Non-Ins/Non-Fin with Material Risk
Non-Ins, Non-fin	Other Non-Ins/Non-Fin without Material Risk

	Insurance Leverage Table Template Groupings
HoldCo	Non-operating Holding Co.
US Ins	RBC Filing U.S. Insurer (Life)
US Ins	RBC Filing U.S. Insurer (P&C)
US Ins	RBC Filing U.S. Insurer (Health)
US Ins	RBC Filing U.S. Insurer (Other)
US Ins	U.S. Mortgage Guaranty Insurers
US Ins	U.S. Title Insurers
US Ins	Other Non-RBC Filing U.S. Insurers
US Ins	RBC filing (U.S. Captive)
Non-US Ins	Canada - Life
Non-US Ins	Canada - P&C
Non-US Ins	Bermuda - Other
Non-US Ins	Bermuda - Commercial Insurers
Non-US Ins	Japan - Life
Non-US Ins	Japan - Non-Life
Non-US Ins	Japan - Health
Non-US Ins	Solvency II (EU) - Life
Non-US Ins	Solvency II (EU) - Non-Life
Non-US Ins	Solvency II (UK) - Life
Non-US Ins	Solvency II (UK) - Non-Life
Non-US Ins	Australia - All
Non-US Ins	Switzerland - Life
Non-US Ins	Switzerland - Non-Life
Non-US Ins	Hong Kong - Life

Non-US Ins	Hong Kong - Non-Life
Non-US Ins	Singapore - All
Non-US Ins	Chinese Taipei - All
Non-US Ins	South Africa - Life
Non-US Ins	South Africa - Composite
Non-US Ins	South Africa - Non-Life
Non-US Ins	Mexico
Non-US Ins	China
Non-US Ins	South Korea
Non-US Ins	Malaysia
Non-US Ins	Chile
Non-US Ins	India
Non-US Ins	Brazil
Non-US Ins	Argentina
Non-US Ins	Colombia
Non-US Ins	Indonesia
Non-US Ins	Thailand
Non-US Ins	Barbados
Non-US Ins	Regime A
Non-US Ins	Regime B
Non-US Ins	Regime C
Non-US Ins	Regime D
Non-US Ins	New Zealand
Fin	Bank (Basel III)
Fin	Bank (Other)
Fin	Financial Entity with a Regulatory Capital Requirement
Fin	Asset Manager/Registered Investment Advisor - High Risk
Fin	Asset Manager/Registered Investment Advisor - Medium Risk
Fin	Other Fin without Reg Cap Req – High Risk
Fin	Other Fin without Reg Cap Req -Medium Risk
Fin	Other Fin without Reg Cap Req – Low Risk

Non-Ins, Non-fin	Other Non-Ins/Non-Fin with Material Risk
Non-Ins, Non-fin	Other Non-Ins/Non-Fin without Material Risk

	Insurance Capital Table Template Groupings
HoldCo	Non-operating Holding Co.
US Ins	RBC Filing U.S. Insurer (Life)
US Ins	RBC Filing U.S. Insurer (P&C)
US Ins	RBC Filing U.S. Insurer (Health)
US Ins	RBC Filing U.S. Insurer (Other)
US Ins	U.S. Mortgage Guaranty Insurers
US Ins	U.S. Title Insurers
US Ins	Other Non-RBC Filing U.S. Insurers
US Ins	RBC filing (U.S. Captive)
Non-US Ins	Canada - Life
Non-US Ins	Canada - P&C
Non-US Ins	Bermuda - Other
Non-US Ins	Bermuda - Commercial Insurers
Non-US Ins	Japan - Life
Non-US Ins	Japan - Non-Life
Non-US Ins	Japan - Health
Non-US Ins	Solvency II (EU) - Life
Non-US Ins	Solvency II (EU) - Non-Life
Non-US Ins	Solvency II (UK) - Life
Non-US Ins	Solvency II (UK) - Non-Life
Non-US Ins	Australia - All
Non-US Ins	Switzerland - Life
Non-US Ins	Switzerland - Non-Life
Non-US Ins	Hong Kong - Life
Non-US Ins	Hong Kong - Non-Life
Non-US Ins	Singapore - All
Non-US Ins	Chinese Taipei - All

Non-US Ins	South Africa - Life
Non-US Ins	South Africa - Composite
Non-US Ins	South Africa - Non-Life
Non-US Ins	Mexico
Non-US Ins	China
Non-US Ins	South Korea
Non-US Ins	Malaysia
Non-US Ins	Chile
Non-US Ins	India
Non-US Ins	Brazil
Non-US Ins	Argentina
Non-US Ins	Colombia
Non-US Ins	Indonesia
Non-US Ins	Thailand
Non-US Ins	Barbados
Non-US Ins	Regime A
Non-US Ins	Regime B
Non-US Ins	Regime C
Non-US Ins	Regime D
Non-US Ins	New Zealand
Fin	Bank (Basel III)
Fin	Bank (Other)
Fin	Financial Entity with a Regulatory Capital Requirement
Fin	Asset Manager/Registered Investment Advisor - High Risk
Fin	Asset Manager/Registered Investment Advisor - Medium Risk
Fin	Other Fin without Reg Cap Req – High Risk
Fin	Other Fin without Reg Cap Req -Medium Risk
Fin	Other Fin without Reg Cap Req – Low Risk
Non-Ins, Non-fin	Other Non-Ins/Non-Fin with Material Risk
Non-Ins, Non-fin	Other Non-Ins/Non-Fin without Material Risk

N	Gross Premium Written ($) [excluding premiums ceded to affiliates]					Net I		
	2024	2023	2022	2021	2020	2024	2023	2022
	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]
[1]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[2]	0.0					0.0		
[3]	0.0					0.0		
[4]	0.0					0.0		
[5]	0.0					0.0		
[6]	0.0					0.0		
[7]	0.0					0.0		
[8]	0.0					0.0		
[9]	0.0					0.0		
[10]	0.0					0.0		
[11]	0.0					0.0		
[12]	0.0					0.0		
[13]	0.0					0.0		
[14]	0.0					0.0		
[15]	0.0					0.0		
[16]	0.0					0.0		
[17]	0.0					0.0		
[18]	0.0					0.0		
[19]	0.0					0.0		
[20]	0.0					0.0		
[21]	0.0					0.0		
[22]	0.0					0.0		
[23]	0.0					0.0		
[24]	0.0					0.0		
[25]	0.0					0.0		
[26]	0.0					0.0		
[27]	0.0					0.0		
[28]	0.0					0.0		
[29]	0.0					0.0		
[30]	0.0					0.0		
[31]	0.0					0.0		
[32]	0.0					0.0		
[33]	0.0					0.0		
[34]	0.0					0.0		
[35]	0.0					0.0		
[36]	0.0					0.0		
[37]	0.0					0.0		
[38]	0.0					0.0		
[39]	0.0					0.0		
[40]	0.0					0.0		
[41]	0.0					0.0		
[42]	0.0					0.0		
[43]	0.0					0.0		
[44]	0.0					0.0		
[45]	0.0					0.0		
[46]	0.0					0.0		
[47]	0.0					0.0		

[48]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[49]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[50]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[51]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[52]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[53]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[54]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[55]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[56]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[57]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		

	Net Premium Written ($)					Liabi		
	2024	**2023**	**2022**	**2021**	**2020**	**2024**	**2023**	**2022**
	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]
[1]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[2]	0.0					0.0		
[3]	0.0					0.0		
[4]	0.0					0.0		
[5]	0.0					0.0		
[6]	0.0					0.0		
[7]	0.0					0.0		
[8]	0.0					0.0		
[9]	0.0					0.0		
[10]	0.0					0.0		
[11]	0.0					0.0		
[12]	0.0					0.0		
[13]	0.0					0.0		
[14]	0.0					0.0		
[15]	0.0					0.0		
[16]	0.0					0.0		
[17]	0.0					0.0		
[18]	0.0					0.0		
[19]	0.0					0.0		
[20]	0.0					0.0		
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[22]	0.0					0.0		
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[25]	0.0					0.0		
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[32]	0.0					0.0		
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[36]	0.0					0.0		
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[38]	0.0					0.0		
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[40]	0.0					0.0		
[41]	0.0					0.0		
[42]	0.0					0.0		
[43]	0.0					0.0		
[44]	0.0					0.0		
[45]	0.0					0.0		
[46]	0.0					0.0		
[47]	0.0					0.0		
[48]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[49]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[50]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[51]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[52]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[53]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[54]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[55]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		

[56]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		
[57]	XXXX	XXXX	XXXX	XXXX	XXXX	0.0		

	Capital & Surplus					Ratio of Actual t		
	2024	2023	2022	2021	2020	2024	2023	2022
	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]
[1]	0.0					XXXX		
[2]	0.0							
[3]	0.0							
[4]	0.0							
[5]	0.0							
[6]	0.0							
[7]	0.0							
[8]	0.0							
[9]	0.0							
[10]	0.0							
[11]	0.0							
[12]	0.0							
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[54]	0.0							
[55]	0.0							
[56]	0.0							
[57]	0.0							

come ($)		Return on Capital					
2021	2020	2024	2023	2022	2021	2020	2024
[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]

lities ($)		Dividends $ Received/(Paid)					
2021	2020	2024	2023	2022	2021	2020	2024
[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]
		0.0					
		0.0					
		0.0					
		0.0					
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o Required Capital		Net Premium Written ($)/Capital & Surplus					
2021	2020	2024	2023	2022	2021	2020	2024
[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]
							0.0
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Return on Assets			
2023	2022	2021	2020
[2]	[3]	[4]	[5]

Assets ($) [includes doublecounting due for others excludes same doublecou		
2024	2023	2022
[1]	[2]	[3]
0.0		
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Liabilities ($)/Capital & Surplus			
2023	**2022**	**2021**	**2020**
[2]	[3]	[4]	[5]

Capital Contributions $ Received/(Paid)			
2023	2022	2021	2020
[2]	[3]	[4]	[5]

Required Cap		
2024	2023	2022
[1]	[2]	[3]
XXXX	XXXX	XXXX
0.0		
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to inv in subs for limited filers;
nting as available capital]

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2021	2020	#
[4]	[5]	#
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2021	2020
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Other Captive Sensitivity		Other Captive Sensitivity
		[2]
Asset Adjustment (record asset reduction as a negative figure)	[1]	

			For Available Capital				For Calc'd Capital (at 200% of ACL level)			
	Entity Name	Entity Identifier	Permitted	Prescribed	Other Regulator Discretion	Description	Permitted	Prescribed	Other Regulator Discretion	Description
[1]	Total		0.0	0.0	0.0		0.0	0.0	0.0	
[2]										
[3]										
[4]										
[5]										
[6]										
[7]										
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[11]										
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Questions and Other Narrative Descriptions or Information

	Entity Identifier of Intercompany Guarantee Issuer	Identifier(s) of entities that are covered	Notional Value	Description
[1]				
[2]				
[3]				
[4]				
[5]				

Insert Further Rows as need

	Entity Identifier obligated under Capital Maintenance Agreement	Identifier(s) of entities that are covered	Notional Value	Description
[1]				
[2]				
[3]				
[4]				
[5]				

Insert Further Rows as need

	Entity Identifier of Non-Operating Holding Company	All Goodwill	All intangibles related to healthcare service acq	All other intangibles	Total	Description
[1]					0.0	
[2]					0.0	
[3]					0.0	
[4]					0.0	
[5]					0.0	

Insert Further Rows as need

	Entity Identifier of Entity with Currency Adjustment	Currency Type	Conversion Rate	Source of Conversion Rate
[1]				
[2]				
[3]				
[4]				
[5]				

Insert Further Rows as need

	Entity Identifier of Entity with IntraGroup Assets	Amount	Description
[1]			
[2]			
[3]			
[4]			
[5]			

Insert Further Rows as need

	Entity Identifier of Entity with Other Adjustments	Amount	Description
[1]			
[2]			
[3]			
[4]			
[5]			

Insert Further Rows as need

	Entity Identifier with Acc't Adjustment	Value in Inv B Col 1	Value in Inv B Col 2	Total Adj	Nature of Adjustments	Description and Amount
[1]		#N/A	#N/A	#N/A		
[2]		#N/A	#N/A	#N/A		
[3]		#N/A	#N/A	#N/A		
[4]		#N/A	#N/A	#N/A		
[5]		#N/A	#N/A	#N/A		

Insert Further Rows as need

Methodology for tracking / reporting down-streamed debt proceeds – Describe the approach used to report tracked down-streamed debt proceeds in

Report all Schedule BA Affiliates here]

BA Entity Name	Parent ID	Parent Name	Is Parent a Sch BA entity? (Y/N)	Financial (Y/N)	Carrying Value (Immediate Parent Regime)	Entity Required Capital (Immediate Parent Regime)

Insert Further Rows as need

for reference

Parent Name from Sch1
#N/A
#N/A
#N/A
#N/A
#N/A
#N/A
#N/A
#N/A
#N/A
#N/A
#N/A
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#N/A
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#N/A

Report all Schedule A Affiliates here]

Entity Name	Parent ID	Parent Name	Is Parent a Sch A entity? (Y/N)	Financial (Y/N)	Carrying Value (Immediate Parent Regime)	Entity Required Capital (Immediate Parent Regime)

for reference

Parent Name from Sch1
#N/A
#N/A
#N/A
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#N/A
#N/A
#N/A
#N/A
#N/A
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#N/A
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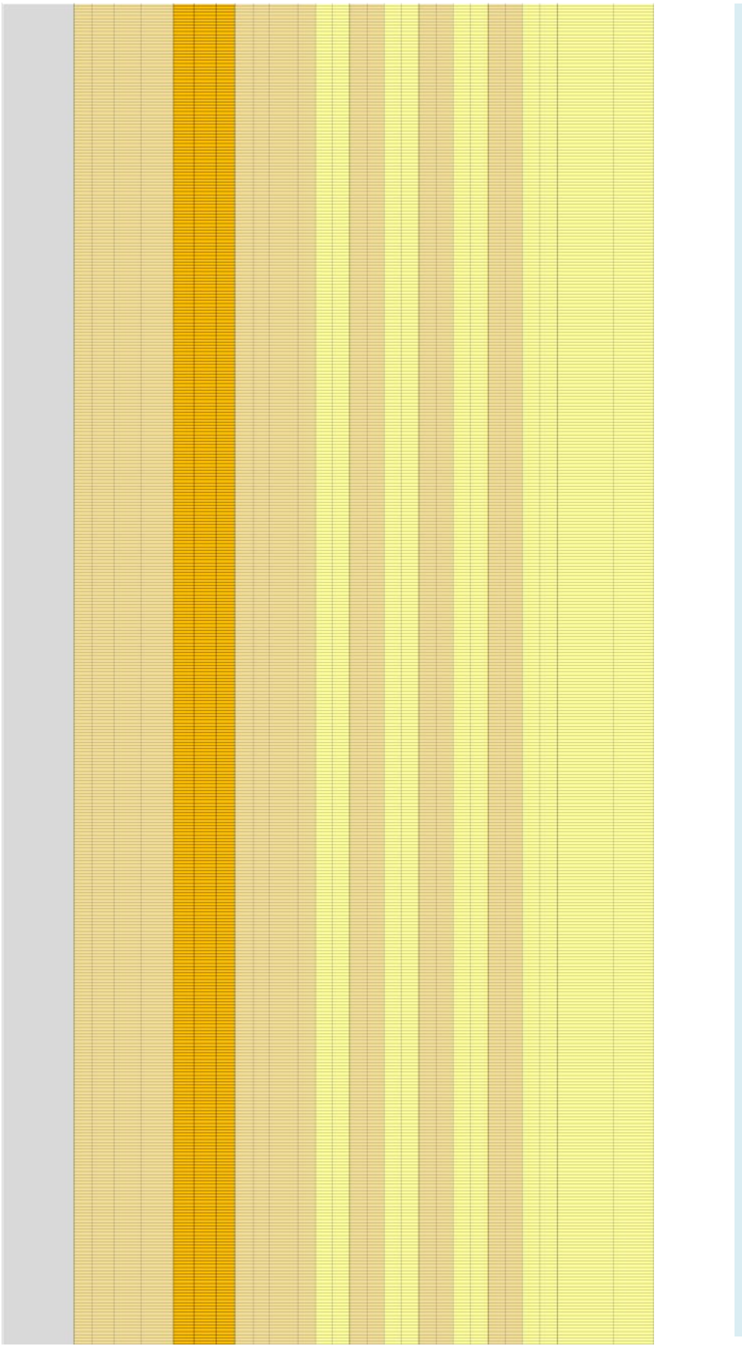
#N/A

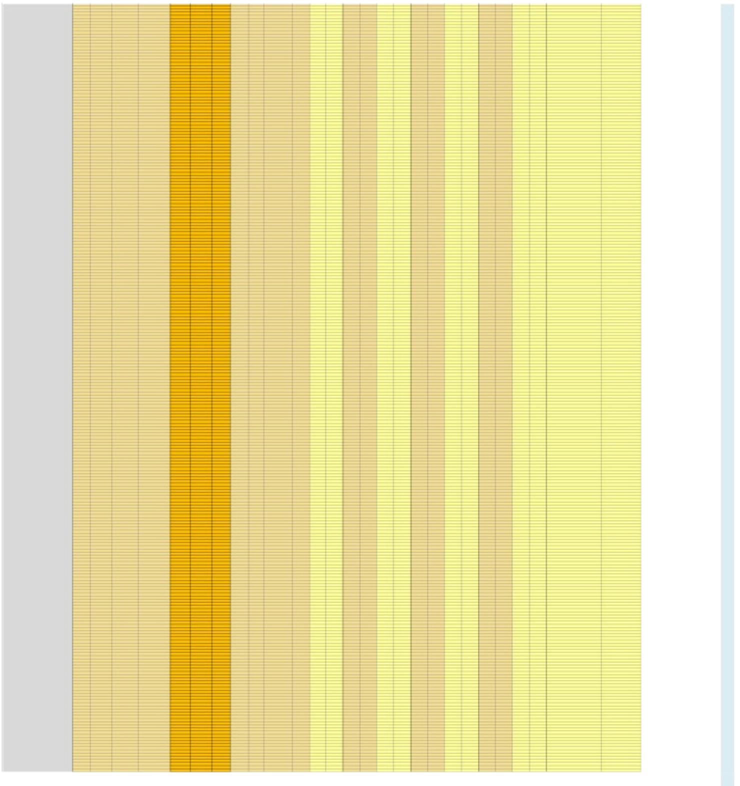
Any other comments on your submission that are not addressed by the other questions above?

# # # # # # # # # # # # #

Entity Category		Unscaled (@200%)		Unscaled (@300%)		GCC Scaled with ERR (@ 200% ACL Level)		GCC Scaled with ERR (@ 300% ACL Level)		
		How to Adjust?	Scalar	How to Adjust?	Scalar	How to Adjust?	Scalar	How to Adjust?	Scalar	Regime Type
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	9

SCALAR CALCULATIONS	Entity Identifier	Included?	Included In/Bank?	Entity Cat. Code	Revenue	Adj Carrying Value	Adj Capital Calculation	Unadj Carrying Value	Unadj Capital Calculation	Scaling Type	Scalar	Sub-level calibrated CC	Scaled TAC	Scaling Type	Scalar	Sub-level calibrated CC	Scaled TAC	Scaling Type	Scalar	Sub-level calibrated [illegible]	Scaled from [illegible] for all [illegible]	Scaling Type	Scalar	Sub-level calibrated	Scaled from [illegible] for all [illegible]	Parent Entity Category	Parent Entity Category Type





	Calc Capital for Non-Insurance (Included Entities Unless Stated Otherwise)		Gross Current Year Revenue	3 year avg Revenue	Available Capital (AC)	Reported Calc Capital (CC)	Exposure Base	Factor	GCC	For Sensitivity Test @300% Level	Alt Exposure Based	Alt Factor	Alt Calc For non-fin
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
HoldCo	Non-operating Holding Co.	[1]			0.0	0.0	Reported AC	10.5%	0	0			
Fin	Bank (Basel III)	[2]			0.0	0.0	Reported CC	100.0%	0	0			
Fin	Bank (Other)	[3]			0.0	0.0	Reported CC	100.0%	0	0			
		[4]											
Fin	Asset Manager/Registered Investment Advisor - High Risk	[5]	0.0	0.0	0.0	0.0	Avg Revenue	10.0%	0	0			
Fin	Asset Manager/Registered Investment Advisor - Medium Risk	[6]	0.0	0.0	0.0	0.0	Avg Revenue	5.0%	0	0			
Fin	Financial Entity with a Regulatory Capital Requirement	[7]	0.0	0.0	0.0	0.0	Reported CC	100.0%	0	0			
Fin	Other Fin without Reg Cap Req – High Risk	[8]	0.0	0.0	0.0	0.0	Avg Revenue	10.0%	0	0			
Fin	Other Fin without Reg Cap Req -Medium Risk	[9]	0.0	0.0	0.0	0.0	Avg Revenue	5.0%	0	0			
Fin	Other Fin without Reg Cap Req – Low Risk	[10]	0.0	0.0	0.0	0.0	Avg Revenue	2.5%	0	0			
		[11]											
Other	Other Non-Ins/Non-Fin with Material Risk	[12]	0.0	0.0	0.0	0.0	Reported AC	10.5%	0	0	Avg Revenue	5%	0
Other	Other Non-Ins/Non-Fin without Material Risk	[13]	0.0	0.0	0.0	0.0	Reported AC	0.0%	0	0	Reported AC	10%	0
						Predominantly?	Life						
Excluded	Entities requested but not approved for exclusion				0.0	0.0							

RBC Filing U.S. Insurer (Life)	0.0
RBC Filing U.S. Insurer (P&C)	0.0
RBC Filing U.S. Insurer (Health)	0.0

Type	Detailed Breakdown (pre-adjustment for capital instruments)		GCC at 200% (Scaled Using ERR)			GCC at 300% (Sensitivity Test Scaled Using ERR)			Unscaled at 200% (Sensitivity Test)			Unscaled at 300% (Sensitivity Test)		
			Available Capital (AC)	Calc Capital (CC)	AC/CC	Available Capital (AC)	Calc Capital (CC)	AC/CC	Available Capital (AC)	Calc Capital (CC)	AC/CC	Available Capital (AC)	Calc Capital (CC)	AC/CC
		Summ_Ent_1	[7]	[8]	[9]	[1]	[2]	[3]	[1]	[2]	[3]	[4]	[5]	[6]
US Ins	RBC Filing U.S. Insurer (Life)	[1]	0	0		0	0		0	0		0	0	
US Ins	RBC Filing U.S. Insurer (P&C)	[2]	0	0		0	0		0	0		0	0	
US Ins	RBC Filing U.S. Insurer (Health)	[3]	0	0		0	0		0	0		0	0	
US Ins	RBC Filing U.S. Insurer (Other)	[4]	0	0		0	0		0	0		0	0	
US Ins	U.S. Mortgage Guaranty Insurers	[5]	0	0		0	0		0	0		0	0	
US Ins	U.S. Title Insurers	[6]	0	0		0	0		0	0		0	0	
US Ins	Other Non-RBC Filing U.S. Insurers	[7]	0	0		0	0		0	0		0	0	
US Ins	RBC filing (U.S. Captive)	[8]	0	0		0	0		0	0		0	0	
Non-US Ins	Canada - Life	[9]	0	0		0	0		0	0		0	0	
Non-US Ins	Canada - P&C	[10]	0	0		0	0		0	0		0	0	
Non-US Ins	Bermuda - Other	[11]	0	0		0	0		0	0		0	0	
Non-US Ins	Bermuda - Commercial Insurers	[12]	0	0		0	0		0	0		0	0	
Non-US Ins	Japan - Life	[13]	0	0		0	0		0	0		0	0	
Non-US Ins	Japan - Non-Life	[14]	0	0		0	0		0	0		0	0	
Non-US Ins	Japan - Health	[15]	0	0		0	0		0	0		0	0	
Non-US Ins	Solvency II (EU) - Life	[16]	0	0		0	0		0	0		0	0	
Non-US Ins	Solvency II (EU) - Non-Life	[17]	0	0		0	0		0	0		0	0	
Non-US Ins	Solvency II (UK) - Life	[18]	0	0		0	0		0	0		0	0	
Non-US Ins	Solvency II (UK) - Non-Life	[19]	0	0		0	0		0	0		0	0	
Non-US Ins	Australia - All	[20]	0	0		0	0		0	0		0	0	
Non-US Ins	Switzerland - Life	[21]	0	0		0	0		0	0		0	0	
Non-US Ins	Switzerland - Non-Life	[22]	0	0		0	0		0	0		0	0	
Non-US Ins	Hong Kong - Life	[23]	0	0		0	0		0	0		0	0	
Non-US Ins	Hong Kong - Non-Life	[24]	0	0		0	0		0	0		0	0	
Non-US Ins	Singapore - All	[25]	0	0		0	0		0	0		0	0	
Non-US Ins	Chinese Taipei - All	[26]	0	0		0	0		0	0		0	0	
Non-US Ins	South Africa - Life	[27]	0	0		0	0		0	0		0	0	
Non-US Ins	South Africa - Composite	[28]	0	0		0	0		0	0		0	0	
Non-US Ins	South Africa - Non-Life	[29]	0	0		0	0		0	0		0	0	
Non-US Ins	Mexico	[30]	0	0		0	0		0	0		0	0	
Non-US Ins	China	[31]	0	0		0	0		0	0		0	0	
Non-US Ins	South Korea	[32]	0	0		0	0		0	0		0	0	
Non-US Ins	Malaysia	[33]	0	0		0	0		0	0		0	0	
Non-US Ins	Chile	[34]	0	0		0	0		0	0		0	0	
Non-US Ins	India	[35]	0	0		0	0		0	0		0	0	
Non-US Ins	Brazil	[36]	0	0		0	0		0	0		0	0	
Non-US Ins	Argentina	[37]	0	0		0	0		0	0		0	0	
Non-US Ins	Colombia	[38]	0	0		0	0		0	0		0	0	
Non-US Ins	Indonesia	[39]	0	0		0	0		0	0		0	0	
Non-US Ins	Thailand	[40]	0	0		0	0		0	0		0	0	
Non-US Ins	Barbados	[41]	0	0		0	0		0	0		0	0	
Non-US Ins	Regime A	[42]	0	0		0	0		0	0		0	0	
Non-US Ins	Regime B	[43]	0	0		0	0		0	0		0	0	
Non-US Ins	Regime C	[44]	0	0		0	0		0	0		0	0	
Non-US Ins	Regime D	[45]	0	0		0	0		0	0		0	0	
Non-US Ins	New Zealand	[46]	0	0		0	0		0	0		0	0	
		[47]												
HoldCo	Non-operating Holding Co.	[48]	0	0		0	0		0	0		0	0	
		[49]												
Fin	Bank (Basel III)	[50]	0	0		0	0		0	0		0	0	
Fin	Bank (Other)	[51]	0	0		0	0		0	0		0	0	
		[52]												
Fin	Asset Manager/Registered Investment Advisor - High Risk	[53]	0	0		0	0		0	0		0	0	
Fin	Asset Manager/Registered Investment Advisor - Medium Risk	[54]	0	0		0	0		0	0		0	0	
Fin	Financial Entity with a Regulatory Capital Requirement	[55]	0	0		0	0		0	0		0	0	
Fin	Other Fin without Reg Cap Req – High Risk	[56]	0	0		0	0		0	0		0	0	
Fin	Other Fin without Reg Cap Req -Medium Risk	[57]	0	0		0	0		0	0		0	0	
Fin	Other Fin without Reg Cap Req – Low Risk	[58]	0	0		0	0		0	0		0	0	
		[59]												
Other	Other Non-Ins/Non-Fin with Material Risk	[59]	0	0		0	0		0	0		0	0	
Other	Other Non-Ins/Non-Fin without Material Risk	[60]	0	0		0	0		0	0		0	0	
		[60]												
	Total	[61]	0	0		0	0		0	0		0	0	
	Total (Adjusted for Debt)	[61]	0	0		0	0		0	0		0	0	

GCC Results		GCC Results (RBC at 200% ACL)			Unscaled GCC Results (RBC at 200% ACL)			For information (Unscaled GCC using RBC at 100%)		
		Avail Cap	Calc Cap	AC / (CC)	Avail Cap	Calc Cap	AC / (CC)	Avail Cap	Calc Cap	AC / (CC)
		[1]	[2]	[3]	[1]	[2]	[3]	[4]	[5]	[6]
Top Level Company (Pre-Adj)	[1]			#VALUE!			#VALUE!			
Total (w/o Capital Instruments)	[2]	0	0		0	0		0	0	
GCC Capital	[3]	0	0		0	0		0	0	

Sensitivity Analysis		GCC			
		Avail Cap	Calc Cap	AC / (CC)	Impact
		[1]	[2]	[3]	[4]
GCC	[1]	0	0		
[1] GCC with RBC at 300% of ACL (scaled)	[2]	0	0		
[2] Excluded NI/NF entities without material risk	[3]	0	0		
[3] Permitted Practices	[4]	0	0		
[4] Prescribed Practices	[5]	0	0		
[5a] Unscaled with RBC at 200% ACL	[6]	0	0		
[5b] Unscaled with RBC at 300% ACL	[7]	0	0		
[6] Alternative Capital Calc for Non-Fin Entities	[8]	0	0		
[7] Captives other than XXX/AXXX	[9]	#VALUE!	0		
[8] Regulatory Discretion	[10]	0	0		

Capital for hi-level groupings		GCC Breakdown								
		GCC			Sensitivity Test Unscaled at 200% of ACL			Sensitivity Test Unscaled at 300% of ACL		
		Avail Cap	Calc Cap	AC / (CC)	Avail Cap	Calc Cap	AC / (CC)	Avail Cap	Calc Cap	AC / (CC)
		[7]	[8]	[9]	[1]	[2]	[3]	[4]	[5]	[6]
US Ins	[1]	0	0		0	0		0	0	
Fin	[2]	0	0		0	0		0	0	
Non-US Ins	[3]	0	0		0	0		0	0	
HoldCo	[4]	0	0		0	0		0	0	
Other	[5]	0	0		0	0		0	0	
Capital Instruments	[6]	0	0		0	0		0	0	
Total	[7]	0	0		0	0		0	0	

Debt/Equity Metric		Debt	Equity	Ratio
		[1]	[2]	[3]
Outstanding Debt vs Total Equity (incl & excl)	[1]	0	0	
Allowed Debt vs Included Equity	[2]	0	0	

Income & Leverage Table Template Groupings		Net Income ($)					Return on Capital					Liabilities					Liabilities to Equity/C&S				
		2024	2023	2022	2021	2020	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
		[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]
HoldCo	[1]	0	0	0	0	0						0	0	0	0	0					
US Ins	[2]	0	0	0	0	0						0	0	0	0	0					
Non-US Ins	[3]	0	0	0	0	0						0	0	0	0	0					
Fin	[4]	0	0	0	0	0						0	0	0	0	0					
Non-Ins, Non-fin	[5]	0	0	0	0	0						0	0	0	0	0					
Total	[6]	0	0	0	0	0						0	0	0	0	0					

Overall Capital Table Template Groupings		Equity ($)					Equity Allocation (%)					Dividends $ Received/(Paid)					Capital Contributions $ Received/(Paid)				
		2024	2023	2022	2021	2020	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
		[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]
HoldCo	[1]	0	0	0	0	0						0	0	0	0	0	0	0	0	0	0
US Ins	[2]	0	0	0	0	0						0	0	0	0	0	0	0	0	0	0
Non-US Ins	[3]	0	0	0	0	0						0	0	0	0	0	0	0	0	0	0
Fin	[4]	0	0	0	0	0						0	0	0	0	0	0	0	0	0	0
Non-Ins, Non-fin	[5]	0	0	0	0	0						0	0	0	0	0	0	0	0	0	0
Total	[6]	0	0	0	0	0						0	0	0	0	0	0	0	0	0	0

Only include Subtotals for insurance/financial entities																	
Include/Exclude?	**Entity Identifier**	**Entity Name**	**Grouping Category**	**Entity Category**	**Parent entity included in total (for Summary 4 only)**	**Grouping Alternative**	**Carrying Value (Local Regime)**	**Investment in Subsidiary**	**Available Capital Resources**	**Adj Carrying Value**	**Entity Required Capital (Local Regime)**	**Investment in Subsidiary**	**Calculated Base Capital**	**Calculated Base Capital at 1x ACL**	**Adj Calc Capital**	**Parent Entity Category**	**Count**
Exclude	**High Level Subtotals**																
Exclude			1 Domestic Subj to RBC	SUBTOTAL		SUBTOTAL			0.0	0.0			#DIV/0!	0.0	0.0		0
Exclude			2 Dom Subj to regulation	SUBTOTAL		SUBTOTAL			0.0	0.0			0.0		0.0		0
Exclude			3 Int'l Subj to Reg	SUBTOTAL		SUBTOTAL			0.0	0.0			0.0		0.0		0
Exclude			4 Non-Reg (Material)	SUBTOTAL		SUBTOTAL			0.0	0.0			0.0		0.0		0
Exclude			5 Holding Company	SUBTOTAL		SUBTOTAL			0.0	0.0			0.0		0.0		0
Exclude			6 Non-Reg (Not Material)	SUBTOTAL		SUBTOTAL			0.0	0.0			0.0		0.0		0
Exclude			7 Financial	SUBTOTAL		SUBTOTAL			0.0	0.0			0.0		0.0		0
Exclude	**Entity Category Level Subtotals**																
Exclude		**Non-Insurer Holding Company**	5 Holding Company	Non-Insurer Holding Company		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**RBC Filing U.S. Insurer (Life)**	1 Domestic Subj to RBC	RBC Filing U.S. Insurer (Life)		SUB-SUBTOTAL			0.0				#DIV/0!	0.0			0
Exclude		**RBC Filing U.S. Insurer (P&C)**	1 Domestic Subj to RBC	RBC Filing U.S. Insurer (P&C)		SUB-SUBTOTAL			0.0				#DIV/0!	0.0			0
Exclude		**RBC Filing U.S. Insurer (Health)**	1 Domestic Subj to RBC	RBC Filing U.S. Insurer (Health)		SUB-SUBTOTAL			0.0				#DIV/0!	0.0			0
Exclude		**RBC Filing U.S. Insurer (Other)**	1 Domestic Subj to RBC	RBC Filing U.S. Insurer (Other)		SUB-SUBTOTAL			0.0				#DIV/0!	0.0			0
Exclude		**U.S. Mortgage Guaranty Insurers**	1 Domestic Subj to RBC	U.S. Mortgage Guaranty Insurers		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**U.S. Title Insurers**	1 Domestic Subj to RBC	U.S. Title Insurers		SUB-SUBTOTAL			0.0				#DIV/0!	0.0			0
Exclude		**Other Non-RBC Filing U.S. Insurers**	2 Dom Subj to regulation	Other Non-RBC Filing U.S. Insurers		SUB-SUBTOTAL			0.0				#DIV/0!	0.0			0
Exclude		**RBC filing (U.S. Captive)**	1 Domestic Subj to RBC	RBC filing (U.S. Captive)		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Canada - Life**	3 Int'l Subj to Reg	Canada - Life		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Canada - P&C**	3 Int'l Subj to Reg	Canada - P&C		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Bermuda - Other**	3 Int'l Subj to Reg	Bermuda - Other		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Bermuda - Commercial Insurers**	3 Int'l Subj to Reg	Bermuda - Commercial Insurers		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Japan - Life**	3 Int'l Subj to Reg	Japan - Life		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Japan - Non-Life**	3 Int'l Subj to Reg	Japan - Non-Life		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Japan - Health**	3 Int'l Subj to Reg	Japan - Health		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Solvency II (EU) - Life**	3 Int'l Subj to Reg	Solvency II (EU) - Life		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Solvency II (EU) - Non-Life**	3 Int'l Subj to Reg	Solvency II (EU) - Non-Life		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Solvency II (UK) - Life**	3 Int'l Subj to Reg	Solvency II (UK) - Life		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Solvency II (UK) - Non-Life**	3 Int'l Subj to Reg	Solvency II (UK) - Non-Life		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Australia - All**	3 Int'l Subj to Reg	Australia - All		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Switzerland - Life**	3 Int'l Subj to Reg	Switzerland - Life		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Switzerland - Non-Life**	3 Int'l Subj to Reg	Switzerland - Non-Life		SUB-SUBTOTAL			0.0				0.0				0
		Hong Kong - Life	3 Int'l Subj to Reg	Hong Kong - Life		SUB-SUBTOTAL			0.0				0.0				0
		Hong Kong - Non-Life	3 Int'l Subj to Reg	Hong Kong - Non-Life		SUB-SUBTOTAL			0.0				0.0				0
		Singapore - All	3 Int'l Subj to Reg	Singapore - All		SUB-SUBTOTAL			0.0				0.0				0
		Chinese Taipei - All	3 Int'l Subj to Reg	Chinese Taipei - All		SUB-SUBTOTAL			0.0				0.0				0
		South Africa - Life	3 Int'l Subj to Reg	South Africa - Life		SUB-SUBTOTAL			0.0				0.0				0
		South Africa - Composite	3 Int'l Subj to Reg	South Africa - Composite		SUB-SUBTOTAL			0.0				0.0				0
		South Africa - Non-Life	3 Int'l Subj to Reg	South Africa - Non-Life		SUB-SUBTOTAL			0.0				0.0				0
		Mexico	3 Int'l Subj to Reg	Mexico		SUB-SUBTOTAL			0.0				0.0				0
		China	3 Int'l Subj to Reg	China		SUB-SUBTOTAL			0.0				0.0				0
		South Korea	3 Int'l Subj to Reg	South Korea		SUB-SUBTOTAL			0.0				0.0				0
		Malaysia	3 Int'l Subj to Reg	Malaysia		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Chile**	3 Int'l Subj to Reg	Chile		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**India**	3 Int'l Subj to Reg	India		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Brazil**	3 Int'l Subj to Reg	Brazil		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Argentina**	3 Int'l Subj to Reg	Argentina		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Colombia**	3 Int'l Subj to Reg	Colombia		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Indonesia**	3 Int'l Subj to Reg	Indonesia		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Thailand**	3 Int'l Subj to Reg	Thailand		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Barbados**	3 Int'l Subj to Reg	Barbados		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Regime A**	3 Int'l Subj to Reg	Regime A		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Regime B**	3 Int'l Subj to Reg	Regime B		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Regime C**	3 Int'l Subj to Reg	Regime C		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Regime D**	3 Int'l Subj to Reg	Regime D		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**New Zealand**	3 Int'l Subj to Reg	New Zealand		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Bank (Basel III)**	7 Financial	Bank (Basel III)		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Bank (Other)**	7 Financial	Bank (Other)		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Financial Entity with a Regulatory Capital Requirement**	7 Financial	Financial Entity with a Regulatory Capital Requirement		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Other Financial Entity without a Regulatory Capital Requirement**	7 Financial	Other Financial Entity without a Regulatory Capital Requirement		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Asset Manager/Registered Investment Advisor**	7 Financial	Asset Manager/Registered Investment Advisor		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Other Non-Ins/Non-Fin with Material Risk**	4 Non-Reg (Material)	Other Non-Ins/Non-Fin with Material Risk		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Other Non-Ins/Non-Fin without Material Risk**	6 Non-Reg (Not Material)	Other Non-Ins/Non-Fin without Material Risk		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Non-operating Holding Co.**	5 Holding Company	Non-operating Holding Co.		SUB-SUBTOTAL			0.0				0.0				0

Exclude		**Schedule A and BA Directly or Indirectly Owned Financial Affiliates**	7 Financial	Schedule A and BA Directly or Indirectly Owned Financial Affiliates		SUB-SUBTOTAL			0.0				0.0				0
Exclude		**Schedule A and BA Directly Owned Material Non-Financial Affiliates**	4 Non-Reg (Material)	Schedule A and BA Directly Owned Material Non-Financial Affiliates		SUB-SUBTOTAL			0.0				0.0				0
	Entity Details																
Exclude					N									#DIV/0!		N/A	
Exclude	0.0	0.0		0.0	N	0.0	0.0	0.0	0	0.0	0.0	0.0	0	#DIV/0!		0.0	
Exclude					N									#DIV/0!			
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Notes on Summary

*This is a 'Pivot Table'. Right-click and select 'Refresh' to populate.

*Figures are unscaled

Grouping Category	Regulation	Grouping Alternative	Sum of Available Capital Resources	Calc Base Capital	Calc Base Capital (at 1x ACL)	Sum of Ratio	Sum of Ratio at (1x ACL)
	#	0	0	0			

Entity Category Code
Non-operating Holding Co.
RBC Filing U.S. Insurer (Life)
RBC Filing U.S. Insurer (P&C)
RBC Filing U.S. Insurer (Health)
RBC Filing U.S. Insurer (Other)
U.S. Mortgage Guaranty Insurers
U.S. Title Insurers
Other Non-RBC Filing U.S. Insurers
RBC filing (U.S. Captive)
Canada - Life
Canada - P&C
Bermuda - Other
Bermuda - Commercial Insurers
Japan - Life
Japan - Non-Life
Japan - Health
Solvency II (EU) - Life
Solvency II (EU) - Non-Life
Solvency II (UK) - Life
Solvency II (UK) - Non-Life
Australia - All
Switzerland - Life
Switzerland - Non-Life
Hong Kong - Life
Hong Kong - Non-Life
Singapore - All
Chinese Taipei - All
South Africa - Life
South Africa - Composite
South Africa - Non-Life
Mexico
China
South Korea
Malaysia
Chile
India
Brazil
Argentina
Colombia
Indonesia
Thailand
Barbados

Regime A
Regime B
Regime C
Regime D
New Zealand
Bank (Basel III)
Bank (Other)
Financial Entity with a Regulatory Capital Requirement
Asset Manager/Registered Investment Advisor - High Risk
Asset Manager/Registered Investment Advisor - Medium Risk
Other Fin without Reg Cap Req – High Risk
Other Fin without Reg Cap Req -Medium Risk
Other Fin without Reg Cap Req – Low Risk
Other Non-Ins/Non-Fin with Material Risk
Other Non-Ins/Non-Fin without Material Risk
Blank1
Blank2
Blank3

		Parameters
Type of Entity	**Grouping**	**Grouping Suggested for Alternative**
HoldCo	HoldCo	5 Holding Company
RBC Filing US Insurer	US Ins	1 Domestic Subj to RBC
RBC Filing US Insurer	US Ins	1 Domestic Subj to RBC
RBC Filing US Insurer	US Ins	1 Domestic Subj to RBC
RBC Filing US Insurer	US Ins	1 Domestic Subj to RBC
RBC Filing US Insurer	US Ins	1 Domestic Subj to RBC
RBC Filing US Insurer	US Ins	1 Domestic Subj to RBC
on RBC Filing US Insur	US Ins	2 Dom Subj to regulation
RBC Filing US Insurer	US Ins	1 Domestic Subj to RBC
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg

Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Non-US Ins	Non-US Ins	3 Int'l Subj to Reg
Bank	Fin	7 Financial
Bank	Fin	7 Financial
Other Financial Entity	Fin	7 Financial
ger/Registered Investme	Fin	7 Financial
ger/Registered Investme	Fin	7 Financial
Other Financial Entity	Fin	7 Financial
Other Financial Entity	Fin	7 Financial
Other Financial Entity	Fin	7 Financial
on-regulated with Mater	Non-Ins, Non-fin	4 Non-Reg (Material)
n-regulated without Mat	Non-Ins, Non-fin	6 Non-Reg (Not Material)

Prior Name	2020 AM Category
Non-Insurer Holding Company	Non-Insurer Holding Company
RBC Filing U.S. Insurer (Life)	RBC Filing U.S. Insurer (Life)
RBC Filing U.S. Insurer (P&C)	RBC Filing U.S. Insurer (P&C)
RBC Filing U.S. Insurer (Health)	RBC Filing U.S. Insurer (Health)
RBC Filing U.S. Insurer (Other)	RBC Filing U.S. Insurer (Other)
NEW	RBC Filing U.S. Insurer (Other)
NEW	RBC Filing U.S. Insurer (Other)
Non RBC filing US. Insurer (Except Captives)	Non RBC filing U.S. Insurer
RBC filing US. Insurer (AG48 Captive)	RBC Filing U.S. Insurer (Other)
Canada - Life	Canada - Life
Canadian - P&C	Canadian - P&C
Bermuda - Other	Bermuda - Other
Bermuda - Commercial Insurers	Bermuda - Commercial Insurers
Japan - Life	Japan - Life
Japan - Non-Life	Japan - Non-Life
NEW	Japan - Health
Solvency II - Life	Solvency II (EU) - Life
Solvency II - Non-Life	Solvency II (EU) - Non-Life
NEW	Solvency II (UK) - Life
NEW	Solvency II (UK) - Non-Life
Australia - All	Australia - All
Switzerland - Life	Switzerland - Life
Switzerland - Non-Life	Switzerland - Non-Life
Hong Kong - Life	Hong Kong - Life
Hong Kong - Non-Life	Hong Kong - Non-Life
Singapore - All	Singapore - All
Chinese Taipei - All	Chinese Taipei - All
South Africa - Life	South Africa - Life
South Africa - Composite	South Africa - Composite
South Africa - Non-Life	South Africa - Non-Life
NEW	Mexico
China	China
South Korea	South Korea
Malaysia	Malaysia
Chile	Chile
India	India
Brazil	Brazil
NEW	Argentina
NEW	Colombia
NEW	Indonesia
NEW	Thailand
NEW	Barbados

Regime A	Regime A
Regime B	Regime B
Regime C	Regime C
Regime D	Regime D
Regime E	Regime E
Bank (Basel III)	Bank (Basel III)
Bank (Other)	Bank (Other)
Other Regulated Financial Entity	Other Regulated Financial Entity
Asset Manager/Registered Investment Advisor	Asset Manager/Registered Investment Advisor
Asset Manager/Registered Investment Advisor	Asset Manager/Registered Investment Advisor
Other Unregulated Financial Entity	Other Unregulated Financial Entity
Other Unregulated Financial Entity	Other Unregulated Financial Entity
Other Unregulated Financial Entity	Other Unregulated Financial Entity
Other Non-Ins/Non-Fin with Material Risk	Other Non-Ins/Non-Fin with Material Risk
Other Non-Ins/Non-Fin without Material Risk	Other Non-Ins/Non-Fin without Material Risk

Capital Instruments	Y/N
Surplus Notes (or similar)	Y
Hybrid Instruments	N
Senior Debt	
Other	

Capital	Y/N/N/A
Liability	Y
Intragroup	N
	X

Life
P&C
Health

Zero Valued for RBC	All	Co Code Type
Non-Admitted (Direct or Ind	Included Only	

NAIC Co Code
FEIN
ISO Legal Entity ID
Volunteer Defined
Other

<Select Scali	offset
No Scaling	-6
Prelim 1	0
Prelim 2	3
Prelim 3	6
Prelim 4	9

Included
Excluded

List of US States/Territories combined with World Bank list of countries (with Chinese Taipei, Falkland Islands add

1	US -- Alabama
2	US -- Alaska
3	US -- Arizona
4	US -- Arkansas
5	US -- California
6	US -- Colorado
7	US -- Connecticut
8	US -- Delaware
9	US -- Florida
10	US -- Georgia
11	US -- Hawaii
12	US -- Idaho
13	US -- Illinois
14	US -- Indiana
15	US -- Iowa
16	US -- Kansas
17	US -- Kentucky
18	US -- Louisiana
19	US -- Maine
20	US -- Maryland
21	US -- Massachusetts
22	US -- Michigan
23	US -- Minnesota
24	US -- Mississippi
25	US -- Missouri
26	US -- Montana
27	US -- Nebraska
28	US -- Nevada
29	US -- New Hampshire
30	US -- New Jersey
31	US -- New Mexico
32	US -- New York
33	US -- North Carolina
34	US -- North Dakota
35	US -- Ohio
36	US -- Oklahoma
37	US -- Oregon
38	US -- Pennsylvania
39	US -- Rhode Island
40	US -- South Carolina
41	US -- South Dakota

42	US -- Tennessee
43	US -- Texas
44	US -- Utah
45	US -- Vermont
46	US -- Virginia
47	US -- Washington
48	US -- West Virginia
49	US -- Wisconsin
50	US -- Wyoming
51	US -- American Samoa
52	US -- Washington DC
53	US -- Guam
54	US -- Marianas Islands
55	US -- Puerto
56	US -- US Virgin Islands
57	Afghanistan
58	Albania
59	Algeria
60	American Samoa
61	Andean Region
62	Andorra
63	Angola
64	Antigua and Barbuda
65	Argentina
66	Armenia
67	Aruba
68	Australia
69	Austria
70	Azerbaijan
71	Bahamas, The
72	Bahrain
73	Bangladesh
74	Barbados
75	Belarus
76	Belgium
77	Belize
78	Benin
79	Bermuda
80	Bhutan
81	Bolivia
82	Bosnia and Herzegovina
83	Botswana
84	Brazil
85	Brunei Darussalam
86	Bulgaria
87	Burkina Faso

88	Burundi
89	Cabo Verde
90	Cambodia
91	Cameroon
92	Canada
93	Cayman Islands
94	Central African Republic
95	Chad
96	Chile
97	China
98	Chinese Taipei
99	Colombia
100	Comoros
101	Congo, Dem. Rep.
102	Congo, Rep.
103	Costa Rica
104	Cote d'Ivoire
105	Croatia
106	Cuba
107	Curacao
108	Cyprus
109	Czech Republic
110	Denmark
111	Djibouti
112	Dominica
113	Dominican Republic
114	Ecuador
115	Egypt, Arab Rep.
116	El Salvador
117	Equatorial Guinea
118	Eritrea
119	Estonia
120	Ethiopia
121	Faeroe Islands
122	Falkland Islands
123	Fiji
124	Finland
125	France
126	French Polynesia
127	Gabon
128	Gambia, The
129	Georgia
130	Germany
131	Ghana
132	Greece
133	Greenland
134	Grenada

135	Guam
136	Guatemala
137	Guinea
138	Guinea-Bissau
139	Guyana
140	Haiti
141	Honduras
142	Hong Kong SAR, China
143	Hungary
144	Iceland
145	India
146	Indonesia
147	Iran, Islamic Rep.
148	Iraq
149	Ireland
150	Isle of Man
151	Israel
152	Italy
153	Jamaica
154	Japan
155	Jordan
156	Kazakhstan
157	Kenya
158	Kiribati
159	Korea, Dem. Rep.
160	Korea, Rep.
161	Kuwait
162	Kyrgyz Republic
163	Lao PDR
164	Latvia
165	Lebanon
166	Lesotho
167	Liberia
168	Libya
169	Liechtenstein
170	Lithuania
171	Luxembourg
172	Macao SAR, China
173	Macedonia, FYR
174	Madagascar
175	Malawi
176	Malaysia
177	Maldives
178	Mali
179	Malta
180	Marshall Islands
181	Mauritania

182	Mauritius
183	Mexico
184	Micronesia, Fed. Sts.
185	Moldova
186	Monaco
187	Mongolia
188	Montenegro
189	Morocco
190	Mozambique
191	Myanmar
192	Namibia
193	Nepal
194	Netherlands
195	New Caledonia
196	New Zealand
197	Nicaragua
198	Niger
199	Nigeria
200	Northern Mariana Islands
201	Norway
202	Oman
203	Pakistan
204	Palau
205	Panama
206	Papua New Guinea
207	Paraguay
208	Peru
209	Philippines
210	Poland
211	Portugal
212	Puerto Rico
213	Qatar
214	Romania
215	Russian Federation
216	Rwanda
217	Samoa
218	San Marino
219	Sao Tome and Principe
220	Saudi Arabia
221	Senegal
222	Serbia
223	Seychelles
224	Sierra Leone
225	Singapore
226	Sint Maarten (Dutch part)
227	Slovak Republic
228	Slovenia

229 Solomon Islands
230 Somalia
231 South Africa
232 South Sudan
233 Spain
234 Sri Lanka
235 St. Kitts and Nevis
236 St. Lucia
237 St. Martin (French part)
238 St. Vincent and the Grenadines
239 Sudan
240 Suriname
241 Swaziland
242 Sweden
243 Switzerland
244 Syrian Arab Republic
245 Tajikistan
246 Tanzania
247 Thailand
248 Timor-Leste
249 Togo
250 Tonga
251 Trinidad and Tobago
252 Tunisia
253 Turkey
254 Turkmenistan
255 Turks and Caicos Islands
256 Tuvalu
257 Uganda
258 Ukraine
259 United Arab Emirates
260 United Kingdom
261 United States
262 Uruguay
263 Uzbekistan
264 Vanuatu
265 Venezuela, RB
266 Vietnam
267 Virgin Islands (U.S.)
268 West Bank and Gaza
269 Yemen, Rep.
270 Zambia

VERSION
XX.XX.X

NAIC Liquidity Stress Test 2024 Template

Form OIR-D0-1101
Effective Date XX/XX
69O-143.046, Florida Administrative Code

Instructions

Note:

This document contains example text to illustrate how insurers may use this reporting template.
Insurers should refer to the accompanying 2020 LST Framework with Lead State Guidance document for more det
Final 2020 LST Framework with Lead State Guidance

Purpose:

The summary tab pulls together the results by time period (1 month, 3 months, 12 months) to allow for comparability and to see the results of various approaches.

Workbooks Required:

A separate Excel workbook is required for each of the 5 scenario results (listed below). Companies should indicate the scenario on the Group Summary tab, cell C2 and the "as of date" in cell C3.

1. Baseline
2. Adverse Liquidity Stress Scenario
3. What-if modification to Adverse Liquidity Stress Scenario
4. Interest Rate Spike Scenario
5. Insurer's Own Worst Case Scenario

Required Data Reporting:

Please see the Color Code Legend tab for a description of what data is required to be reported and/or input.

Legal Entities:

Legal Entity names and their cocodes if applicable should be listed and described in the Legal Entity Descriptions t

Color Lege

nd

Yellow shaded cell is required to be reported or input.

Orange shaded cell is a formula where the result is required to be reported or input.

Medium grey shading is not required to be reported or input.

Blue shaded cell is a formula with optional inputs.

Company Name	*Legal Entity 1*
Cocode	*XXXX1*
Company Type	
Scenario	

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Grey highlighted sections not required to be completed.

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon: 1 Month	3 Months	12 Months	Final Asset Sales given PM review: 1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
	Total Assets Available for Sale	-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

		Amounts Available in Time Horizon			Final Asset Sales given PM review			
Asset Category	**Asset Sub-Category**	**1 Month**	**3 Months**	**12 Months**	**1 Month**	**3 Months**	**12 Months**	**Comments**
Cash	Cash & Cash Equivalents							

Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	CF Type	CF Category	1 Month	3 Months	12 Months
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon			Final Asset Sales given PM review			
		1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

Confidential--For Discussion Purposes Only, Do Not Distribute

Company Name	*Legal Entity 4*
Cocode	*XXXX4*
Company Type	
Scenario	

Cash Flow	**CF Type**	**CF Category**	**Cash Flows in Time Horizon** **1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon			Final Asset Sales given PM review			
		1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							

Asset Category	Asset Sub-Category	1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	CF Type	CF Category	1 Month	3 Months	12 Months
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon			Final Asset Sales given PM review			
		1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
	Total Assets Available for Sale	-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

Cash Flow	CF Type	CF Category	Cash Flows in Time Horizon		
			1 Month	3 Months	12 Months
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon			Final Asset Sales given PM review			
		1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon 1 Month	3 Months	12 Months	Final Asset Sales given PM review 1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon			Final Asset Sales given PM review			
		1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

Cash Flow	CF Type	CF Category	Cash Flows in Time Horizon 1 Month	3 Months	12 Months
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon			Final Asset Sales given PM review			
		1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

		Amounts Available in Time Horizon			Final Asset Sales given PM review			
Asset Category	**Asset Sub-Category**	**1 Month**	**3 Months**	**12 Months**	**1 Month**	**3 Months**	**12 Months**	**Comments**
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
	Below IG Public Corporate Bonds							
	Below IG Municipal Bonds							
Private Bonds	IG Private Placement Bonds							
	IG 144As							
	Below IG Private Placement Bonds							
	Below IG 144As							
Non-Agency Structured Debt	IG CMO							
	IG MBS							
	IG CMBS							
	IG ABS							
	IG CLO							
	Below IG CMO							
	Below IG MBS							
	Below IG CMBS							
	Below IG ABS							
	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
	Total Assets Available for Sale	-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

Asset Category	Asset Sub-Category	Amounts Available in Time Horizon			Final Asset Sales given PM review			
		1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Cash	Cash & Cash Equivalents							
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
	Below IG Sovereigns & Regional Government							
	Agency CMO							
	Agency MBS							
	Agency CMBS							
	Agency ABS							
Public Bonds	IG Public Corporate Bonds							
	IG Municipal Bonds							
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	Below IG CLO							
Equity	Common Stock							
	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

			Cash Flows in Time Horizon		
Cash Flow	**CF Type**	**CF Category**	**1 Month**	**3 Months**	**12 Months**
Sources	Operating	Premiums and Deposits (Renewal / New Business)			
		Cash Charges / Fees			
		Reinsurance Recoverables			
		Expenses – Intercompany Settlements			
		Tax Payments (Inflows)			
		Other Flows			
	Investment and Derivatives	Principal and Interest			
		Dividends / Distributions			
		Initial and Variation Margin Received			
		Other Collateral Received			
		Asset Sales (Pending Settlement)			
		Other Flows			
	Capital	Capital Contributions			
		Commitments			
		Dividends from Subsidiaries			
		Other Flows			
	Funding	Debt Issuance / Refinancing			
		GICs			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Commercial Paper			
		Other Flows			
		Total Sources (before Asset Sales)	-	-	-

Cash Flow	CF Type	CF Category	Cash Flows in Time Horizon		
			1 Month	3 Months	12 Months
Uses	Operating	Non-Elective Benefits / Claims			
		Elective Benefits / Claims			
		Commissions			
		Reinsurance Payables			
		Expenses - Other			
		Expenses - Intercompany Settlements			
		Insurance Product Commitments			
		Tax Payments (Outflows)			
		Other Flows			
	Investment and Derivatives	Investment Commitments			
		Initial and Variation Margin Paid			
		Other Collateral Pledged			
		Asset Purchases (Pending Settlement)			
		Other Flows			
	Capital	Shareholder/Policyholder Dividends			
		Capital Contributions to Subsidiaries			
		Dividends to Parent			
		Other Flows			
	Funding	Debt Maturities / Debt Servicing			
		GICs Benefits / Maturities			
		FHLB			
		Repo / Securities Lending			
		Credit Facilities (Incl. Contingency Funding Facilities)			
		Intercompany Loans			
		Other Flows			
		Total Uses	-	-	-

		Amounts Available in Time Horizon			Final Asset Sales given PM review			
Asset Category	**Asset Sub-Category**	**1 Month**	**3 Months**	**12 Months**	**1 Month**	**3 Months**	**12 Months**	**Comments**
Cash	Cash & Cash Equivalents							

Asset Category	Asset Sub-Category	1 Month	3 Months	12 Months	1 Month	3 Months	12 Months	Comments
Government Securities	Treasury & Agency Bonds							
	Other IG Sovereigns & Regional Government							
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	Preferred Stock							
	Other Equity and Alternative Investments							
Other	Commercial, Residential, Agricultural, Bank and Other Loans							
	Other							
Total Assets Available for Sale		-	-	-	-	-	-	

Summary			
Total Sources (before Asset Sales)	-	-	-
Total Uses	-	-	-
Net Sources & Uses (before Asset Sales)	-	-	-
Cash	-	-	-
Total Assets Available for Sale	-	-	-

C

Company Name	Cocode	Company Type
Legal Entity 1	XXXX1	
Legal Entity 2	XXXX2	
Legal Entity 3	XXXX3	
Legal Entity 4	XXXX4	
Legal Entity 5	XXXX5	
Legal Entity 6	XXXX6	
Legal Entity 7	XXXX7	
Legal Entity 8	XXXX8	
Legal Entity 9	XXXX9	
Legal Entity 10	XXXX10	
Legal Entity 11	XXXX11	
Legal Entity 12	XXXX12	

Business Description (Optional)

69O-143.046; Registration of Insurers

Incorporated Materials

Group Capital Calculation Instructions

NAIC Liquidity Stress Test Framework

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Group Capital Calculation

2024 Instructions

Group Capital Calculation 2024 Instructions

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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I. BACKGROUND

1. In 2015, the ComFrame Development and Analysis (G) Working Group held discussions regarding developing a group capital calculation (GCC) tool. The discussions revealed that developing a GCC was a natural extension of work state insurance regulators had already begun, in part driven by lessons learned from the 2008 financial crisis which include better understanding the risks to insurance groups and their policyholders. While insurance regulators currently have authorities to obtain information regarding the capital positions of non-insurance affiliates, they do not have a consistent analytical framework for evaluating such information. The GCC is designed to address this shortcoming and will serve as an additional financial metric that will assist regulators in identifying risks that may emanate from a holding company system.

2. More specifically, the GCC and related reporting provides more transparency to insurance regulators regarding the insurance group and makes risks more identifiable and more easily quantified. In this regard, the tool assists regulators in holistically understanding the financial condition of non-insurance entities, how capital is distributed across an entire group, and whether and to what degree insurance companies may be supporting the operations of non-insurance entities, potentially adversely impacting the insurance company's financial condition or policyholders. This calculation provides an additional analytical view to regulators so they can begin working with a group to resolve any concerns in a manner that will ensure that policyholders of the insurers in the group will be protected. The GCC is an additional reporting requirement but with important confidentiality protections built into the legal authority. State insurance regulators already have broad authority to take action when an insurer is financially distressed, and the GCC is designed to provide Lead State Regulators with further insights to allow them to reach informed conclusions on the financial condition of the group and the need for further information or discussion.

3. State insurance regulators currently perform group analysis on all U.S. insurance groups, including assessing the risks and financial position of the insurance holding company system based on currently available information; however, they do not have the benefit of a consolidated statutory accounting system and financial statements to assist them in these efforts. It was noted prior to development that a consistent method of calculating group capital for typical group risks would provide a useful tool for state financial regulators to utilize in their group assessment work. It was also noted that a GCC could serve as a baseline quantitative measure to be used by regulators to complement the view of group-specific risks and stresses provided by the Own Risk and Solvency Assessment (ORSA) Summary Report filings and in Form F filings that may not be captured in legal entity filings.

4. During several open meetings and exposure periods, the ComFrame Development and Analysis (G) Working Group considered a discussion draft which included three high-level methodologies for the GCC: a risk-based capital (RBC) aggregation approach; a statutory accounting principles (SAP) consolidated approach; and a generally accepted accounting principles (GAAP) consolidated approach. On Sept. 11, 2015, Working Group members unanimously approved a motion to move forward with developing a recommendation for a GCC and directed an appropriate high-level methodology for the recommendation.

5. At a ComFrame Development and Analysis (G) Working Group meeting held Sept. 24, 2015, pros and cons for each methodology were discussed, and a consensus quickly developed in support of using an RBC

aggregation approach if a GCC were to be developed. The Executive (EX) Committee and Plenary ultimately adopted the following charge for the Financial Condition (E) Committee:

"Construct a U.S. group capital calculation using an RBC aggregation methodology; liaise as necessary with the ComFrame Development and Analysis (G) Working Group on international capital developments and consider group capital developments by the Federal Reserve Board, both of which may help inform the construction of a U.S. group capital calculation."

6. The RBC aggregation approach is intended to build on existing legal entity capital requirements where they exist rather than developing replacement/additional standards. In selecting this approach, it was recognized as satisfying regulatory needs while at the same time having the advantages of being less burdensome and costly to regulators and industry and respecting other jurisdictions' existing capital regimes. To capture the risks associated with the entire group, including the insurance holding company, RBC calculations would need to be developed in those instances where no RBC calculations currently exist.

7. In early 2016, the Financial Condition (E) Committee appointed the Group Capital Calculation (E) Working Group, which began to address its charge and various details of the items suggested by the ComFrame Development and Analysis (G) Working Group. The instructions included herein represent the data, factors, and approaches that the Working Group believed were appropriate for achieving such an objective. The GCC instructions and template are intended to be modified, improved, and maintained by the NAIC in the future as are the *Accounting Practices and Procedures Manual*, the *Annual Statement Instructions* and the *Risk- Based Capital Formula and Instructions*. This includes, but is not limited to, future disclosure of additional items developed or referred to by other NAIC committees, task forces and/or working groups.

8. In December 2020, amendments to NAIC Model Law (#440) and Model Regulation (#450) were adopted to provide States with legislative language to fully implement the GCC as an annual filing. The Model specifies what groups are exempted from the GCC filing requirement and the circumstance under which a limited filing may be submitted. For such information reference should be made not to these instructions, rather to the models and, more specifically, to how they are implemented into laws and regulations of a Lead State.

II. DEFINITIONS

9. Affiliate: As defined in the NAIC Model Insurance Holding Company System Regulatory Act in Model #440, an "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. The Model #440 defines "Control" (including the terms "controlling," "controlled by" and "under common control with") as the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. Model #440 provides that the presumption may be rebutted by showing that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support the determination, that control exists in fact,

notwithstanding the absence of a presumption to that effect. Any entities that would otherwise qualify as Schedule BA affiliates as described above but are owned by other entities (e.g., foreign insurers or other types of Parent entity) should be treated in the same way.

10. Broader Group: The entire set of legal entities that are controlled by the Ultimate Controlling Person of insurers within a corporate group. When considering the use of this term, all entities included in the Broader Group should be included in Schedule 1 and the Inventory, but only those that are denoted as "included" in Schedule 1 will be considered in the actual GCC.

11. Control: As used in the Model #440, the term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by Section 4K of Model #440 that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

12. Cross-Support Mechanism: A cross-support mechanism is an agreement or transaction that creates a financial interdependence. Depending on the nature of the transaction and the specific circumstances, these mechanisms may pose material risk These may include corporate guarantees, capital maintenance agreements (regulatory or ratings based), letters of credit, intercompany indebtedness, bond repurchase agreements, securities lending or other agreements or transactions that create a financial interdependence or link between entities in the group.

13. Entity Not Subject to A Regulatory Capital Requirement: This is a financial entity other than an entity that is subject to a specified regulatory capital requirement.

14. Financial Entity: A non-insurance entity that engages in or facilitates financial intermediary operations (e.g., accepting deposits, granting of credits, or making loans, managing, or holding investments, etc.). Such entities may or may not be subject to specified regulatory capital requirements of other sectoral supervisory authorities. For purposes of the GCC, entities that are not regulated by an insurance or banking authority [e.g., the U.S. Securities and Exchange Commission (SEC) or the Financial Industry Regulatory Authority (FINRA)] will be considered as not subject to a specified regulatory capital requirement.

    The primary examples of financial entities are commercial banks, intermediation banks, investment banks, saving banks, credit unions, savings and loan institutions, swap dealers, and the portion of special purpose and collective investment entities (e.g., investment companies, private funds, commodity pools, and mutual funds) that represents the Broader Group's aggregate ownership in such entities, whether or not any member of the Broader Group is involved in that entity's management responsibilities (e.g., via investment advisory or broker- dealer duties) for those entities.

For purposes of this definition, a subsidiary of an insurance company whose predominant purpose is to manage or hold investments or act as a broker-dealer for those investments on behalf of the insurance company and its affiliated insurance (greater than 90% of all such investment subsidiaries' assets under management or held are owned by or for the benefit of these insurance affiliates) should NOT be considered a Financial Entity. In the case where an insurer sets up multiple subsidiaries for this purpose, the 90% may be measured in the aggregate for all such entities. Similarly, in the case of collective investment pools (e.g., private funds, commodity pools, and mutual funds) the 90% may be measured individually, or in the aggregate for each subtype (e.g., private funds, commodity pools, and mutual funds).

In addition, other financial entities without a regulatory capital requirement include those which are predominantly engaged in activities that depending on the nature of the transaction and the specific circumstances, could create financial risks through the offering of products or transactions outside the group such as a mortgage, other credit offering or a derivative.

15. Insurance Group: For purposes of the GCC, a group that is comprised of two or more entities of which at least one is an insurer, and which includes all insurers in the Broader Group. Another (non-insurance) entity may exercise significant influence on the insurer(s); i.e., a holding company or a mutual holding company; in other cases, such as mutual insurance companies, the mutual insurer itself may be the Ultimate Controlling Person. The exercise of significant influence is determined based on criteria such as (direct or indirect) participation, influence and/or other contractual obligations; interconnectedness; risk exposure; risk concentration; risk transfer; and/or intragroup agreements, transactions and exposures.

An Insurance Group may include entities that facilitate, finance or service the group's insurance operation, such as holding companies, branches, non-regulated entities, and other regulated financial institutions. An Insurance Group is thus comprised of the head of the Insurance Group and all entities under its direct or indirect control and includes all members of the Broader Group that exercise significant influence on the insurance entities and/or facilitate, finance or service the insurance operations.

An Insurance Group could be headed by:

- An insurance legal entity;
- A holding company; or
- A mutual holding company.

An Insurance Group may be:

- A subset/part of bank-led or securities-led financial conglomerate; or
- A subset of a wider group.

An Insurance Group is thus comprised of the head of the Insurance Group and all entities under its direct or indirect control.

16. <u>Insurance Subgroup/U.S. Operations</u>: Refers to all U.S. insurers within a Broader Group where the groupwide supervisor is in a non-U.S. jurisdiction. It includes all the directly and indirectly held subsidiaries of those U.S. insurers. For purposes of subgroup reporting, capital instruments, loans, reinsurance, guarantees would only include those that exist within the U.S. insurers. Amounts included for the U.S. insurers shall include all amounts contained within the financial statements of those entities included in the

subgroup reporting, whether those amounts are directly attributable or allocated to a company in the subgroup from an affiliate outside of the U.S. insurers and its direct or indirect subsidiaries.

17. Lead State Regulator: As defined in the Financial Analysis Handbook; i.e., generally considered to be the one state that "takes the lead" with respect to conducting and coordinating groupwide supervision within the U.S. solvency The determination of a lead state is affected by the following factors: (i) The state with the insurer/affiliate with largest direct written premiums (ii) Domiciliary state/country of top-tiered insurance company in an insurance holding company system (iii) Physical location of the main corporate offices or largest operational offices of the group (iv) Knowledge in distinct areas of various business attributes and structures (v) Affiliated arrangements or reinsurance agreements (vi) Lead state must be accredited by the NAIC.

18. Group-wide supervisor: The regulatory official authorized to engage in conducting and coordinating group-wide supervision activities who is determined or acknowledged by the commissioner under Section 7.1 to have sufficient significant contacts.

19. Internationally active insurance group: An insurance holding company system that (1) includes an insurer registered under Section 4; and (2) meets the following criteria: (a) premiums written in at least three countries, (b) the percentage of gross premiums written outside the United States is at least ten percent (10%) of the insurance holding company system's total gross written premiums, and (c) based on a three year rolling average, the total assets of the insurance holding company system are at least fifty billion dollars ($50,000,000,000) or the total gross written premiums of the insurance holding company system are at least ten billion dollars ($10,000,000,000)."

20. Limited Group Capital Filing: Refers to a GCC filing that includes sufficient data or information to complete the "Input 4 Analytics" tab and the "Summary 3 – Analytics" tab of the GCC template. This includes Schedule 1 of the template and may include limited data from other input tabs as deemed necessary for purposes of the analytics.

21. Material Risk: Risk emanating from a non-insurance/non-financial entity not owned by an insurer in the Insurance Group or is part of the Broader Group that is of a magnitude that could adversely impact the financial stability of the group as a whole, that the ability of insurers within a group to pay policyholder claims or make other policy related payments (e.g., policy loan requests or annuity distributions) may be impacted.

    To determine whether an entity within the Broader Group poses material risks to the Insurance Group, the totality of the facts and circumstances must be considered. The determination of whether risk posed by an entity is material requires analysis of various aspects pertaining to the subject entity. A determination that a non-insurance/non-financial entity does not pose material risk allows the filer to request exclusion of that entity from the calculation of the GCC ratio in the "Inventory" tab. Several items as listed below should be considered in making such a determination, to the extent they apply.

    Caution is necessary, however. The fact that one or more of these items may apply does not necessarily indicate risk to the Insurance Group is, or is not, material. The group should be able to support its determination of material risk if requested by the Lead State Regulator. This should not be used as a checklist or as a scorecard. Rather, the list is intended to illuminate relevant facts and circumstances about a subject entity, the risk it poses, how the Insurance Group might be exposed to that risk and means to mitigate that risk.

Primary Considerations:

- Past experience (i.e., the extent to which risk from the entity has impacted the Insurance Group over prior years/cycles).
- The degree to which capital management across the Broader Group has historically relied on funding by the Insurance Group to cover losses of the subject entity.
- The existence of intragroup cross-support mechanisms (as defined below) between the entity and the Insurance Group.
- The means by which risk can be transmitted; i.e., the existence of sufficient capital within the entity itself to absorb losses under stress and/or if adequate capital is designated elsewhere in the Broader Group for that purpose.
- The degree of risk correlation or diversification between the subject entity and the Insurance Group (e.g., where risks of one or more entities outside the Insurance Group are potentially offset (or exacerbated) by risks of other entities) and whether the corporate structure or agreements allow for the benefits of such diversification to protect the Insurance Group.
- The existence and relative strength or effectiveness of structural safeguards that could minimize the transmission of risk to the Insurance Group (e.g., whether the corporate shell can be broken).

Other Considerations (*if primary considerations suggest exclusion may be reasonable, these can be used to further support exclusions*):

- The location of the entity in relation to the Insurance Group within the Broader Group's corporate structure and how direct or indirect the linkage, if any, to the Insurance Group may be.
- The activities of the entity and the degree of losses that the entity could pose to the group under the current economic environment or economic outlook.

The guidance above recognizes that there are diverse structures and business models of insurers that make it impracticable to apply a one-size-fits-all checklist that would work for materiality determinations across all groups. Strict or formulaic quantitative measures based on size of the entity, or its operations of a non-insurance affiliate are an insufficient proxy for materiality of risk to the insurance operations. The GCC Instructions thus consider the unique circumstances of the relevant entity and group and uses an interactive process whereby the group brings forward its suggestions as to entities that should be excluded from the scope of application for a discussion with the lead state, ultimately culminating in an agreement on the scope of application. The guidance in this section helps to facilitate that process and discussion with criteria for cross-support mechanisms that can potentially transmit material risk, as defined, to the Insurance Group as well as safeguards that can mitigate such risk or its transfer.

22. Person: As used in Model #440, a "person" is an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert but shall not include any joint venture partnership exclusively engaged in owning, managing, leasing or developing real or tangible personal property.

23. Reciprocal Jurisdiction: As defined in the *Credit for Reinsurance Model Law* (#785).

24. Scope of Application: Refers to the entities that meet the criteria listed herein for inclusion in the GCC ratio. The application of material risk criteria may result in the Scope of Application being the same as, or a subset of, the entities controlled by the Ultimate Controlling Person of the insurer(s).

NOTE: U.S. branches of foreign insurers should be listed as separate entities when they are subject to capital requirements imposed by a U.S. insurance regulator, otherwise in as much as they are already included in a reporting legal entity, they are already in the scope of application and there is no need for any additional reporting.

25. Ultimate Controlling Person: As used in the *Insurance Holding Company System Regulatory Act* (#440). This is the entity that exercises control directly or indirectly over all entities within the Broader Group.

III. DETERMINING THE SCOPE OF APPLICATION

A. Groups Exempted from the GCC

26. Refer to changes to Model #440 for guidance on groups that are exempted from filing a GCC. Instead, instructions are provided to ensure Lead State Regulators receive the information necessary to evaluate the Scope of Application.

B. Scope of Application – Legal Entity Inventory

27. When considering the scope of application, preparers of the GCC must first understand the information to be included in Schedule 1 of the template. When developing an initial inventory of all potential entities, the preparers of the GCC shall complete Schedule 1, which, except in the case of an Insurance Subgroup (as defined in Section II), requests data for all of the entities within the Broader Group that are directly or indirectly owned by the Ultimate Controlling Person (including the Ultimate controlling Person) that are listed in the insurer's most recent Schedule Y or in relevant Holding Company Filings. GCC preparers should provide basic information about each entity in Schedule 1, including its total assets, and total revenue and net income for this specific year identified. Additionally, the initial filing will require some further information for the prior year (e.g., prior year equity or surplus to policyholders). The primary purpose of the Schedule 1 is to: 1) assist the lead state in making an assessment on the entities within the group that should be included in the Scope of Application; and 2) provide the lead state with valuation information to better understand the group. This valuable information produces various ratios and other financial metrics that will be used in the analysis of the GCC and the group by the lead state for their holding company analysis.

With regard to Schedule A and Schedule BA affiliates, for purposes of the data input on the Schedule 1 and Inventory tabs, only include Schedule A and Schedule BA affiliates which are insurers or other financial entities reported as, or owned indirectly through, Schedule A or Schedule BA affiliates. All other Schedule A and Schedule BA investments will remain as investments of a Parent insurer will be reported as part of the value and capital calculation of the Parent insurer. A full list of Schedule A and BA entities shall be reported in the Input 6 – Questions tab. Any insurer or financial entities that would otherwise qualify as Schedule BA affiliates if owned by a U.S. insurer, but which are owned by other entities (e.g., foreign insurers or other type of Parent entity) should be reported in the Schedule 1 and Inventory tabs.

28. To assist the Lead State Regulator in assessing the Scope of Application, the Schedule 1 and the "Inventory" tab of the template will be completed by each preparer to provide information and certain financial data on all the entities in the group. Each preparer will also use the include/exclude column in Schedule 1 to request its own set of entities to be excluded from the calculation after applying criteria for material risk (as defined in Section II). The requests for exclusion will be described by the preparer in the template and evaluated by the Lead State Regulator. A second column will be used by the regulator to reflect entities that the regulator agrees should be excluded.

29. Although all entities must be listed in Schedule 1 and in the "Inventory" tab, the preparer is allowed to group data for certain financial entities not subject to a regulatory capital requirement and certain non-insurance and non-financial entities. Thus, while the Schedule 1 would include the full combined financial results/key financial information (for all entities directly or indirectly owned by the Ultimate Controlling Person, such data may be reported based on major groupings of entities to maximize its usefulness, reduce the number of numeric entries, and allow the Lead State Regulator to better understand the group, its structure, and trends at the sub-group as well as group level. Criteria for grouping are further described in Section V, paragraph 57. A single numerical entry for like Financial Entities would be allowed at the intermediate holding company level. Prior to completing the GCC annually, the Insurance Group should determine if the proposed grouping is satisfactory to the lead state or if there are certain non-insurance and non- financial entities (such entities are required to be broken out and reported separately) that should be broken out and reported separately.

C. General Process for Determining the Scope of Application

30. The starting point for "Scope of Application" (i.e., for purposes of the GCC specifically) is the entire group except in the case of an Insurance Subgroup (as defined in Section II). However, in the case of groups with material diverse non-insurance/non-financial activities isolated from the financial/Insurance Group and without cross-support mechanisms as defined in Section II, the preparer may request a narrower scope starting at the entity that controls all insurance and financial entities within the group [i.e., comprise a subset of, the entities controlled by the Ultimate Controlling Person of the insurer(s) (Broader Group)]. However, the adjustments as to the Scope of Application suggested by the preparer in consultation and in agreement with the Lead State Regulator should include consideration of guidance in paragraph 31 ("Identify and Include all Financial Entities") the totality of the facts and circumstances, as described in paragraph 21 ("Definition of material risk"). The rationale and criteria applied in allowing the reduced scope should be documented and made available to non-lead states if requested. The decision on reduced scope should be revisited when changes in the group structure or activities occur.

The fundamental reason for state insurance regulation is to protect American insurance consumers. Therefore, the objective of the GCC is to assess quantitatively the collective risks to, and capital of, the entities within the Scope of Application. This assessment should consider risks that originate within the Insurance Group along with risks that emanate from outside the Insurance Group but within the Broader Group. The overall purpose of this assessment is to better understand the risks that could adversely impact the ability of the entities within the Scope of Application to pay policyholder claims consistent with the primary focus of insurance regulators.

D. Guiding Principles and Steps to Determine the Scope of Application

31. For most groups, the Scope of Application is initially determined by the preparer in a series of steps, listed here and then further explained as necessary in the text that follows:

- Develop a full inventory of potential entities using the Inventory of the Group template (Schedule 1). This should correspond to Annual Statement Schedule Y, Part 1A
- Denote in Schedule 1 for each non-financial entity whether it is to be "included in or excluded from" the Scope of Application" using the criteria in the "Identify Risks from the Broader Group" subsection below.
- All non-financial entities, whether to be included in or excluded from the Scope of Application are to be reported in the "Inventory" tab of the template. Information to be provided for excluded entities will be limited to Schedule 1B and the corresponding columns in the Inventory tab. See paragraph 57 for additional information on treatment of non-insurance/non-financial subsidiaries of U.S. RBC filers or such subsidiaries owned by other financial entities with regulatory capital requirements for which the non-insurance/non-financial entity is included in the capital charges for the Parent entity.
- Non-financial entities may qualify for grouping on this Inventory tab as described elsewhere in these instructions.

E. Steps for Determining the Scope of Application

32. Identify and list all entities in the Insurance Group or Insurance Subgroup (where required).

Include all entities that meet the definition of an affiliate in Section II, above and that fit the criteria identified in the definition of the Insurance Group or Insurance Subgroup (if applicable), in Section II, above except as modified in paragraph 34 (Identify Risks from the Broader Group), below. All insurance entities and entities owned directly or indirectly by the insurance entities in the group shall be included in the Scope of Application and reported in the Schedule 1 and Inventory of the Group template. Other non-insurance/nonfinancial entities within the Insurance Group may be designated as "exclude" as described in paragraph 30.

33. Identify and include all Financial Entities.

Financial Entities (as defined in Section II) within the Inventory of the Group template shall be included in (i.e., may not be designated as "excluded from") the Scope of Application, regardless of where they reside within the Broader Group.

As learned from the 2008 financial crisis, U.S. insurers were not materially impacted by their larger group issues; however, materiality of either equity or revenue of an entity might not be an adequate determinant of potential for risk transmission within the group. Furthermore, risks embedded in financial entities are not often mitigated by the activities of the insurers in the group and may amplify their (the insurers') risks.

Any discretion in evaluating the ultimate risk generated by a defined financial entity that is not subject to a regulatory capital requirement should be applied via review of the material risk definitions/principles included in paragraph 21 to set the level of risk as low, medium or high and not to exclude such entities from the calculation. The rationale should be documented, and all data required in Schedule 1 must be provided for the entity for purposes of analysis and trending.

34. Identify Risks from the Broader Group

An Insurance Group or Insurance Subgroup may be a subset of a Broader Group, such as a larger diversified conglomerate with insurance legal entities, financial entities, and non- financial entities. In considering the risks to which the Insurance Group or Insurance subgroup is exposed, it is important to take account of those material risks (as defined in Section II) to the Insurance Group from the Broader Group within which the Insurance Group operates. All non-insurance/non-financial entities included within the Insurance Group or Insurance Subgroup that pose material risk to the insurers in the group should be included within (i.e., may not be designated as “excluded from”) the Scope of the Application. Similarly, all non-financial entities within the Broader Group but outside the Insurance Group that pose material risks to the Insurance Group should be included within (i.e., may not be designated as “excluded from”) the Scope of Application; non-material non-insurance/non-financial entities within the Broader Group or within the Insurance Group (as both terms are defined in Section II) other than those entities owned by entities subject to a specified regulatory capital requirement should be reported as “excluded.” However, no such entities outside an Insurance Subgroup (as defined in Section II) should be included in the GCC. When determining which non-financial entities from the Broader Group to include in the Scope of Application, the preparer must include any entity that could adversely impact the ability of the entities within the Scope of Application to pay policyholder claims or provide services to policyholders consistent with the primary focus of insurance regulators.

35. Review of Submission

The Lead State Regulator should review the inventory of entities provided in the Group template to determine if there are entities excluded by the preparer using the criteria above that the Lead State Regulator agrees do not pose material risk (as defined herein) to its insurance operations. Additional information may be requested by the Lead State Regulator to facilitate this analysis. For entities where the Lead State Regulator agrees with the request to exclude, the GCC may exclude the data for such entities. Ultimately, the decision to include or exclude entities from the GCC will occur based on the Lead State Regulator’s knowledge of the group and related information or filings available to the Lead State and whether they believe an applicable entity would not adversely impact the entities within the Scope of Application to pay policyholder claims.

The template’s Summary 2 - Top Level tab includes a calculation to reflect the impact of excluded entities requested, but not approved for exclusion by the lead state. (See instructions for Summary 2 herein).

36. The preparer, together with the Lead State Regulator, would use the above steps, which includes considering the Lead State Regulator’s understanding of the group, including inputs such as Form F, ORSA and other information from other involved regulators, to determine the reasonableness of the suggested Scope of Application.

37. Updating the Scope of Application

The Scope of Application could be re-assessed by the preparer and the Lead State Regulator each successive annual filing of the GCC provided there has been substantial changes in corporate structure or other material changes from the previous year's filing. Any updates should be driven by the assessment of material risk and changes in group structure as they impact the exclusion or inclusion of entities within the Scope of Application based on material risk considerations.

IV. GENERAL INSTRUCTIONS

38. The GCC template consists of a number of tabs (sections) within one workbook. The following provides general instructions on each of these tabs. All inputs should be in thousands.

39. Attestation: This tab is intended to work similar to the annual financial statement and RBC attestations, which are both intended to give the regulator greater comfort that the company has completed in accordance with its (these) instructions. It will also indicate whether the group consists of predominantly life, P/C, or health insurers and whether the submission is a full or limited group capital filing.

40. Input 1 – Schedule 1: This tab is intended to provide a full inventory of the group, including the designation by the filer of any non-financial entities to be included in, or excluded from, the Scope of Application and include sufficient data or information on each affiliated entity (see Schedule A and Schedule BA exception as described in paragraph 27) within the group so as to allow for analyzing multiple options for scope, grouping and sensitivity criteria, as well as, allowing the Lead State Regulator to decide as to whether the entities to be included in the scope of application or excluded from the scope of application meet the aforementioned criteria. This tab is also used to maximize the value of the calculation by including various information on the entities in the group that allow the lead state to better understand the group, the risks of the group, capital allocation, and overall strengths and weaknesses of the group.

41. Except as noted, equity method investments reported in the Section 1B in the Inventory tab that are accounted for based on *Statement of Statutory Accounting Principles (SSAP) No. 48—Joint Ventures, Partnerships and Limited Liability Companies* are not required to be de-stacked (separately listed) in Schedule 1; i.e., their value would be included in amounts reported by the Parent insurer within the calculation. The basis for this approach is predicated on the purpose of the entire GCC, which is to produce an expected level of capital and a corresponding level of available capital that are derived by aggregating the amounts reported of capital of the individual entities under the GCC methodology. The available capital for such joint ventures, partnerships and limited liability companies is already considered in Schedule 1 by its inclusion in its Parent's financial statements and can be excluded from an inventory (not separately listed) because the Parent also already receives a corresponding capital charge within its RBC.

NOTE: Data for this tab is required for a Limited Group Capital filing.

42. Input 2 – Inventory: This tab is intended to be used by the consolidated group to provide information on the value and capital calculation for all the entities in the group before any de- stacking of the entities. While some of this information is designed to "pull" information from Schedule 1, other cells (blue cells) require input from the group. This tab will then apply the adjustments for investment in subsidiary other than where an exception is described in these instructions and adjust for intragroup arrangements. This tab is set up to subtract those adjustments from capital and therefore should be entered as: 1) a positive figure if the adjustment currently has a positive impact on the available capital or the capital calculation; or 2) a negative figure if the adjustment currently has a negative impact on the available capital or the capital

calculation. It will also be used to add relevant insurance or other financial entities included as equity investments in Schedule A and Schedule BA and to aggregate the resulting adjusted values for use in the actual GCC.

NOTE: For a Limited Group Capital filing, data should be presented in the summarized format below in lieu of completing the full “Inventory” tab.

Limited Group Capital Filing Only: Input 2 – Inv Limited: Manually enter data in Adjusted Carrying Value (Inventory B, Column 8) and Adjusted Capital Calculation (Inventory C, Column 8) to report a single aggregated value for each entity category in the group. This will require that eliminations and adjustments normally found in a “full” Inventory B, Column 2 through Column 7 and Inventory C, Column 2 through Column 7 to be addressed offline.

43. Input 3 – Capital Instruments: This tab is intended to be used to gather necessary information to that will be used to calculate an allowance for additional available capital based on the concept of structural subordination applied to senior or other subordinated debt issued by a holding company that is within the scope of application of the GCC filing. It will also provide information on all debt issued by entities within the scope of application.

NOTE: Data for this tab is NOT required for a Limited Group Capital filing.

44. Input 4 – Analytics: In recognizing a primary purpose of the GCC is to enhance groupwide financial analysis, this tab includes or draws from entity-category-level inputs reported in the tab or elsewhere in the GCC template to be used in GCC analytics. Separate guidance for Lead State Regulators to reference in analyzing the data provided in the GCC template (reference applicable location of the guidance; e.g., *Financial Analysis Handbook*).

NOTE: Data for this tab is required for a Limited Group Capital filing.

45. Input 5 – Sensitivity Analysis: This tab includes inputs and/or describes informational sensitivity analysis for other than XXX/AXXX captives, permitted and prescribed practices and other Regulator discretion. The inputs are intended to simply be a disclosure, similar to the disclosure required under Note 1 of the statutory financial statements. The analysis will be applied in the “Summary 2” tab.

NOTE: Data for this tab is NOT required for a Limited Group Capital filing.

46. Input 6 – Questions: This tab will provide space for participants to describe or explain certain entries in other tabs. Examples include the materiality method applied to exclude entities in Schedule 1 and narrative on adjustments for intragroup debt and adjustments to available capital or capital calculations that are included in the “other adjustment” column in the “Inventory” tab.

NOTE: Data for this tab is NOT required for a Limited Group Capital filing.

47. Calc 1 – Scaling (Ins): This tab list countries predetermined by NAIC and provides the necessary factors for scaling available and required capital from non-US insurers to be used in in sensitivity analysis to a

comparable basis relative to the U.S. RBC figures. It also allows for set scaling options (which vary by insurance segment such as life, P/C, and health).

NOTE: This tab is NOT required for a Limited Group Capital filing.

48. Calc 2 – Scaling (Non-Ins): This tab is used to determine calculated capital for non- insurance entities.

NOTE: This tab is NOT required for a Limited Group Capital filing.

49. Summary 1 – Entity Level: This tab provides a summary of aggregated available capital and calculated capital for each entity category before the application of capital instruments.

NOTE: This tab is NOT required for a Limited Group Capital filing.

50. Summary 2 – Top Level: This tab calculates various informational GCC ratios resulting from applying "on top" and entity level adjustments to adjusted carrying value and adjusted calculated capital. This "what if" scenario analysis will not be part of the GCC ratio.

NOTE: This tab is NOT required for a Limited Group Capital filing.

51. Summary 3 – Analytics: Provides a summary of various GCC analytics.

NOTE: This tab is required for a Limited Group Capital filing.

52. Summary 4 – Grouping Alternatives: This tab currently calculates and displays a selected grouping option for organizing the structure of the group consistent with the way that the entities are managed.

NOTE: This tab is NOT required for a Limited Group Capital filing.

53. All cells in the template are color-coded based on the chart below. Inputs should only be made in blue cells. Do not add/delete rows, columns or cells or change the structure of the template in any way. If there appears to be an error in the formulas in the template, contact the NAIC.

The following set of colors is used to identify cells:	Colors used
Parameters	
Input cells	
Data from other worksheets	
Local calculations	
Results propagated	

V. DETAILED INSTRUCTIONS

INPUT 1 – SCHEDULE 1

54. Schedule 1A indicates the version of the template being prepared.

55. More detailed information on each legal entity should be reported in Schedule 1B through Schedule 1D. The order of the entries in Schedule 1 should match that in the "Inventory" tab. The first entity listed should be the ultimate controlling party.

56. U.S. branches of foreign insurers should be listed as separate entities when they are subject to capital requirements imposed by a U.S. insurance regulator. They should be reported under the appropriate entity category in [**Sch 1B Col 6**].

57. Entries are required for every entity within the scope of the group. However, while recognizing that Lead State Regulator retains the discretion to ask for greater detail, the following simplifications may be applied as long as information for every entity is listed in Schedule 1B:

    - A single numerical entry for like Financial Entities would be allowed at the intermediate holding company level, assuming that the like entities are owned by a common Parent that does not own other entity types, all use the same accounting rules (e.g., all GAAP), and are at least consistent with the way the group manages their business. The entity at which the total data is provided must be assigned an "Entity Category" in Schedule 1 that corresponds to the instructed carrying value and capital calculation for which the entry is made (e.g., an entity that would otherwise be categorized as a non-operating holding company but holds asset managers would be categorized as an asset manager). Entries for the remaining individual entities in the grouping will be reported in Schedule 1B only as "included."
    - In addition, a single numerical entry would be allowed for all "included" non- insurance/non-financial entities at the intermediate holding company level assuming that the intermediate holding company owns only non-insurance/non-financial entities (i.e., does not own other entity types), all use the same accounting rules (e.g., all GAAP), and are at least consistent with the way the group manages their business. This would include any positive residual value of the holding company itself. Entries for all individual entities in the grouping will be reported in Schedule 1B only as "included.", but no stand-alone values for each entity would be required.
    - Values for, non-insurance/non-financial subsidiaries of U.S. RBC filers or such subsidiaries owned by other financial entities with regulatory capital requirements for which the non-insurance/non-financial entity is included in the capital charges for the Parent entity may remain with their Parent insurers and will not be de-stacked. Entries for these individual entities in the grouping will be reported individually in Schedule 1B Columns 1 and 2 only as "included." along with other required entries in Schedule 1B, but no stand-alone values for each entity would be required in Schedules 1C or 1D. These should be reported as "included" in Schedule 1.

- Mutual Insurance Groups may use the Total Adjusted Capital and amount of required capital from the top-level Insurer's RBC Report at 200% x ACL RBC further adjusted to de-stack foreign insurers and other financial entities owned directly or indirectly (on a look-through basis) via RBC filing subsidiaries. Such foreign insurance subsidiaries or other financial subsidiaries shall be reported at the carrying values and capital calculations as described later herein.
- Data for U.S. Branches of Foreign insurers may be omitted from Schedule 1 if they are otherwise included in the entries, values, and capital requirements of a foreign insurer in the group.

NOTE: These simplifications will be treated in a similar manner in Input 2 – Inventory.

58. Any financial entity owned by a Parent insurer and listed in Schedule A or Schedule BA, and any insurance or financial entity that is owned indirectly through a Schedule BA affiliate should be listed in Schedule 1 and in the Inventory and assigned the appropriated identifying information. (See also the instructions for Part B of the Inventory). These entities will be de- stacked from the values for the Parent insurer. The same treatment for these entities will be afforded when they are owned by a foreign insurer or other non-insurance entities.

59. Schedule 1B contains descriptions of each entity. Make selections from the drop-down menu where available.

- **[Sch 1B Col 1] Include/Exclude (Company)** – This column is to select entities where a request is made for exclusion. The filer will indicate which non-insurance/non-financial entities not owned directly or indirectly by an insurer should be excluded from the GCC as not posing material risk to the group.
- **[Sch 1B Col 2] Include/Exclude (Supervisor)** – Column to be filled in by supervisor. These are entities where the Supervisor agrees with the filer's assessment of material risk and these entities will be excluded from the GCC and may be included in a sensitivity analysis later in the template.
  NOTE: This column may also be completed by the filer after advance consultation with the Lead State Regulator.
- **[Sch 1B Col 3] Include/Exclude (Selected)** – Formula to determine treatment of data for later sensitivity analysis. If supervisor has made a determination of include/exclude in the prior column, that will be used. If not, the company's selection will be used.
- **[Sch 1B Col 4] Entity Grouping** – Column denotes whether this is an insurance or non- insurance/non-financial entity and is also automatically populated based on the entry in Column 8.
- **[Sch 1B Col 5] Entity Identifier** – Provide a unique string for each entity.
- **[Sch 1B Col 6] Entity Identifier Type** – Enter the type of code that was entered in the "Entity Identifier" column. Choices include "NAIC Company Code," "ISO Legal Entity Identifier," "Reporting Entity Defined" and "Other." Preferred identifier types are NAIC Company Code and FEIN, but discretion is allowed and use of reporting entity defined identifies is not discouraged to provide flexibility to reporting entities.
- **[Sch 1B Col 7] Entity Name** – Provide the name of the legal entity.
- **[Sch 1B Col 8] Entity Category** – Select the entity category that applies to the entity from the following choices (all U.S. life captives shall select the option for "RBC Filing Captive," complete the calculation using the life RBC formula in accordance with instructions below regarding "Additional clarification on capital requirements where a U.S. formula (RBC) is not required," regardless of whether the company is required by their captive state to complete the RBC formula. Insurers or financial entities that are de-stacked from an insurer's Schedule A or Schedule BA should be assigned the corresponding insurer or financial entity category:

RBC Filing U.S. Insurer (Life)	UK Solvency II – Life	Colombia
RBC Filing U.S. Insurer (P/C)	UK Solvency II – Composite	Indonesia
RBC Filing U.S. Insurer (Health)	Australia – All	Thailand
RBC Filing U.S. Insurer (Other)	Switzerland – Life	Barbados
U.S. Mortgage Guaranty Insurers	Switzerland – Non-Life	Regime A (Participant Defined)
U.S. Title Insurers	Hong Kong – Life	Regime B (Participant Defined)
Other Non-RBC Filing U.S. Insurers	Hong Kong – Non-Life	Regime C (Participant Defined)
RBC filing (U.S. Captive)	Singapore – All	Regime D (Participant Defined)
Canada – Life	Chinese Taipei – All	New Zealand
Canadian – P/C	South Africa – Life	Bank (Basel III)
Bermuda – Other	South Africa – Composite	Bank (Other)
Bermuda – Commercial Insurers	South Africa – Non-Life	Financial Entity with a Regulatory Capital Requirement
Japan – Life	Mexico	Asset Manager/Registered Investment Advisor – High Risk
Japan – Non-Life	China	Asset Manager/Registered Investment Advisor – Medium Risk
Japan – Health*	South Korea	Other Financial Entity without a Regulatory Capital Requirement – High Risk
Solvency II – Life	Malaysia	Other Financial Entity without a Regulatory Capital Requirement – Medium Risk
Solvency II – Composite	Chile	Other Financial Entity without a Regulatory Capital Requirement – Low Risk
Solvency II – Non-Life	India	Other Non-Ins/Non-Fin with Material Risk
Solvency II – Non-Life	Brazil	Other Non-Ins/Non-Fin without Material Risk
UK Solvency II – Non-Life	Argentina	Non-Operating Holding Co.

* If the GCC group's Japanese insurer health business (referred to as "Third Sector") is greater than 60% of total life business (referred to as "First Sector") and health business combined, as reflected by annualized premium for the year reported, then that group may elect to use the Japan health scalar set rather than the life scalar set.

NOTE: All U.S. captives are required to complete the applicable RBC formula template. In addition, any insurer, other than U.S. captive, that submits an RBC filing to either the state of domicile or the NAIC will be considered an RBC filer.

- **[Sch 1B Col 9] Alternative Grouping** – This is an optional input field. This field should be used if you wish to show similar entities aggregated into a single line in Summary 4- Alternative Grouping. Exhibit. For example, if you have a dozen small dental HMO businesses, you may wish to show them as a single line called "Dental HMOs," as opposed to listing each entity separately. This is a level of granularity below "Entity Category" but above individual entities. No entity should be put in the same "Alternative Grouping" as its Parent. It is acceptable to put only one entity in a grouping. If any entries are left blank then, in Column 17, the "Entity Name" will be selected as the grouping. This will not impact the order of the entities for which data is entered in Schedule 1 or the "Inventory" tab.
- **[Sch 1B Col 10] Parent Identifier** – Provide the Entity Identifier of the immediate Parent legal entity for each entity, as applicable. If there are multiple Parents, select the Parent entity with the largest ownership percentage. Only include one entry. For the top holding company, enter "N/A."
- **[Sch 1B Col 11] Parent Name** – This will be populated by a formula, so input is not required.
- **[Sch 1B Col 12] % Owned by Parent** – Enter the percentage of the entity that is owned by the Parent identified earlier in the worksheet. Percentages of ownership should be based on the percentage of voting class securities (unless ownership is maintained other than by control of voting securities) consistent with what is reported pursuant to state holding company regulation filings (Form B or equivalent).
- **[Sch 1B Col 13] % Owned within Group Structure** – Enter the percentage of the entity that is owned in the aggregate by any affiliate within the Group.
- **[Sch 1B Col 14] State/Country of Domicile** – Enter state of domicile for U.S. insurance entities and country of domicile for all other entities. (Use references that are consistent with those used on Schedule Y, where available.)
- **[Sch 1B Col 15] Zero Valued and Not Admitted Entities** – Report for U.S. Insurers Only. Select the treatment of the entity from the following options: "Zero Valued for RBC" or "Nonadmitted for Accounting and RBC (Direct or Indirect)."

  Zero Valued for RBC are affiliated insurance and financial entities that are otherwise reported in the RBC filer's annual financial statement at their accounting value (i.e., per SAP) but are reported at zero value and zero capital requirements for RBC purposes. Examples include non-Canadian foreign insurers directly owned by U.S. life RBC filers. The carrying value and capital calculation specified in these instructions for the specific insurance or financial entity type should be reported in Inventory B, Column 2 and Inventory C, Column 2, respectively.

  NOTE: Do not report zero values in Column 2 of Inventory B and Inventory C for these affiliates. Only RBC filing entities with this type of affiliate will report in this column.

  Nonadmitted for Accounting and RBC (Direct or Indirect) are insurance or other financial affiliates that are owned directly or indirectly by an RBC filer via a downstream non- financial entity or holding companies that are reported at zero value per SAP and are also reported at zero value and zero capital requirements for RBC purposes. Examples include U.S. insurers indirectly owned by a U.S. RBC filer through a nonadmitted holding company that has not been subject to an independent audit. The carrying values and capital calculations specified herein associated with the specific insurance or financial indirectly owned entity type should be reported Inventory B, Column 2 and Inventory C, Column 2, respectively.

NOTE: Do not report zero values in Column 2 of Inventory B and Inventory C for these affiliates. Only RBC filing entities with this type of affiliate will report in this column. The excess value in the nonadmitted Parent entity may be reported at zero value.

No entry is required in this column for any nonadmitted directly or indirectly owned non-insurance/non-financial subsidiary. Report zero for these affiliates in Column 2 of Inventory B and Inventory C.

- **[Sch 1B Col 16] Is Affiliate on Schedule A or Schedule BA an Insurer or Other Financial Entity?** – Column is meant to identify an entity with an insurer or financial entity identifier in Column 8 that is reported on Schedule A or Schedule BA but is being de-stacked and also reported on the Inventory tab. Provide a "Y" response where that is applicable. Otherwise leave it blank.
- **[Sch 1B Col 17] Selected Alternative Grouping** – This will be populated by a formula, so input is not required. If there are any blank entries in Column 9 (Alternative Grouping), this column will set them equal to the name of the entity.

60. Schedule 1C contains financials for each entity:

- **[Sch 1C Col 1] Basis of Accounting** – Enter basis of accounting used for the entity's financial reporting.
- **[Sch 1C Col 2 and Col 3] Gross and Net Written Premiu**m – Report for all U.S. and non-U.S. insurers. Use applicable entity annual financial statement data source for U.S. insurers (life, P/C, and health). Use equivalent local source for non-U.S. insurers or company records when available.
- **[Sch 1C Col 4] Reinsurance Assumed from Affiliates** – Report for all U.S. and non-U.S. insurers. Use applicable entity annual financial statement data source for U.S. insurers (assumed premiums from P/C Schedule F, Part 1 and life and health Schedule S, Part 1, Section 1, and Section 2). Use equivalent local source for non-U.S. insurers or company records when available.
- **[Sch 1C Col 5] Reinsurance Ceded to Affiliates** – Report for all U.S. and non-U.S. insurers. Use applicable entity annual financial statement data source for U.S. insurers (assumed premiums from P/C Schedule F, Part 3 and life and health Schedule S, Part 3, Section 1, and Section 2). Use equivalent local source for non-U.S. insurers or company records when available.
- **[Sch 1C Col 6] Book Assets** – This should be valued based on the applicable basis of accounting reported under the entity's local regime and represents the total assets as reported in the basic financial statements before eliminations (because that is presumed to be less burdensome on the insurance holding company). Other financial data should similarly be prepared using financial data before eliminations. However, insurance holding companies are allowed to present such figures after eliminations if they do so for all figures and consistently for all years.
- **[Sch 1C Col 7] Book Liabilities** – This should be valued based on the applicable basis of accounting reported under the entity's local regime and represents the total liabilities as reported in the basic financial statements.

- **[Sch 1C Col 8] Gross Paid-in and contributed Capital and Surplus (U.S. Insurers Only)** – For U.S. insurers, report the current year end amounts from annual financial statement Page 3 as follows:
  - Life Insurers: lines 29, 30 and 33.
  - P/C Insurers: lines 30, 31 and 34.
  - Health Insurers: lines 26, 27 and 28.

61. Generally, Schedule 1D will include entries from regulatory filings or entity specific GAAP financial statements as of the reporting date. The amounts reported should be the entity value on a stand-alone (fully de-stacked) or grouped basis (where applicable). This may require use of company records in certain cases. The amounts should be reported at 100% for the entity listed. Any required adjustments for percentage of ownership will be applied later, if necessary, to calculate a capital charge.
    - **[Sch 1D Col 1] Prior Year Entity Identifier** – Report the Legal Entity Identifier, NAIC company code or other identifier used for the entity in the prior year GCC filing for the prior calendar year.
    - **[Sch 1D Col 2] Prior Year Equity or Capital and Surplus** – Report the value based on net equity reported in the entity stand-alone balance sheet. This will generally be the same as what is reported in the current year column in the prior year GCC filing. Where grouping is permitted, the balance reported may be on a grouped basis.
    - **[Sch 1D Col 3] Net Income** – The final reported income figure from the income statement, and therefore is the figure reported after interest, taxes, extraordinary items, etc. For entities with accounting and reporting requirements that specify that dividends paid or received will be part of "net income," report the dividends received in this column. Report dividends to policyholders here as a reduction to net income if required by local accounting or reporting requirements.
    - **[Sch 1D Col 4] Dividends Paid and Received (Net**) – All entity types report the net amount of dividends paid and received in reporting year to/from and affiliate, a Parent shareholder, public shareholders, or policyholders (if not required to be a reduction/increase in net income by local accounting or reporting requirements). Net dividend payments will be reported as a negative value. All entity types that are subject to accounting and reporting requirements that specify that dividends paid or received will be reported as a surplus adjustment, will report dividends received in the reporting year from affiliates in this column.
    - **[Sch 1D Col 5] Capital and Surplus Contributions Received from Affiliates** – All entity types. Report the sum of capital contribution (other than via surplus notes) during the reporting year received from any affiliated entity.
    - **[Sch 1D Col 6] All Other Changes in Capital and Surplus** – Include totals for all adjustments not listed above. This would include any investment income not already reported in Column 3 or Column 5. Also, report all stock repurchases or redemptions in this column.
      NOTE: Greater detail may be made available upon request.
    - **[Sch 1D Col 7] Current Year Equity or Capital and Surplus** – Report the value based on net equity reported in the entity stand-alone Balance Sheet for the current year. This will generally be the same as what is reported for the entity in Inventory B, Column 2. Where grouping is permitted, the balance reported may be on a grouped basis.
    - **[Sch 1D Col 8] Capital and Surplus Contributions Paid to Affiliates** – All entity types report the total of capital contributions (other than via surplus notes) during the reporting year paid to any affiliated entity.
    - **[Sch 1D Col 9] Dividends Declared and Unpaid** – For all applicable entities report the amount of dividends declared or approved but not yet distributed.

- **[Sch 1D Col 10] Dividends Received and Not Retained** – All holding companies, insurers and financial entities with regulatory capital requirements indicate by "Y" or "N" if part or all of dividends received reported in Column 4 have been paid (passed through) to a Parent company, to public shareholders, or used to repurchase or redeem shares of stock.

INPUT 2 – INVENTORY

62. Columns in Inventory A are being pulled from Schedule 1:

- [Column 1] Insurance/Non-Insurance
- [Column 2] Entity Identifier
- [Column 3] Entity Identifier Type
- [Column 4] Entity Name
- [Column 5] Entity Category
- [Column 6] Parent Identifier
- [Column 7] Parent Name
- [Column 8] Basis of Accounting

Columns Requiring Input

63. Enter information on adjustments to carrying value. Considerations specific to different types of entities are located at the end of this subsection.

- **[Inv B Col 1] Carrying Value (Immediate Parent Regime**) – This column is included to accommodate participants with either a U.S. or a non-U.S. based Parent company. In general, carrying values utilized should represent: 1) the subsidiary valuation required by the insurance or other sectoral regulator if the Parent is a regulated entity; or 2) in the case where the Parent is not subject to insurance or other sectoral regulatory valuation, then a subsidiary valuation-based U.S. GAAP or other International GAAP as used in the ordinary course of business by the ultimate controlling party in their financial statements. No entry is required for the Ultimate Controlling Person (UCP)

  The value in this column will include a zero value for entities not admitted per SAP or other jurisdictional regulatory rules. A single entry for all entities that qualify under the grouping criteria described in Input 1, herein may be made in lieu of individual entries on the line for the affiliate that holds the qualifying entities. This column will include double counting.

  The values recorded for all subsidiaries should be the full value of the subsidiary regardless of percentage of ownership by entities within the group. Where entities are owned partially by entities outside of the group, then report the full value of the subsidiary adjusted to reflect total percentage of ownership within the group.

- **[Inv B Col 2] Carrying Value (Local Regime)** – Record the carrying value recognized by the legal entity's jurisdictional insurance or other sectoral supervisor. This will include the value of capital instruments (e.g., U.S. insurer issued surplus notes) that are specifically recognized by statute, regulation or accounting rule and included in the carrying value of the entity. In the case where the entity is not subject to insurance or other sectoral regulatory valuation, the carrying value will be U.S. GAAP equity (including OCI) or other International GAAP as used in the ordinary course of business by the ultimate controlling party in their financial statements. If the group is comprised entirely of U.S.-based entities under a U.S.-based Parent company, the entries in this column will be the same as in Column 1 except in cases where the Parent owns not admitted (or otherwise zero valued financial affiliates that would be reported as not admitted in the Parent Regime column but fully admitted (per SAP valuation) in the Local Regime column). (See instructions for **[Sch 1B Col 15]**.) However, if such an entity has been listed in the **[Sch 1B Col 2] Include/Exclude (Supervisor)** column, indicating that the Lead State Regulator agrees that the entity does not pose material risk, then a value will be reported here, but the ultimate calculation will show the results without the excluded entity's value. Directly or indirectly owned **non-insurance / non-financial** entities that were not admitted or otherwise carried at a zero value in the Parent Regime, should be reported at zero value in this column. The carrying value for affiliates that are U.S. RBC filers will be the amount reported TAC on entity's RBC report. A change is recommended to allow the carrying value for Canadian insurers to be calculated on a net of reinsurance basis. This column will include double counting. The values recorded for all subsidiaries should be the full value of the subsidiary regardless of percentage of ownership by entities within the group. Where entities are owned partially by entities outside of the group, then report the full value of the subsidiary adjusted to reflect total percentage of ownership within the group. The entry here should generally be the same as the value reported in Inventory B, Column 1, except where TAC for RBC filers differs from their BACV. A single entry for all entities that qualify under the grouping criteria described exceptions described herein under Paragraph 57 in the Input 1 section, above may be made in the line for the affiliate that holds the qualifying entities in lieu of individual entries.

A sensitivity analysis is included to calculate the impact of excluded entities requested but not approved for exclusion by the lead state.

	INVENTORY B – Accounting Valuation to be Used			
Parent Entity	Entity	Inv B, Column 1	Inv B, Column 2	Parent Entity LineInv B, Column 3
U.S. RBC filer	U.S. RBC filer	BACV Per Statutory Accounting	RBC TAC	BACV Per Statutory Accounting
U.S. RBC filer	Other U.S. Insurer	BACV Per Statutory Accounting	BACV Per Statutory Accounting	BACV Per Statutory Accounting
U.S. RBC filer	Foreign Insurer or Other Regulated w/ Capital Reqmt	BACV Per Statutory Accounting	Per Local Regulatory Accounting	BACV Per Statutory Accounting
U.S. RBC filer	Financial w/o Capital Reqmt	BACV Per Statutory Accounting	BACV Per Statutory Accounting	BACV Per Statutory Accounting
U.S. RBC filer	Non-Financial	BACV Per Statutory Accounting	No entry Required	No entry Required - Do not de-stack
Other U.S. Insurer	U.S. RBC filer	BACV Per Statutory Accounting	RBC TAC	BACV Per Statutory Accounting
Other U.S. Insurer	Any Other Entity Type	BACV Per Statutory Accounting	BACV Per Statutory Accounting	BACV Per Statutory Accounting
Foreign Insurer or Other Regulated w/ Capital Reqmt	U.S. RBC filer	Per Local Regulatory Accounting	RBC TAC	Per Local Regulatory Accounting
Foreign Insurer or Other Regulated w/ Capital Reqmt	Other U.S. Insurer	Per Local Regulatory Accounting	BACV Per Statutory Accounting	Per Local Regulatory Accounting
Foreign Insurer or Other Regulatedw/ Capital Reqmt	Foreign Insurer or Other Regulated w/ Capital Reqmt	Per Local Regulatory Accounting	Per Local Regulatory Accounting	Per Local Regulatory Accounting

Foreign Insurer or Other Regulated w/ Capital Reqmt	Financial w/o Capital Reqmt	Per Local Regulatory Accounting	Per risk level factor x 3-year avg revenue	Per Local Regulatory Accounting
Foreign Insurer or Other Regulated w/ Capital Reqmt	Non-Financial	Per Local Regulatory Accounting	No entry Required	No entry Required – Do not de-stack
Financial w/o Capital Reqmt or Non-Financial	U.S. RBC filer	Per Local Public Accounting	RBC TAC	Per Local Public Accounting
Financial w/o Capital Reqmt or Non-Financial	Other U.S. Insurer	Per Local Public Accounting	BACV Per Statutory Accounting	Per Local Public Accounting
Financial w/o Capital Reqmt or Non-Financial	Foreign Insurer or Other Regulated w/ Capital Reqmt	Per Local Public Accounting	Per Local Regulatory Accounting	Per Local Public Accounting
Financial w/o Capital Reqmt or Non-Financial	Financial w/o Capital Reqmt	Per Local Public Accounting*	Per Local Regulatory Accounting*	Per Local Public Accounting
Financial w/o Capital Reqmt or Non-Financial	Non-Financial	Per Local Public Accounting*	Per Local Public Accounting*	Per Local Public Accounting
*Subject to Grouping				

In cases where a U.S. life RBC filer owns a foreign insurer and the BACV value reported for the foreign insurer in the Parent U.S. insurers financial statement is adjusted to zero for RBC purposes, then report zero in Inventory B, Column 1 and Column 3 for that foreign insurance entity.

- **[Inv B Col 3] Investment in Subsidiary** – Enter an adjustment to remove the investment carrying value of any directly owned subsidiary(ies) from Parent's carrying value. This is intended to prevent double counting of available capital when regulated entities are stacked. The carrying value to be removed should be the investment value carried by the Parent from which the entity is being de-stacked (i.e., the value in Column 1 in Inventory B adjusted for ownership percentage). Thus, there will be no adjustment to the Parent's value in this column for entities that are reported at zero value by the Parent. Where entities are owned partially by entities outside of the group, then the Parent's percentage of ownership will be calculated based on the value owned within the group.

  Generally, for all non-financial affiliates, Schedule A and Schedule BA assets will remain in the value of the Parent insurer and not entered in this column. However, if the Schedule A or Schedule BA asset is an insurance or financial entity as described herein, the value of that entity will be included in this column. For indirectly owned Schedule A or Schedule BA insurance or financial entities, only the value of that entity will be included in this column and the remaining value of the downstream Schedule BA Parent will remain with the Parent insurer. Similarly, the carrying value of U.S. branch of a foreign insurer that is listed in Schedule 1 and in this section should be entered in this column in the row of the foreign insurer if it is already included in the value of the foreign insurer so that the Parent entity may eliminate double counting of that available capital which will now be reported by the stand-alone Branch listed in the inventory.

  NOTE: The "Sum of Subsidiaries" column may provide a useful check against this entry, but it will not necessarily be equal.

  When utilizing public accounting (e.g., GAAP) equity values that differ from regulatory values (e.g., SAP), it is the GAAP equity of the insurers that must be eliminated from the GAAP Parent in this column, not the SAP value (regulator value). This is necessary in order to allow the calculation to appropriately represent SAP available capital of regulated entities and GAAP equity of non-regulated entities. Data on the accounting differences between Parent and Local carrying values will be collected in [Inventory B, Column 9] and further detail provided in the "Input 6 - Questions" tab.

NOTE: Values for Schedule A and Schedule BA affiliates that are required to be reported in the "Inventory" tab will be adjusted out of the value reported by the U.S. insurer in this column.

- **[Inv B Col 4] Intragroup Capital Instruments** – This column is automatically calculated from inputs to the "Capital Instruments" tab. It reflects an adjustment to remove carrying value for intragroup financial instruments that that are treated as capital by the issuer and consequently create additional capital within the group upon issuance (most notably U.S. surplus notes). Example for surplus notes: In both intragroup and unaffiliated transactions, treat the assets transferred to the issuer of the surplus note as available capital. If the purchaser is an affiliate, eliminate the investment value from the affiliated purchaser of the surplus note in this column. If the purchaser is an insurer or other regulated entity, eliminate the purchaser's capital charge (e.g., RBC charge) on the surplus note investment in the corresponding adjustment column for the capital calculation. No adjustments are made for any intragroup capital instrument that is treated as a liability by the issuer.

- **[Inv B Col 5] Reported Intragroup Guarantees, LOCs and Other** – If there is an impact on the available capital / carrying value of an entity that is reported in Column 2, other than an XXX/AXXX captive, enter an adjustment to reflect the notional value weighted for expected utilization for reported intragroup guarantees (including solvency insurance and capital maintenance agreements). Enter the notional value for letters of credit, or other intragroup financial support mechanisms. Explain each intragroup arrangement in the "Input 6 - Questions" tab.

- **[Inv B Col 6] Other Intragroup Assets** – Enter the amounts to adjust for and to remove double-counting of carrying value reported in Column 2 for other intragroup assets, which could include intercompany balances, such as (provide an explanation of each entry in the "Input 6 - Questions" tab):

    - Loans, receivables and arrangements to centralize the management of assets or cash;
    - Derivative transactions;
    - Purchase, sale or lease of assets; and
    - Other (describe).

- **[Inv B Col 7] All Other Adjustments** – Include a brief explanation in the "Description of 'Other Adjustments'" in the "Input 6 - Questions" tab. This column should adjust for externally issued LOCs or other SAP adjustments included in available capital in Column 2 but not otherwise recognized in these instructions. This will not apply to XXX/AXXX captives.

- **[Inv B Col 8] Adjusted Carrying Value** – Stand-alone value of each entity per the calculation to eliminate double-counting. This value includes permitted and prescribed practices.

- **[Inv B Col 9] Accounting Adjustments (e.g., GAAP to SAP)** – Report the total difference for all entities owned by a common parent between the carrying value reported in Column 1 and the value reported in Column 2 for those entities. This column will generally apply to regulated entities where the stand-alone carrying value is based on regulatory accounting (e.g., SAP) while the value reported for that entity by the Parent is carried at a financial accounting (e.g., GAAP) value. Further detail is reported in the "Input 6 - Questions" tab. The total difference in values should be reported in this column on the Parent line.

- **[Inv B Col 10] Gross Revenue 2nd Prior Year (Financial Entities without Regulatory Capital Requirements and Non-financial Entities)** – Report gross revenue (excluding all revenues from subsidiaries and affiliates).

- **[Inv B Col 11] Gross Revenue Prior Year (Financial Entities without Regulatory Capital Requirements and Non-Financial Entities)** – Report gross revenue (excluding all revenues from subsidiaries and affiliates).

- **[Inv B Col 12] Gross Revenue Current Year (Financial Entities without Regulatory Capital Requirements and Non-Financial Entities)** – Report gross revenue (excluding all revenues from subsidiaries and affiliates).

- **[Inv B Col 13] Average Revenue over 3-years (Financial Entities without Regulatory Capital Requirements and Non-Financial Entities** – This column is populated from data in Column 10, Column 11 and Column 12. This column will support the capital calculation for asset managers, broker-dealers and other Financial Entities without Regulatory Capital Requirements.

64. "Adjusted Capital Calculation" is reported in a similar manner to the "Adjusted Carrying Value" above. The columns are in the same order, although it is likely that fewer entries will be needed for Column 4 through Column 7. Further guidance is below.

- **[Inv C Col 1] Entity Required Capital (Immediate Parent Regime)** – This column is included to accommodate participants with either a U.S. or a non-U.S. based Parent company. No entry is required for the Ultimate Controlling Person. In general, the entity required capital should represent the capital requirements of the Parent's insurance or other sectoral regulator:

    - For subsidiaries of foreign insurers or other non-U.S. financial entities, the unscaled capital required by the Parent's regulator of the regulated entity based on the equivalent of a Prescribed Capital Requirement (PCR) level.
    - For subsidiaries, including applicable Schedule A and Schedule BA subsidiaries, of U.S. insurance entities that are subject to RBC, except where the subsidiary is also an RBC filer, the entry should be equivalent of what would be required in the Parent's RBC, adjusted for covariance where applicable (calculated by the preparer) reported at company action level (or two times authorized control level RBC) for that entity. Where the subsidiary is also an RBC filer, then the amount reported will be at company action level RBC (or two times authorized control level RBC) after covariance.
    - For subsidiaries of U.S. insurers that do not file RBC, report the actual amount of capital required in the Parent's capital requirement (if any) for the subsidiary entity.
    - In the case where the Parent is not subject to insurance or other sectoral regulatory valuation, then use zero where applicable. This column will include double counting. The values recorded for all subsidiaries should be 100% of the specified capital requirements regardless of percentage of ownership by entities within the group. Where entities are owned partially by entities outside of

the group, then report the capital requirements of the subsidiary adjusted to reflect total percentage of ownership within the group. A single entry for all entities that qualify under the grouping criteria described in Section V, herein may be made on the line for the affiliate that holds the qualifying entities in lieu of individual entries.

- **[Inv C Col 2] Entity Required Capital (Local Regime)** – Enter required capital for each de-stacked entity, as applicable entity description below. For U.S. RBC filing subsidiaries under a U.S. RBC filing Parent the amounts will be the same in both the Parent and Local Regime columns. For some entity types this will result in entries for the entities under a U.S.-based insurance Parent to be different from what U.S. RBC would dictate. In addition, where a U.S. insurer directly or indirectly owns not admitted (or otherwise zero valued) financial affiliates, those affiliates would be reported with zero value in the Parent Regime column but at the specified regulatory value described below for that financial entity type in this column. However, if such an entity has been listed in [Sch1B Col 2] Include/Exclude (Supervisor) column, indicating that the Lead State Regulator agrees that the entity does not pose material risk, then report the capital calculation in accordance with entity instructions in paragraph 65 below, but the ultimate calculation will show the results without the excluded entity's capital calculation. Directly or indirectly owned non-financial entities that were not admitted or otherwise carried at a zero value in the Parent Regime, should be reported at zero value in this column. The column allows the entity required capital for Canadian insurers to be calculated on a net of reinsurance basis. For non-risk-based regimes (e.g. Barbados-domiciled operating companies) the required capital will be 50% of available capital, although groups are also allowed to utilize an amount that is derived from U.S. RBC (with simplifications allowed) if that is preferred by the group and edit the row for that entity category in 'Calc 1 Insurance' to have the same values as the rows for RBC entities. Note, this 50% factor is an interim factor to be used until a more thorough analysis can be complete. A single entry for all entities that qualify under the grouping criteria described herein under Paragraph 57 in the Input 1 section above may be made in the line for the affiliate that holds the qualifying entities in lieu of individual entries. This column will include double counting. The values recorded for all subsidiaries should be 100% of the capital requirements regardless of percentage of ownership by entities within the group. Where entities are owned partially by entities outside of the group, then report the capital requirements of the subsidiary adjusted to reflect total percentage of ownership within the group.

65. Additional clarification on capital requirements where a formula is required:

- <u>U.S. RBC filing Insurers</u>: Report RBC at Company Action Level including operational risk (200% x ACL)
- <u>Foreign Insurance Entities</u>: The local capital requirement as specified below for each jurisdiction should be reported by a legal entity at a Prescribed Capital Requirement (PCR) level. This treatment is different than what U.S. RBC would require and recognizes other regulators view of adequate capital for insurers within another jurisdiction. It is more reflective of risk within the group context. A sensitivity analysis will be included in the "Summary 2 - Top Level" tab without using the jurisdictional PCR scaled per the Excess Relative Ratio (ERR) Scalar (see Appendix 1) for insurers in foreign jurisdictions that are subject to scaling.
- <u>European Union subsidiaries</u>: Use the Solvency II Solo Solvency Capital Requirement (SCR) as the PCR.
- <u>U.S. RBC filing subsidiaries</u>: The RBC Company Action Level including operational risk of each insurer should be reported.
- <u>Australia subsidiaries</u>: The PCR is the target capital as set by the insurer/group in accordance with APRA requirements. Effectively, this would be "Target capital under ICAAP." PCR is not a set multiple of MCR.

- Bermuda subsidiaries: The Legal Entity PCR in Bermuda for medium and large commercial insurers is called the "Enhanced Capital Requirement" (ECR) and is calibrated to Tail VaR at 99% confidence level over a one-year time horizon.
- Hong Kong subsidiaries: Under the current rule-based capital regime, if applied similar to the concept of PCR, the regime's PCR would be 150% of MCR for life insurers and 200% of MCR for non-life insurers.
- Japan subsidiaries: The PCR is the solvency margin ratio of 200%.
- Korea subsidiaries: The PCR is 100% of risk-based solvency margin ratio.
- Singapore subsidiaries: The PCR is 120% of total risk requirement (i.e., capital requirement).
- China Taipei subsidiaries: The PCR is 200% of RBC ratio.
- Canada life entities: The baseline PCR should be stated to be "100% of the LICAT Base Solvency Buffer." The carrying value should include surplus allowances and eligible deposits.
- Canada P/C entities: The PCR should be the MCT capital requirement at the target level.
- South Africa subsidiaries: The PCR is 100% of the SAM SCR.
- For any entities that cannot be mapped to the above categories excluding those in non-risk-based regimes, scaling will be at 100%.

66. Additional clarification on capital requirements where a U.S. formula (RBC) is not required:

- For those U.S. insurers that do not have an RBC formula, the minimum capital per state law should be used as the basis for what is used for that insurer in the GCC. This may differ from what U.S. RBC would require. It is more reflective of the regulatory view of risk in the group context. The following requirements should be used in other specified situations where an RBC does not exist:
- Mortgage Guaranty Insurers: The minimum capital requirement shall be based on the NAIC's requirements set forth in the *Mortgage Guaranty Insurance Model Act* (#630).
- Financial Guaranty Insurers: The minimum capital requirement shall be based on the NAIC's requirements set forth in the *Financial Guaranty Insurance Guideline* (#1626), specifically considering Section 2B (minimum capital requirements) and Section 3 (Contingency, Loss and Unearned Premium Reserves) and the other requirements of that guideline that impact capital (e.g., specific limits).
- Title Companies: The minimum capital requirement shall represent 200% of the required level of reserves carried by the insurance company.
- Other Companies: A selected basis for minimum capital requirements derived from a review of state laws. Where there is a one-off treatment of a certain type of insurer that otherwise would file RBC (e.g., HMOs domiciled in California), the minimum capital required by their respective regulator could be considered in lieu of requiring the entity to complete an RBC blank.
- Captives: U.S. insurers that have captives should complete the applicable RBC formula regardless of whether the captive is required to complete it in their captive state. The amounts input into RBC by the captive shall be based on the actual assets and liabilities utilized in the regulatory reporting used by the captive. Captives used exclusively for self- insurance (either by U.S. life insurers or any other type of insurer) or insurance provided exclusively to its own employees and/or its affiliates, should not complete an RBC calculation and the entire entity should be treated as non-insurers and receive the same charge as a non-regulated entity.

67. Non-insurance financial entities subject to a specified regulatory capital requirement:

- All banks and other depository institutions – The unscaled minimum required by their regulator. For U.S. banks, that is the Office of the Comptroller of the Currency (OCC) Tier 1 or other applicable capital requirement. This is understood to be consistent with how the Federal Reserve Board would apply its Building Block Approach.
- Any other financial entity that is determined to be subject to a specified regulatory capital requirement will bring that requirement in the GCC at the first level of regulator intervention (if applicable). Application of regulatory capital requirements not specifically described in this paragraph must be approved for use by the lead state prior to their use. Otherwise, the entity will be subject to the capital calculation described in Paragraph 68.
- This differs from what U.S. RBC would require. It recognizes the sectoral regulator's view of risk for a particular financial entity type. It is more reflective of risk in the group context.

68. Non-insurance financial entities NOT subject to a specified regulatory capital requirement:

- All asset managers and registered investment advisors and all other financial entities as defined in Section II: Use the capital calculation specified below based the level of risk assigned to the entity by applying the material risk principles defined in Section II. However, asset managers and investment affiliates (not qualifying to be treated as non- financial entities per paragraph 9) will be reported at either medium or high risk. In certain cases, these entities may be subject to a layer of regulation (e.g., SEC or FINRA) but are not generally subject to a specified capital requirement.

  High Risk: 10% x 3-year average revenue

  NOTE: A Basel Charge of 15% will be used for the IAIS ICS.

  Medium Risk: 5.0% x 3-year average revenue.
  Low Risk: 2.5% x 3-year average revenue

  NOTE: Medium risk could be used as a starting point while the stratified methodology is further developed.

69. Other non-insurance, non-financial entities with material risk:

Non-insurance, non-financial entities may not be as risky as financial entities. For non- insurance, non-financial entities not owned by RBC filers or other such entities where there is not a regulatory capital charge for the entity in the capital formula, use an equity charge of 10.5% (post tax) for predominantly life Insurance Groups 9.5% for predominantly P/C Insurance Groups and 3.5% for predominantly health Insurance Groups x BACV. If the entity is not subject to a capital charge or is included in the capital charge of another financial entity, then enter zero in Column 1 and the charge specified in this paragraph in Column 2. These factors are based on average after covariance RBC charges for the respective insurer types and are calibrated at 200% x ACL RBC. This is meant to be consistent with how the entity would be treated if owned by an RBC filer while recognizing that the entity may be excluded from the GCC if it does not pose material risk to the insurers in the group.

Non-insurance/non-financial entities owned by RBC filing insurers (or owned by other entities where a regulatory capital charge applied to the non-insurance/non-financial affiliate) will remain in the Parent's capital charge and reported at that value in Column 1 but will be reported as zero in Column 2. These non-financial entities may not be excluded from the GCC and should be reported under this entity category as "included". One additional informational capital calculation for all non-financial entities will be applied in the Summary 2 - Top Level tab using current year gross revenue from Inventory B, Column 12 with the calculation occurring and results available in the "Calc 2" tab as follows: 5% of reporting year gross revenue based on a medium level risk for a financial entity.

70. Non-operating holding companies:

Non-operating holding companies will be treated the same as other non-insurance/non- financial entities with material risk. Unless reported on a grouped basis (see paragraph 57), for purposes of applying the capital calculation, the carrying value of stand-alone positive valued and negative valued non-operating holding companies will be netted. If the net value is zero or less (floored at zero for purposes of applying a charge), the charge applied will be zero. If the filer chooses to designate the non-operating holding company as a non-insurance/non-financial entity without material risk and requests exclusion, then no allowance for debt issued by that holding company may be included in the calculation.

71. Non-insurance, non-financial entities without material risk:

Only entities not owned directly or owned by RBC filing insurers (or by other entities where a regulatory capital charge applied to the non-insurance/non-financial affiliate) should be reported in this category. In general, these entities should be "excluded" from the GCC in Schedule 1B, Column 1, subject to review and decisions to report as "include" by the lead- State regulator in Schedule 1B Column 2.

	INVENTORY C – Capital Calculation to be Applied			
Parent Entity	Entity	Entry on Entity's Own Line		Impact on Investment in Subsidiary in Parent's Line
		Inv C, Column 1	Inv C, Column 2	Inv C, Column 3
U.S. RBC filer	U.S. RBC filer	RBC ACL (including op Risk) x 2	RBC ACL (incl. op risk) x 2	RBC ACL (including op Risk) x 2
U.S. RBC filer	Other U.S. Insurer	Affiliate risk RBC	Per GCC Entity Instructions	Affiliate risk RBC
U.S. RBC filer	Foreign Insurer or Other Regulated w/ Capital Reqmt	Affiliate risk RBC	Jurisdictional or Sectoral PCR Level Capital Reqmt	Affiliate risk RBC
U.S. RBC filer	Financial w/o Capital Reqmt	Asset risk RBC	Per risk level factor x 3-year avg revenue	Asset risk RBC
U.S. RBC filer	Non-Financial	Asset risk RBC -Post covariance	No entry Required	No entry Required - Do not de-stack
Other U.S. Insurer	U.S. RBC filer	Zero	RBC ACL (incl. op risk) x 2	Zero
Other U.S. Insurer	Any Other Entity Type	Zero	Per GCC Entity Instructions	Zero
Foreign Insurer or Other Regulated w/ Capital Reqmt	U.S. RBC filer	Per Local Capital Reqmt	RBC ACL (incl. op risk) x 2	Per Local Capital Reqmt
Foreign Insurer or Other Regulated w/ Capital Reqmt	Other U.S. Insurer	Per Local Capital Reqmt	Per GCC Instructions	Per Local Capital Reqmt
Foreign Insurer or Other Regulated w/ Capital Reqmt	Foreign Insurer or Other Regulated w/ Capital Reqmt	Per Local Capital Reqmt	Jurisdictional or Sectoral PCR Level Per Local Capital	Foreign Insurer or Other Regulated w/ Capital Reqmt

Foreign Insurer or Other Regulated w/ Capital Reqmt	Financial w/o Capital Reqmt	Per Local Capital Reqmt	Per risk level factor x 3-year avg revenue	Per Local Capital Reqmt
Foreign Insurer or Other Regulated w/ Capital Reqmt	Non-Financial	Per Local Capital Reqmt	No entry Required	No entry Required - Do not de-stack
Financial w/o Capital Reqmt or Non-Financial	U.S. RBC filer	Zero	RBC ACL (incl. op risk) x 2	Zero
Financial w/o Capital Reqmt or Non-Financial	Other U.S. Insurer	Zero	Per GCC Entity Instructions	Zero
Financial w/o Capital Reqmt or Non-Financial	Foreign Insurer or Other Regulated w/ Capital Reqmt	Zero	Jurisdictional or Sectoral PCR Level Capital Reqmt	Zero
Financial w/o Capital Reqmt or Non-Financial	Financial w/o Capital Reqmt	Zero	Per risk level factor x 3-year avg revenue*	Zero
Financial w/o Capital Reqmt or Non-Financial	Non-Financial	Zero	Per GCC Instructions*	Zero

Capital Calculation Adjustments

- **[Inv C Col 3] Investment in Subsidiary** – Enter an adjustment to remove the required capital of the directly owned subsidiary(ies) from Parent's required capital. The capital requirement to be removed should be the capital requirement carried by the Parent from which the entity is being de-stacked (i.e., the value reported in Column 1 in Inventory C adjusted for ownership percentage). Thus, there will be no adjustment to the Parent's value in this column for entities that are reported at a capital calculation of zero value by the parent. This is intended to prevent double counting required capital when regulated entities are stacked. [Example: When de-stacking an RBC filer from another RBC filer, the amount entered on the Parent line would be the RBC of the subsidiary. When de-stacking financial entities that are subject to diversification in a capital formula (e.g., RBC) the amount entered on the Parent line is the post-diversified capital requirement as calculated by the preparer (which is also the amount to be reported for the de-stacked entity on the entity's line.

  Generally the capital requirements for Schedule A and BA affiliates and other non-financial affiliates will remain in the capital requirements of the Parent insurer and not entered in this column, except that the capital requirements for any financial entity reported in a Parent's Schedule A and BA, any financial entity indirectly owned through another Schedule A or BA affiliate listed in Schedule 1 and in this section should be entered in this column in the row of the entity that directly or indirectly owns that Schedule A and BA affiliate so that the parent entity may eliminate double counting of that capital requirement capital which will now be reported by the stand-alone Schedule A or BA affiliate listed in in the inventory.

  For indirectly owned Schedule A and BA financial entities, only the capital requirements for that entity will be included in this column and the remaining capital requirement of the downstream BA Parent will remain with the Parent insurer. Similarly, the capital requirement for any U.S. Branch of a foreign insurer that is listed in Schedule 1 and in this section should be entered in this column in the row of the foreign insurer if it is already included in the capital requirement of the foreign insurer so that the parent entity may eliminate double counting of that capital requirement which will now be reported by the stand-alone Branch listed in the inventory. The amounts entered in this column for a Parent must correspond to the capital required by the parent entity which is being de-stacked from that Parent.

Capital calculations for Schedule A and Schedule BA indirectly owned financial entities that are owned by Schedule A or Schedule BA assets are reported in the Inventory Tab and will be adjusted out of the value reported by the U.S. insurer in this column (since the non- financial direct parent Schedule A or BA affiliate is not listed in the Inventory Tab.

In the "Input 6 - Questions" tab, a capital requirement should be reported for the value of the indirectly owned insurance of other financial entity based on the insurers Schedule A or Schedule BA charge rather than a charge (which would be zero) attributable to the Schedule A or Schedule BA entity that directly owns the insurance or other financial entity. As indicated earlier, the remaining capital requirement of the entity that directly owns the insurance or other financial entity will remain with the Parent insurer.

- **[Inv C Col 4] Intragroup Capital Instruments** – This column would generally be used if there is potential double-counting of capital requirements (e.g., RBC charges on surplus notes purchased by an affiliated U.S. insurer from a U.S. insurer issuer).

- **[Inv C Col 5] Reported Intragroup Guarantees, LOCs and Other** – This column would generally be used if there is potential double-counting of capital requirements (e.g., RBC charges on guarantees or LOCs).

- **[Inv C Col 6] Other Intragroup Assets** – This column is not intended to be used for required capital but is included in case an entity believes it is necessary from reporting an inaccurate required capital figure.

  - Loans, receivables and arrangements to centralize the management of assets or cash.
  - Derivative transactions.
  - Purchase, sale or lease of assets.
  - Other (describe in "Input 6 - Questions" tab).

- **[Inv C Col 7] All Other Adjustments** – Include a brief explanation in the "Description of 'Other Adjustments'" in the "Input 6 - Questions" tab. Use this column is for adjustments related to required capital that correspond to adjustments in Inventory B, Column 7 and in cases where an entity believes it is necessary to adjust an inaccurate regulatory required capital figure (e.g., the RBC calculation applied as a permitted practice).

  NOTE: Consider whether this column should be used rather than Column 2 for zero value entities.

- **[Inv C Col 8] Adjusted Capital Calculation** – Stand-alone capital calculation for each entity per the calculation to eliminate double-counting. This value includes the impact of permitted and prescribed practices.

- Inventory D is for "Reference Calculations Checks." These are calculations that can serve as checks on the reasonability/consistency of entries.

- **[Inv D Col 1 – 3] Sum of Subsidiaries (Carrying Value)** – This automatically generated column calculates the value of the carrying value of the underlying subsidiaries. It is provided for reference when filling out the "Investment in Subsidiary" column. This sum will often, but not always, be equal to the "Investment in Subsidiary" column.
- **[Inv D Col 4 – 6] Sum of Subsidiaries (Calculated Capital)** – Similar to above but for calculated capital.
- **[Inv D Col 7 – 8] Carrying Value/Adj Calc Cap** – This is a capital ratio on the adjusted and unadjusted figures. Double-check entities with abnormally large/small/negative figures to make sure that adjustments were made correctly.
- **[Inv D Col 9 – 11] Equity & Carrying Value** – This is to compare Equity from Schedule 1 to the Carrying Value in Column L on Inv D.

INPUT 3 – CAPITAL INSTRUMENTS

72. Provide all relevant information pertaining to paid-up (i.e., any receivables for non-paid-in amounts would not be included for purposes of calculating the allowance) financial instruments issued by the Group (including senior debt issued by a holding company), except for common or ordinary shares and preferred shares. This worksheet aims to capture all financial instruments such as surplus notes, senior debt, hybrid instruments and other subordinated debt. Where a Reporting Entity's Group has issued multiple instruments, the Group should not use a single row to report that information; one instrument per row should be reported (multiple instruments issued under the same terms may be combined on a single line). All qualifying debt should be reported as follows.

73. Debt issued by U.S.-led groups:

- Surplus Notes – Report the outstanding value of all surplus notes in Column 8 whether issued to purchasers within or outside the group. The outstanding value of surplus notes issued to entities outside the group and that is already recognized by state insurance regulators and reported 100% as capital in the carrying value of U.S. insurer issuers in "Inventory B" will not be included in the calculation for an additional capital allowance. Surplus notes issued within the group generally result in double-counting and will not be included in the additional capital allowance. (See instructions below.)

- Subordinated Senior Debt and Hybrid Debt Issued (e.g., debt issuances that receive an amount of equity credit from rating agencies) – The outstanding value will be reported in Column 8. Recognition for structurally subordinated debt will be allowed to increase available capital. For purposes of qualifying for recognition as additional capital, both of the following criteria must be met:

  a. The instrument has a fixed term (a minimum of five years at the date of issue or refinance, including any call options other than making whole provisions[1]). However, if the instrument is

[1] NAIC staff have been informed that make whole provisions are a form of a call feature that can be exercised by the issuer at any time; that they nonetheless are most frequently utilized near the end of the term of the instrument, generally in connection with refinancing; and that the cost to the issuer to exercise the make whole provision and associated financial reporting impacts, combined with the very low interest rate environment, make it much less likely that such provisions will be triggered, particularly within five years of issuance. Staff will continue their research, and assuming these observations are confirmed, the referenced criteria will continue to scope out make whole provisions.

callable within the first five years from the date of issue it may be considered qualifying debt if any such call is at the option of the issuer only (the instrument is not retractable by the holder) AND it is the intent of management to replace the called instrument in full before or at redemption by a new issuance of the same or higher quality instrument.

b. Supervisory approval of ordinary dividends* is met if the supervisor has in place direct or indirect supervisory controls over distributions, including the ability for the supervisor to limit, defer and/or disallow the payment of any distributions should it find that the insurer is presently, or may potentially become, financially distressed. There shall be no expectation, either implied or through the terms of the instrument, that such approval will be granted without supervisory review.

*The concept of approval for ordinary dividends is for GCC purposes and is met as described in subparagraph b, above. It is not intended to require explicit regulatory approval or in any way alter current provisions of Model #440 or the *Insurance Holding Company System Model Regulation* (#450).

- "Other" Debt – The outstanding value will be reported in Column 12 and will be reported in a manner that is consistent with Senior Subordinated Debt, as described above. Such debt will not be included in the additional capital allowance for the GCC.

74. Please fill in columns in Section 3A as follows for all capital instruments:

- **[Sec 3A Col 1] Name of Issuer** – Name of the company that issued the capital financial instrument. Will populate automatically from the "Entity Identifier" column in this subsection.

- **[Sec 3A Col 2] Entity Identifier** – Provide the reference number that was input in Schedule 1.

- **[Sec 3A Col 3] Type of Financial Instrument** – Select type from the drop-down menu. Selections include Senior Debt, Surplus Notes (or similar), Hybrid Instruments and "Other" Subordinated Debt.

- **[Sec 3A Col 4] Instrument Identifier** – Provide a unique security identifier (such as CUSIP). ALL debt instruments must include an internal identifier if an external identifier is not available.

- **[Sec 3A Col 5] Entity Category** – Links automatically to selection made on the "Inventory" tab worksheet.

- **[Sec 3A Col 6] Year of Issue** – Provide the year in which the financial instrument was issued or refinanced.

- **[Sec 3A Col 7] Year of Maturity** – Enter the year in which the financial instrument will mature.

- **[Sec 3A Col 8] Balance as of Reporting Date** – Enter the principal balance outstanding as reported in the general-purpose financial statements of the issuer.

- **[Sec 3A Col 9] Intragroup Issuance** – Select whether the instrument was issued on an intragroup basis (that is, issued to a related entity within the group). This column will be used to remove "double-counting." This column is a drop-down menu box with options "Y" and "N."

- **[Sec 3A Col 10] Treatment in Inventory B** – Select option that applies:
  a. Capital – This instrument is recognized by the applicable regulator or credited as capital in local regulatory regime and reported as part of the adjusted carrying value of the issuer and was not purchased by an affiliate. This includes the value of qualifying senior and hybrid debt instruments (if recognized as capital) and U.S. surplus notes (or similar local regime instruments) that are issued to entities outside the group and included in the issuing entity's value in the "Inventory B" tab. The outstanding value of those debt instruments will not be included in the calculation of a proxy allowance for additional capital.
  b. Liability – This instrument is reflected by the issuer as a liability in the adjusted carrying value in the "Inventory B" tab and was not purchased by an affiliate. This would apply to all qualifying senior and hybrid debt issued to purchasers outside the group that is not recognized as capital by the local regulator and therefore is not included in the issuing entity's value in the "Inventory B" tab. The value will be included in the calculation of a proxy allowance for additional capital.
  c. Liability designation would also apply to all non-qualifying senior and hybrid instruments and all debt categorized as "Other" issued to purchasers outside the group that is not recognized as capital by the local regulator. The value of these instruments will NOT be included in the calculation of a proxy allowance for additional capital.
  d. Intragroup – This would apply to all qualifying instruments purchased by an affiliate within the group. The outstanding value of those debt instruments will not be included in the calculation of a proxy allowance for additional capital. If the financial instrument is recognized or credited as part of the issuer's available capital in Inventory B, then an adjustment for intragroup capital instruments is made in Inventory B, Column 4 and Inventory C adjustments (if necessary to eliminate an associated capital requirement). If the financial instrument is treated as a liability by the issuer, then no intragroup capital instrument adjustment is required in Inventory B or Inventory C.
  e. The outstanding value of all non-qualifying senior and hybrid instruments and financial instruments categorized as "Other Debt" whether issued to purchasers inside or outside the group will not be included in the calculation of a proxy allowance for additional capital and no other adjustments are required in the template. However, in the unlikely event that the instrument is treated as available capital to the issuer in Inventory B, an adjustment in Inventory B, Column 4 to remove the available capital would be required.

For intragroup surplus notes, the adjustment will impact the carrying value and associated capital calculation of the purchasing affiliated entity.

- **[Sec 3A Col 11] Intragroup Purchaser Identifier** – Enter the entity identify for the affiliate entity that purchased the instrument.

- **[Sec 3A Col 12] Description of Other Debt Instruments** – Provide a description of instruments designated as "Other".

- **[Sec 3A Col 13] Call Provisions Criteria** – Respond "Y" or "N" as to whether the instrument is subject to a call provision (other than a make whole provision) in the first five years AND it is management's intent to replace the called instrument in full before or at redemption by a new issuance of the same or higher quality instrument. Respond "X" if the instrument has a maturity of greater than five years including any call provisions.

- **[Sec 3A Col 14] Potentially Recognized Instrument** – This is an automatic calculation to determine if this is instrument that has potential to be recognized as additional capital in the GCC and/or in sensitivity analysis. The column will show "Y" if each of the following is true: 1) it is Senior Debt, Hybrid or Other instrument; 2) the instrument is not intragroup; and 3) the instrument is treated as liability on Inventory B. These are calculated using Column 3, Column 9, and Column 10, respectively.

- **[Sec 3A Col 15] Other Criteria Met** – This is an automatic calculation to determine if instrument qualifies due to criteria beyond those in Column 14. The column will show "Y" if: 1) the instrument has initial maturity of greater than five years including any call provision (i.e., "X" is reported in Column 13); and 2) it meets the "Call provisions criteria" in Column 13 (i.e., "Y" is reported in Column 13).

- **[Sec 3A Col 16] Qualified Debt** – This column is calculated automatically using data from the entries in Column 14 and Column 15. To qualify, an instrument needs a "Y" in both columns. It represents the amount of qualifying debt that will be used in the calculation of an allowance for addition capital under the alternate subordination method and the proxy allowance method. This amount will be carried into Section 3C, Column 1, Line 3.

75. Section 3C will be auto filled, with the exception of Column 1, Line 2.

- **[Sec 3C Col 1, Line 1] Total Gross Paid In and Contributed Surplus (U.S. Insurance Entities)** – This is the amount reported on Page 3 of the annual financial statement submitted to regulators by a U.S. insurer.

- **[Sec 3C Col 1, Line 2] Alternate Subordination Calculation** – This manual entry is the excess of qualifying debt issued over liquid assets held by the issuing consolidated holding company as reported in the consolidated financial statements. Liquid assets generally include cash, short-term investments (including bonds held by the hold co). In most cases the excess of liquid assets will be made up of the value of all subsidiaries owned by the consolidated hold co. No entry is expected for a mutual group.

- **[Sec 3C Col 1, Line 4] Downstream Estimate** - The total reported under the alternate subordination calculation will be compared to the total amount of gross paid in and contributed surplus reported by the insurance entities within the group as reported in Schedule 1. The greater value will be carried into the calculation for an additional capital allowance.

NOTE: No more than 100% of the total outstanding value of qualified senior and hybrid debt will be allowed into the calculation.

- **[Sec 3C Col 1, Line 5] Proxy Calculation** – A calculation will be made in this tab in Section 3B that will apply 30% of available capital plus the value of all qualifying debt to become part of the proxy allowance for additional capital for qualifying senior subordinated. An additional amount of 15% of available capital plus the value of all qualifying debt will be calculated to become part of a proxy allowance for additional capital be for hybrid debt.

SUMMARY FORMULA: Proxy Calculation = (30% x (Available Capital + Qualifying Senior and Hybrid Debt)) + (15% x (Available Capital + Qualifying Senior and Hybrid Debt)).

NOTE: No more than 100% of the total outstanding value of qualified senior and hybrid debt will be allowed into the calculation.

- **[Sec 3C Col 1, Line 6 through Line 8]** – The greater of the proxy calculation or the smaller of the qualifying debt and the larger of total gross paid in and contributed surplus or alternate subordination calculation will be allowed as additional capital in **[Sec 3C Line 6]**. However, an overall limit of no more than 75% of total available capital in Summary 1 – Entity Level will be applied in **[Sec 3C Line 7]**. Adjustments to increase available capital will be calculated from data on this page. The summary results of the components of the calculation (total gross paid in and contributed surplus, alternate subordination, proxy calculation and limitations) are populated as titled in the calculation columns in this section. The final amount recognized as additional capital is shown in **[Sec 3C Line 8]**.

- The additional capital allowance recognized for capital instruments will be shown as an "on-top" adjustment in the "Summary 1 – Entity Level" tab.

<u>Summary Calculation for Debt Allowed as Additional Capital</u>:

Step 1: Apply the following limitations to determine the Proxy Calculation:

a) The total of qualifying senior debt limited to 30% of total available capital (without capital instruments) and total qualifying debt, and
b) The total of qualifying hybrid instruments limited to 15% of total available capital (without capital instruments) and total qualifying debt

Step 2: Determine the Additional Capital as follows:

a) The greater of total gross paid in and contributed surplus of U.S. insurance entities or the alternative subordination calculation (i.e., the excess of qualifying debt over the liquid assets at the top holding company level - see above)
b) The Downstream Estimate equals the lower of the qualifying debt and a)
c) The Proxy Calculation (per Step 1 above)
d) The Additional Capital equals the greater of b) or c)

Step 3: Apply an overall limit to determine the final amount of debt allowed as additional capital:
Limit the Additional Capital to 75% of total available capital before addition of debt

INPUT 4 – ANALYTICS

76. The entity type information supporting analytics summarized in Summary 3 – Analytics are pulled into this tab from data or information reported in other tabs in the GCC template. That data is exported into summaries in the "Summary 3 – Analytics" tab. Data for the years 2022 and 2023, if applicable, are to be populated as well as data for any future years when it becomes available. However, it is contemplated that

going forward, data for prior years will also be populated by the group such that it will provide the Lead State Regulator with metrics to identify trends over time.

INPUT 5 – SENSITIVITY ANALYSIS

77. This tab shows inputs required for Analysis 3 - Permitted practices, Analysis 4 - Prescribed Practices, Analysis 7 - Captives other than XXX/AXXX and Analysis 8 – Regulatory Discretion on tab Summary 2. Sensitivity Analysis is intended to provide the Lead State Regulator additional information that helps them better understand the financial condition of the group. Similar to the sensitivity analysis included in the legal entity RBC, it provides the regulator with additional information and allows them to consider "what-if" scenarios to better understand the impact of such items. The results of this analysis will not impact the GCC ratio.

- [Analysis 3 and Analysis 4]: Permitted and Prescribed Practices – Report values from annual financial statement Note 1 (excluding those pertaining to XXX/AXXX captives). Values or permitted or prescribed practices that decrease available capital should be reported as negative values:
    - Entity identifier
    - Value of permitted practice
    - Capital Requirement attributable to permitted practice (if any)
    - Description of permitted practice
    - Value of prescribed practice
    - Capital requirement attributable to permitted practice (if any)
    - Description of prescribed practice

- [Analysis 7]: Captives other than XXX/AXXX – all other U.S. captives shall make an asset adjustment as described below.

Asset Impact

78. For the asset impact, it is ONLY required for the assets included in a captive or an entity not required to follow the statutory accounting guidance in the *Accounting Practices and Procedures Manual*. It is not required for assets for those groups that retain such business in a non-captive traditional insurance company(ies) already required to follow the *Accounting Practices and Procedures Manual*.

NOTE: Variations for state prescribed and permitted practices are captured in the separate sensitivity analysis.

79. The asset impact amount shall be determined based on a valuation that is equivalent to what is required by the *Accounting Practices and Procedures Manual* (SAP). For this purpose, "equivalent" means that, at a minimum the listed adjustments (as follows) be made with the intent of deriving a valuation materially equivalent to what is required by the *Accounting Practices and Procedures Manual*, however, without requiring adjustments that are overly burdensome (e.g., mark-to market bonds used by some captives under U.S. GAAP versus full SAP that considers NAIC designations). To be more specific, the asset impact shall be developed by accumulating the impact on surplus because of an accumulation of all the following in paragraph 80 and paragraph 81 combined.

NOTE: Letters of credit or other financial instruments that operate in a manner like a letter of credit, which are not designated as an asset under either SAP or U.S. GAAP and are required to be adjusted out of the available assets (i.e., the asset reduction is recorded as a negative figure in the template).

80. To achieve the above, accumulate the effect of making the following impact and record as a negative figure in the template, an asset adjustment for all the following explicit assets not allowed to be admitted under SAP:

- Assets <u>specifically</u> not allowed under the *Accounting Practices and Procedures Manual* in accordance with paragraph 9 of *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities*.
- *SSAP No. 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due from Agents and Brokers.*
- *SSAP No. 16—Electronic Data Processing Equipment and Software.*
- *SSAP No. 19—Furniture, Fixtures, Equipment and Leasehold Improvements.*
- *SSAP No. 20—Nonadmitted Assets.*
- *SSAP No. 21—Other Admitted Assets* (e.g., collateral loans secured by assets that do not qualify as investments are nonadmitted under SAP).
- *SSAP No. 29—Prepaid Expenses.*
- *SSAP No. 105—Working Capital Finance Investments.*
- Expense costs that are capitalized in accordance with GAAP but are expensed pursuant to statutory accounting as promulgated by the NAIC in the *Accounting Practices and Procedures Manual* (e.g., deferred policy acquisition costs, pre-operating, development and research costs, etc.).
- Depreciation for certain assets in accordance with the following SSAPs:
  - *SSAP No. 16—Electronic Data Processing Equipment and Software.*
  - *SSAP No. 19—Furniture, Fixtures, Equipment and Leasehold Improvements.*
  - *SSAP No. 68—Business Combinations and Goodwill.*
- The amount of goodwill of the SCA more than 10% of the audited U.S. GAAP equity of the SCA's last audited financial statements.
- The amount of the net deferred tax assets (DTAs) of the SCA more than 10% of the audited U.S. GAAP equity of the SCA's last audited financial statements.
- Any surplus notes held by the SCA issued by the reporting entity.

81. In addition, record as a negative figure, an asset impact for any assets that are not recognized as an admitted asset under the principles of *SSAP No. 4—Assets and Nonadmitted Assets*, including:

- Letters of credit, or other similar instruments, that operate in a manner like a letter of credit and, therefore, do not meet the definition of "asset" as required under paragraph 2.
- Assets having economic value other than those which can be used to fulfill policyholder obligations, or those assets that are unavailable due to encumbrances or other third-party interests, should not be recognized on the balance sheet and are, therefore, considered nonadmitted.
- Assets of an insurance entity pledged or otherwise restricted by the action of a related party, the assets are not under the exclusive control of the insurance entity and are not available to satisfy policyholder obligations due to these encumbrances or other third- party interests. Thus, such assets shall not be recognized as an admitted asset on the balance sheet.

- **[Analysis 8]: Regulatory Discretion** – This will be a post- submission item completed by the Lead State Regulator. Enter the following information here:
  - Entity identifier.
  - Amount of adjustment.
  - Description of regulatory issue.

  NOTE: This column may also be completed by the filer after advance consultation with the Lead State Regulator.

INPUT 6 – QUESTIONS

82. This tab provides space for participants to describe or provide greater detail for specified entries in other tabs (as noted in the instructions for the columns in those tabs) or additional relevant information not captured in the template. Examples include adjustments for intragroup debt, description of permitted practices; and adjustments to available capital or capital calculations that are included in the "other adjustment" column in the "Inventory" tab. Specified items are included in the tab. Other information that the filer believes is relevant should be added freeform in this tab.

<u>Information or Detail for Items Not Captured in the Template</u>

- Intercompany Guarantees – Provide requested information:

  a. Entity identifier issuing the guarantee.
  b. Entity identifier of entity or entities that are covered by the guarantee.
  c. Indicate the notional or fixed value of the guarantee.
  d. Describe the nature of the guarantee.

- Capital Maintenance Agreements – Provide requested information:

  a. Entity identifier obligated under the agreement.
  b. Entity identifier for entity or entities that are covered by the guarantee.
  c. Indicate the notional or fixed value of the agreement.
  d. Describe the nature of the agreement.

- Value of intangible assets included in non-insurance Holding Companies – Provide the requested information for all entities designated in the non-operating holding company entity category:

  a. Entity identifier.
  b. All goodwill.
  c. All intangibles related to health care services acquisitions included in local carrying value column in Inventory B. Examples include, but are not limited to, customer relationships (policy retention, long-term health services contracts) and technology/patents/trade names and provider network contracts.
  d. All other intangible assets included in the local carrying value column in Inventory B.
  e. Total of line b, line c and line d.*

f. A description of each intangible asset included in line d.
   * Auto populated.

Further details on amounts reported for specific intangibles other than goodwill may be requested by the Lead State Regulator during review of the GCC template.

Information or Detail for Items Captured in the Template

- Currency Adjustments – Provide requested information only for entities where the amount reported for an entity in Inventory B, Column 2 is different than the amount in Inventory B, Column 1 due to currency conversion. If an entity is reported at zero value in Column 1, but a value is required in Column 2, then enter the information for the conversion rate used in Column 2:

  a. Entity identifier.
  b. Currency type reported in Inventory B, Column 1 and Inventory C, Column 1 (foreign currency).
  c. Conversion rate applied.
  d. Source of conversion rate applied.

- Intragroup Assets – Description of Adjustments for intragroup assets reported in Inventory B, Column 6 and Inventory C, Column 6. Provide the following information:

  a. Entity identifier.
  b. Amount reported in Inventory B, Column 6.
  c. Description of adjustment.

- Other Adjustments – Description of adjustments reported in Inventory B, Column 7 and Inventory C, Column 7. Provide the following information:

  a. Entity identifier.
  b. Amount reported in Inventory B, Column 7.
  c. Description of adjustment.

- Accounting Adjustments – Provide requested information only for entities where the amount reported for an entity in Inventory B, Column 1 is different than the amount in Inventory B, Column 2 due to differences in accounting basis:

  a. Value reported in Inventory B, Column 1.*
  b. Value reported in Inventory B, Column 2.*
  c. Total amount of adjustments related to difference in accounting basis.*
  d. Nature of adjustment (e.g., GAAP to SAP).
     * Auto populated.

- The tab also includes a listing of all Schedule A and Schedule BA affiliates, along with the following information:

a. Parent identifier (if available) – This is the same information as is included in Schedule 1 **[Sch 1B Col 3]** as would be entered for non-Schedule A/Schedule BA affiliates.
b. Parent Name – Enter the Name of the Parent.
c. Is Parent a Schedule A or Schedule BA Asset? – Entities directly owned by Schedule A / BA affiliates are not normally independently reported in Schedule A and Schedule BA. These downstream entities, if financial in nature, must be listed per previous instructions herein. However, entries for downstream non-insurance / non- financial entities may be required for a full reconciliation with Schedule Y
d. Financial? (Y/N) – If the entity meets the criteria as being a financial entity, indicate with a "Yes" response. A "No" response is not required for other entities listed. "Yes" entries should correspond to "Yes" entries in Schedule **1 [Sch 1B Col 16]**.
e. Carrying Value of Immediate Parent – Report the value listed in Schedule A and Schedule BA of the Parent insurer. For those cases where an indirect financial entity is reported use the value used by the direct Parent.
f. Capital Requirement for Immediate Parent – Report the value listed in the RBC report of the Parent insurer (pre-tax where applicable). For those cases where an indirect financial entity is listed, report the value of the capital requirement attributable to the Insurer rather than the direct non-financial Schedule BA Parent. The capital requirement reported in this column for the immediate Schedule BA Parent should be adjusted to deduct the amount moved to Schedule 1 and Inventory C.

CALC 1 – SCALING (INS)

83. All entries in this tab are calculation cells populated using data from within the tab or using data from elsewhere in the template. Scaled values for calculated capital will become part of the GCC ratio. The calculated values will be summarized by entity type in the "Summary 1 – Entity Level" tab. The concept of a scalar was first introduced to address the issue of comparability of accounting systems and capital requirements between insurance regulatory jurisdictions. The idea is to scale capital requirements imposed on non-U.S. insurers to be comparable to an RBC-based requirement. Two approaches for scaling related to foreign insurers were presented, and others are being explored and will be reviewed. In 2023, the NAIC adopted the use of an ERR Scalar which is incorporated for year-end 2023.

84. Information on the ERR scalar methodology will be collected and applied in the "Summary 2 - Top Level" tab.

NOTE: See Appendix 1 for more information and examples on how the ERR scalars are calculated.

85. For jurisdictions without risk-sensitive capital requirements a 50% charge will be applied to adjusted carrying value.

CALC 2 – SCALING (NON-INS)

86. All entries in this tab are either calculation cells using data from within the tab or using data populated from elsewhere in the template. Calculated capital for all entities except insurers will be reported in this tab. The calculated values will be summarized by entity type in the "Summary 1 – Entity Level" tab.

87. In addition, one informational option for calculated capital for financial entities without an existing regulatory capital requirement and one informational option for calculated capital for non-financial entities will be reported in this tab. Those calculation will not be carried into the "Summary 1 – Entity Level" tab and will not be part of the GCC ratio.

88. Only amounts for entities that the filer and the Lead State Regulator agree should not be excluded **[Sch 1B Col 2]** will be brought into the calculation in this tab and the "Summary 1 – Entity Level" tab. Entities where the Lead State Regulator does not agree with the filer's request to exclude an entity will be part of the GCC ratio.

SUMMARY 1 – ENTITY LEVEL

89. Summarized results by entity type for the GCC ratio will be reported in this tab. An on top adjustment for debt allowed as additional capital will be added at the bottom of the table. All informational sensitivity analysis will be reported in Summary 2 and will not impact the GCC ratio.

SUMMARY 2 – TOP LEVEL

90. Each sensitivity analysis will be shown on a stand- alone basis. It is expected that each informational sensitivity analysis will run automatically in the background and the results for each displayed in this tab. The results for the informational sensitivity analysis will not be included in the "Summary 1 - Entity Level" tab.

- **[Analysis 1]: GCC with RBC at 300% of ACL (Scaled)** – No additional data is needed in the tab. The overall GCC ratio will be scaled to the 300% ACL level using the ERR method.
- **[Analysis 2]: Excluded non-insurance/non-financial entities without material** risk – No additional data is needed in the tab. The data for entities where exclusion has been requested by the filer and the lead state does not agree (and changes to "include' in Schedule1B, Column 2) will be populated based on entries in **[Sch 1B Col 3]** and data in Inventory B, Column 2 and Inventory C, Column 2. It will provide the regulator with the impact of excluding entities where the lead-State changes the status from "exclude" to "include" on the GCC ratio.
- **[Analysis 3 and Analysis 4]**: This information shows the impact of excluding the amount of U.S. permitted and prescribed practices as described in the Preamble of the Accounting Practices and Procedures Manual and the sensitivity analysis allows the state to understand the size of the practices related to the overall group capital position and their impact on the GCC ratio.
- **[Analysis 5]: Foreign Insurer Capital Requirements unscaled** – No additional data is needed in the tab. This information shows the amount of foreign insurer capital calculations unscaled at a 200% x ACL RBC calibration level and at 300% x ACL for all non-U.S. jurisdictions. The sensitivity analysis allows the state to understand the impact of this specific scaling method on the GCC ratio.
- **[Analysis 6]: Alternative Capital Calculation for Non-Financial Entities** – No additional data is needed in the tab. The values reported will represent the alternative revenue-based values for capital calculation that are being captured in the template. The data will be populated from Schedule 1 and Inventory B and the analysis will be applied and reported in the "Calc 2 - Scaling (Non-Ins)" tab.
- **[Analysis 7]: Captives other than XXX/AXXX** – all other U.S. captives shall make an asset adjustment as described on tab Input 5.

- **[Analysis 8]: Regulatory Discretion** – This analysis is designed to reflect other regulator adjustments including for transactions other than XXX/AXXX reinsurance where there are differences in regulatory regimes exist and there is a desire to fully reflect U.S. Statutory Accounting treatment or to reflect the lead state's view of risk posed by financial entities without specified regulatory capital requirements or risk posed by non- insurance/non-financial entities that have been included in the GCC.

SUMMARY 3 – ANALYTICS

91. Summary results for metrics described in the Analytics Guidance and utilizing data collected in the "Input 4 – Analytics" tab or other tabs in the GCC will be calculated and presented here.

SUMMARY 4 –GROUPING ALTERNATIVE

92. One sample alternative structure for grouping by entity type or jurisdiction in the GCC is displayed based on a suggested method. It can be modified, or other suggestions can be accommodated based on combining data from Schedule 1 and the Inventory in defined ways.

This tab is intended to be an additional analytical tool. The tool summarizes the GCC based on how a reporting entity views its organization, and provides regulators that view, to align it with regulatory information, other than what is reported elsewhere in the GCC template, that the reporting entity has submitted such as current filings, communications, etc. In this summary view, entities are organized into like regimes (e.g., RBC filers, foreign insurers, banks, financial, or non-financial entities) and multiple entities may be grouped together, in order to create a view of capital that is easy to review and analyze within each grouping. The intent of this approach is to provide an additional analytical tool designed to enhance dialogue between the Lead State Regulator and the company contemplated by the GCC filing. This view is transparent (no scalars, no adjustments, no de-stacking) so that financial information may be cross checked to other financial submissions such as RBC filings. However, it does contain double counting of available and required capital "(i.e., intra-company investments and transactions are not eliminated) and cannot be used to create a GCC ratio.

93. The results are dependent on how the reporting entity populated. Input 1 – Schedule 1, Column 9 Alternative Grouping. For example, if you have a dozen small dental HMO businesses, you may wish to collapse the results to a single line called "Dental HMOs," by populating Input 1 – Schedule 1, Column 9 Alternative Grouping for each dental HMO as "Dental HMOs." Then right-click and select "Refresh" to see the results with the "Dental HMOs" combined.

94. For reference, the data for the Summary 4 – Grouping Alternative is from Calc 1 – Scaling (Ins), which is fed by the inputs made in Input 1 – Schedule 1, Input 2 – Inventory, etc.

APPENDIX 1 – EXPLANATION OF SCALARS

95. The concept of a scalar is to equate the local capital requirement to an adjusted required capital level that is comparable to U.S. levels. The purpose of a scalar is to address the issue of comparability of accounting systems and capital requirements between jurisdictions. The following provides details on how the scalars

were calculated by the NAIC, or how they are to be used when the NAIC has not developed a scalar for a country due to lack of public data.

ERR Scalar

96. Included below are various steps to be taken in calculating the ERR Scalar to jurisdiction-specific scalars as included in the actual GCC ratio. In order to numerically demonstrate how this works, hypothetical capital requirements and financial amounts have been developed for Country A. Based on research that has been performed by NAIC staff, it appears that the level of conservatism built into accounting and capital requirements within a jurisdiction may differ significantly for life insurers and non-life insurers. Therefore, ideally each jurisdiction would have two different scalars based on the type of business. The example below includes information related to life insurers in the U.S. and Country A.

Step 1: Understand the Jurisdiction's Capital Requirements and Identify the First Intervention Level

a. The first step in the process is to gain an understanding of the jurisdiction's capital requirements. This can be done in a variety of ways including reviewing publicly available information on the regulator's website, reviewing the jurisdiction's Financial Sector Assessment Program (FSAP) reports and discussions with the regulator.

   In Country A, it assumes that the capital requirements for life insurers are based on a capital ratio, which is calculated as follows:

$$\text{Capital ratio} = \frac{\text{Total available capital}}{\text{Base required capital (BRC)}}$$

   In the U.S., capital requirements are related to the insurer's RBC ratio. For purposes of the ERR Scalar, an Anchor RBC ratio is used and calculated as follows:

$$\text{Anchor RBC ratio} = \frac{\text{Total adjusted capital}}{\text{100\% Company Action Level RBC*}}$$

   * 100% Company Action Level RBC is equal to the Total RBC After Covariance including operational risk, without adjustment or 200% Authorized Control Level RBC.

b. Similar to legal entity RBC requirements in the U.S., Country A utilizes an early intervention approach by establishing target capital levels above the prescribed minimums that provide an early signal so that intervention will be timely and for there to be a reasonable expectation that actions can successfully address difficulties. Presume that this target capital level is similar to the U.S. Company Action Level (CAL) event, both of which can be considered the first intervention level in which some sort of action—either on the part of the insurer or the regulator—is mandated. A separate sensitivity calculation will be applied in the GCC template using trend test level RBC.

c. For Country A, the target capital level is presumed to be a capital ratio of 150%. That is, the insurer's ratio of total available capital to its BRC should be above 150% to avoid the first level of regulatory intervention. Again, this is similar to the U.S. CAL event, which is usually represented as an RBC ratio of 200% of Authorized Control Level (ACL) RBC (ignoring the RBC trend test). In the ERR Scalar, the Anchor RBC ratio represents the Company Action Level event (or first level of regulatory intervention) as 100% CAL RBC (instead of 200% ACL RBC), because CAL RBC is the reference point that is used to calibrate against other regimes. The Anchor RBC Ratio (Total Adjusted Capital ÷ 100% CAL RBC) tells us how many "multiples of trigger level capital" that the company holds. Conceptualizing the CAL event as 100% CAL RBC allows the consistent definition of local capital ratios that are calibrated against a "multiples of the trigger level" approach, to ensure an "apples-to-apples" comparison.[2]

Step 2: Obtain Aggregate Industry Financial Data

97. The next step is to obtain aggregate industry financial data, and many jurisdictions include current aggregate industry data on their websites. Included below are the financial amounts for use in this exercise.

U.S. Life Insurers – Aggregate Data Total Adjusted Capital = $495B Authorized Control Level RBC = $51BCompany Action Level RBC = $102B

Country A Life Insurers – Aggregate Data
Total Available Capital = $83BBRC = $36B

Step 3: Calculate a Jurisdiction's Industry Average Capital Ratio

98. To calculate a jurisdiction's average capital ratio, the aggregate total available capital for the industry would be divided by the minimum or base capital requirement for the industry in computing the applicable capital ratio. In Country A, this would be the BRC. In the U.S., this base or minimum capital requirement is usually seen as the ACL RBC, but because the ERR Scalar uses 100% CAL RBC as a reference point to calibrate other regimes to, the ERR Scalar uses 100% CAL RBC as the baseline and the first-intervention level to calculate the Average Capital Ratio and Excess Capital Ratio. As a result, the scaled ratio of a non-U.S. company should inform regulators how many multiples of first-intervention level capital the non-U.S. company holds. Included below is the formula to calculate a jurisdiction's industry average capital ratio:

Calculation of U.S. Industry Average Capital Ratio – Life Insurers

$$\frac{\$495B \text{ (Total Adjusted Capital)}}{\$102B \text{ (CAL RBC)}} = \mathbf{485\%}$$

[2] While it is mathematically equivalent to use 200% ACL RBC as the denominator, the Approach is designed to use the representation of first-intervention level capital levels as the conceptual underpinning of the ERR Scalar, where 100% CAL RBC is the reference point to calibrate against other regimes.

Calculation of Country A Industry Average Capital Ratio – Life Insurers	
$83B (Total Available Capital) / $36B (BRC)	= **231%**

Step 4: Calculate a Jurisdiction's Excess Capital Ratio

99. The next step is to understand the level of capital the industry is holding above the first intervention level. Therefore, to calculate a jurisdiction's excess capital ratio, one would first need to calculate the amount of the capital ratio carried in excess of the capital ratio required at the first intervention level. This amount would then need to be divided by the capital ratio required at the first intervention level.

General Excess Capital Ratio Formula

$$\frac{\text{Average Capital Ratio} - \text{Capital Ratio at the First Intervention Level}}{\text{Capital Ratio at the First Intervention Level}}$$

100. Based on the formula above and information provided in Step 2 and Step 3, included below are how to calculate each jurisdiction's excess capital ratio.

NOTE: The first intervention level in the U.S. is defined in the ERR Scalar as 100% CAL RBC, while the first intervention level in Country A is a capital ratio of 150%.[3]

Calculation of U.S. Excess Capital Ratio – Life Insurers

$$\frac{\text{485\% (Average Capital Ratio)} - \text{100\% (Capital Ratio at the First Intervention Level)}}{\text{100\% (Capital Ratio at the First Intervention Level)}} = \mathbf{385\%}$$

Calculation of Country A Excess Capital Ratio – Life Insurers

$$\frac{\text{231\% (Average Capital Ratio)} - \text{150\% (Capital Ratio at the First Intervention Level)}}{\text{150\% (Capital Ratio at the First Intervention Level)}} = \mathbf{54\%}$$

Step 5: Compare a Jurisdiction's Excess Capital Ratio to the U.S. Excess Capital Ratio to Develop the Scalar

101. Based on the information above, the U.S. excess capital is 385%. In other words, life insurers in the U.S. carry approximately 385% more capital than what is needed over the first intervention level. Country A's excess capital ratio is 54%. That is, life insurers in Country A carry approximately 54% more capital than what is needed over the first intervention level.

[3] 100% CAL RBC translates to an ACL RBC level of 200%, but for conceptual purposes, the ERR Scalar refers to the U.S. first intervention level as 100% CAL RBC, as 100% CAL RBC is the reference point to which the ERR Scalar calibrates other regimes. In other words, 100% CAL RBC ensures that the scaled ratio of Country A results in a ratio that determines how many multiples of first-intervention level capital that the company in Country A is holding.

102. To calculate the scalar, one would divide a jurisdiction's excess capital ratio by the U.S. excess capital ratio. Therefore, the calculation of Country A's scalar for life insurers would be 54% ÷ 385% = 14%. Therefore, Country A's scalar for life insurers would be 14%.

Step 6: Apply to the Scalar to the Non-U.S. Insurer's Amounts in the GCC

103. In order to demonstrate how the calculation of the scalar works, it would be best to provide a numerical example. For the purposes of this memo, it assumes that a life insurer in Country A reports required capital of $341,866 and total available capital of $1,367,463. The above information and calculation suggest that U.S. life insurers carry capital far above the minimum levels, while life insurers in Country A carry capital far closer to the minimum. Therefore, to equate the company's $341,866 of required capital, we must first calibrate the BRC to the first regulatory intervention level by multiplying it by 150%, or Country A's capital ratio at the first intervention level. The resulting amount of $512,799 is then multiplied by the scalar of 14% to get a scaled minimum required capital of $71,792.

104. Further, the above rationale suggests that the available capital might also be overstated (because it does not use the same level of conservatism in the reserves) by the difference between the calibrated required capital of $512,799 and the required capital after scaling of $71,792, or $441,007. Therefore, we should now deduct the $441,007 from the total available capital of $1,367,463 for a new total available capital of $926,456. These two recalculated figures of required capital of $71,792 and total available capital of $926,456 is what would be included in the group's capital calculation for this insurer. These figures are further demonstrated below.

Calculation of Scaled Amounts for GCC

Amounts as Reported by the Insurer in Country A

Total available capital = 1,367,463

Minimum required capital (BRC) = 341,866

Calibration of BRC to 1st Regulatory Intervention Level341,866 (BRC)

* 150% = 512,799

Scaling of Calibrated Minimum Required Capital

512,799 (Calibrated BRC) * 14% (Scalar) = 71,792 (Difference of 441,007)

Scaled Total Available Capital

1,367,463 (Total Available Capital) – 441,007 (Difference in scaled required capital) = 926,456

105. Given these scaled amounts, one can calculate the numerical effect on the company's relative capital ratio by using the unscaled and scaled amounts included below.

	Unscaled Amounts from Table Above	Scaled Amounts from Table Above
Total Available Capital (TAC)	1,367,463	926,456

Base Required Capital (BRC)	341,866	71,792
Capital Ratio (= TAC ÷ BRC)	400%	1290%

106. Considering the fact that life insurers in Country A hold much lower levels of capital over the first intervention level as compared to U.S. life insurers, the change in the capital ratio from 400% (unscaled) to 1290% (scaled) appears reasonable and consistent with the level of conservatism that we understand is built into the U.S. life RBC formula driven primarily from the conservative reserve valuation.

NOTE: In the above example, the company has an unscaled ratio (400%) that is above the industry average in Country A (231%) and a scaled ratio (1290%) that is higher than the US life industry average (485%). If the company had an unscaled ratio that was lower than the industry average in Country A, its scaled ratio would be lower than the US life industry average. company with an unscaled ratio equal to its own country's industry average will have a scaled ratio equal to the anchor RBC ratio."

Data for industrywide U.S RBC ratios is sourced from the aggregate RBC Statistics maintained by the NAIC. Data for industrywide capital ratios for foreign insurance jurisdictions was derived from publicly available aggregate industry data. If this scalar methodology is retained, then the data will require periodic updating.

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

For more information, visit www.naic.org.

NAIC 2023 LIQUIDITY STRESS TEST FRAMEWORK
For Life Insurers Meeting the Scope Criteria

December 1, 2023

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INTRODUCTION

Macroprudential Implications of a Liquidity Stress

Beginning mid-year 2017, the NAIC embarked on a project to develop a liquidity stress testing framework. While the NAIC has existing tools and processes for assessing liquidity risk at a legal entity level (i.e., 'inward' impacts to the insurer), there was recognition that the NAIC toolbox could be further enhanced with the addition of more granular data in the annual statement and a tool that would enable an assessment of macroprudential impacts on the broader financial markets (i.e., 'outward' impacts) of a liquidity stress impacting a large number of insurers simultaneously.

Post-financial crisis, there were several attempts to assess potential market impacts emanating from a liquidity stress in the insurance sector. Many of these analyses relied heavily on anecdotal assumptions and observations from behaviors of other financial sectors. To provide more evidence-based analyses, the NAIC decided to develop a Liquidity Stress Test (LST) Framework for large life insurers that would aim to capture the outward impacts on the broader financial markets of aggregate asset sales under a liquidity stress.

The stress test will be run annually and the findings, on an aggregate basis, reported annually as part of the NAIC's continuous macroprudential monitoring efforts. The NAIC's pursuit of the liquidity stress test should not suggest any pre-judgement of the outcomes. The NAIC believes there is value to the exercise whether it points to vulnerabilities of certain asset classes or markets or, alternatively, suggests that even a severe liquidity stress impacting the insurance sector is unlikely to have material impacts on financial markets. The NAIC liquidity stress testing framework is intended to supplement, not replace, a firm-specific liquidity risk management framework. The NAIC has not yet discussed steps that might be taken to address any identified vulnerabilities but acknowledges that any recommendations may require collaboration with other financial regulators.

The NAIC's revised proposed liquidity stress testing framework is contained in the pages that follow. The NAIC recognizes that, at least in the early years, the stress testing process and analyses will be iterative. We expect refinements as the framework is developed, especially after the first year's implementation.

BACKGROUND

NAIC Macroprudential Initiative

The NAIC's Macroprudential Initiative (MPI) commenced in 2017. It recognized the post-financial crisis reforms that became part of our Solvency Modernization Initiative (SMI) that continue to serve us well today. However, in the ensuing years since those reforms, insurers have had to contend with sustained low interest rates, changing demographics and rapid advancements in communication and technology. They have responded by offering new products, adjusting investment strategies, making structural changes, and expanding into new global markets. There are new market players, new distribution channels, and a complex web of interconnections between financial market players.

What has not changed since the financial crisis is the scrutiny on the insurance sector in terms of understanding how insurers react to financial stress, and how that reaction can impact, via various transmission channels, policyholders, other insurers, financial market participants, and the broader public.

The proposed work on macroprudential measures is reflective of the state insurance regulators' commitment to ensure that the companies they regulate remain financially strong for the protection of policyholders, while serving as a stabilizing force to contribute to financial stability, including in stressed financial markets. To that end, the NAIC's three-year strategic plan (2018-2020), "State Ahead", reflects the objective of "Evaluating Gaps and regulatory opportunities arising from macroprudential surveillance, and develop appropriate regulatory responses."

The NAIC's work on macroprudential surveillance is overseen by the Financial Stability Task Force of the NAIC Executive Committee. In April 2017, the Task Force was asked to consider new and improved tools to better monitor and respond to both the impact of external financial and economic risks on supervised firms, as well as the risks emanating from or amplified by these firms that might be transmitted externally. The Task Force, in turn, focused its efforts on potential enhancements to identify and monitor liquidity risk, among other areas. More specifically, the Task Force was requested to further develop the U.S. regulatory framework on liquidity risk with a focus on life insurers due to the long-term cash-buildup involved in many life insurance contracts and the potential for large scale liquidation of assets.

Liquidity Assessment Subgroup

To carry out its work on assessing liquidity considerations, the Task Force established the Liquidity Assessment Subgroup ("Subgroup") mid-year 2017.

Mandate

The charges and workplan of the Subgroup reflect the following assignments:

- Review existing public and regulator-only data related to liquidity risk, identify any gaps based on regulatory needs and determine the scope of application, and propose recommendations to enhance disclosures.
- Develop a liquidity stress testing framework proposal for consideration by the Financial Condition (E) Committee, including the proposed universe of companies to which the framework will apply (e.g., large life insurers).
- Once the stress testing framework is completed, consider potential further enhancements or additional disclosures.

In addition, a small informal study group comprised of regulators, industry participants and NAIC staff was formed to consider the specific data needs and technical aspects of the project. The study group is NOT an official NAIC working group. All recommendations from the study group must be vetted and considered by the Liquidity Assessment Subgroup and/or the Financial Stability (EX) Task Force according to NAIC procedures.

Data Gaps

Prior to undertaking work on the Liquidity Stress Test, the Subgroup constructed an inventory list of existing life insurer disclosures as of 2018 that contribute to an understanding of liquidity risk. When assessing the current state, the Subgroup recognized the availability of significant detailed investment-related disclosures but contrasted it to the relatively sparse liability-related disclosures. To remedy this imbalance, a blanks proposal was constructed to significantly increase the disclosures for life insurance products.

Specifically, the Analysis of Operations by Line of Business schedule was expanded from a single exhibit to five exhibits, one each for Individual Life, Group Life, Individual Annuity, Group Annuity, and Accident and Health. The Analysis of Increase in Reserves schedule was similarly expanded. Within each of the five new exhibits, columns were added for more detailed product reporting. For example, columns were added to the Individual and Group Life exhibits to capture universal life insurance and universal life insurance with secondary guarantees, and columns were added to the Individual and Group Annuity exhibits to capture variable annuities and variable annuities with guaranteed benefits. In addition, two new lines were added to the now five exhibits of the Analysis of Increase in Reserves schedule: one capturing the cash surrender value of the products outstanding and another capturing the amount of policy loans available (less amounts already loaned). A new addition was also proposed to the Life Notes to Financial Statement. The new Note 33 considered the type of liquidity concerns disclosed in Note 32 for annuities and deposit-type contracts and added disclosures for life insurance products not covered in Note 32.

These proposals were exposed and commented upon several times at the Liquidity Assessment Subgroup, the Financial Stability (EX) Task Force, and at the Blanks (E) Working Group. Ultimately, they were adopted by NAIC Plenary for inclusion in the 2019 Life Annual Statement Blank. As an interim step, The Financial Stability Task Force performed a data call requesting a few key lines of information from the newly adopted 2019 format of the Analysis of Operations by Line of Business schedule and the Analysis of Increase in Reserves schedule, as well as the new Note 33, but populated with 2018 year-end data. This data call was completed in July 2019.

Discussions with Insurers

During the latter part of 2017 and first quarter of 2018, the Subgroup conducted calls with several large life insurers who agreed to share their internal liquidity risk assessment processes. The dialogue provided extremely helpful input and informed the establishment of the initial direction of the Liquidity Stress Testing Framework. Feedback from these discussions include:

- Scope criteria should be risk-focused, not solely based on size.
- Stress test framework should align with internal management reporting and leverage the ORSA.
- Stress test should be principle-based and complement a company's internal stress testing methodology.
- Regulatory guidance should be provided to help define liquidity sources and uses, products/activities with liquidity risk, time horizons, level of aggregation, reporting frequency, and establishing stress scenarios.
- Public disclosure of results should be carefully considered to avoid exacerbating a liquidity crisis.

Regarding the specifics of liquidity assessments/stress test approaches, significant diversity in practices exist. Key observations in this regard included:

- Liquidity tests are performed at the material entity level and at the holding company level. Definitions of material entities differ.
- Most firms determine some sort of coverage ratio (Liquidity Sources) / (Liquidity Uses), for Base and Stress scenarios and monitor results to ensure they align with the firm's (internal) risk appetite. Categories of liquidity sources and uses differ across firms and assumptions vary depending on time horizon. Some insurers determine coverage ratios utilizing balance sheet values, applying different haircuts by asset class, time horizon and type of stress. Other insurers determine liquidity coverage gaps (Liquidity Inflows – Liquidity Outflows) utilizing a cash flow approach.
- Stress scenarios vary by company, reflecting a combination of market-driven, as well as idiosyncratic and insurer-specific scenarios.

- Time horizons tested also vary, typically ranging from 7 days to 1 year.

Regulatory Goals of the Liquidity Stress Test

- The primary goal of this liquidity stress testing, and the specific stress scenarios utilized, is for macroprudential uses – to allow the FSTF regulators to identify amounts of asset sales by insurers that could impact the markets under stressed environments. Thus, the selected stress scenarios are consciously focused on industry-wide stresses – those that can impact many insurers within a similar timeframe. These may not be the most stressful scenarios for specific legal entity insurers, or even their groups. Regulators have indicated the liquidity stress testing is also meant to assist regulators in their micro prudential supervision, in the context of being helpful for domiciliary and lead state regulators to better understand liquidity stress testing programs at those legal entities and groups. There is no intent to require these stress scenarios to be used by individual insurers for some sort of assessment or regulatory intervention mechanism. Similarly, there has not been any consideration given to requiring them in the management of any entities in receivership.
- Regulatory concerns regarding liquidity risk for legal entity insurers and/or groups is more about the stress scenarios of most concern to those entities (not those identified for macro prudential purposes). Similarly, when considering liquidity risk at a legal entity and/or group, regulators need to understand the insurer's entire risk management framework. Much of this understanding may come from the ORSA filings. Thus, the LST is not meant to be a legal entity insurer requirement, or used as a ranking tool, etc. However, it is recognized that simply reviewing these LST results may help regulators better understand the role of liquidity stress testing within the entities – which may result in more questions and information requests regarding the entities' own liquidity risk management framework and dynamics of their internal liquidity stress tests.

[Beginning of] 2023 Liquidity Stress Testing Framework – to be included/referenced in the NAIC Financial Analysis Handbook

Section 1. Scope Criteria for Determining Groups Subject to 2023 LST

HISTORY – Scope Criteria for the Initial 2020 LST:

In determining the companies subject to the liquidity stress test (LST), consideration was given to activities assumed to be correlated with liquidity risk. Another consideration was the desirability of tying data used in the criteria back to the statutory financial statements. Ultimately six activities were identified. Those activities are Fixed and Indexed Annuities, Funding Agreements, Derivatives, Securities Lending, Repurchase Agreements and Borrowed Money. Minimum thresholds were established for each of these six activities. A life insurance legal entity or life insurance group exceeding the threshold for any of the six activities is subject to the stress test (see Annex 1 for more details).

While the scope criteria only utilize statutory annual statement data, the stress test is not similarly limited. Thus, the stress test will consider many more liquidity risk elements than the scope criteria, and internal company data will be the source for many of those elements.

Just as the liquidity stress test structure and methodology may change over time, the scope criteria may also be modified, for example, in response to new data points in the NAIC Annual Statement Blank. The scope criteria will be reviewed annually.

Using the agreed criteria, NAIC staff obtained the amounts for all life insurance legal entities from the 2018 annual statutory financial statements (filed by March 1, 2019). If two or more life insurers were part of an insurance group with an NAIC group code, then the numbers for each of those legal entity life insurers was summed together to represent an insurance group result. Thus, a legal entity life insurer not in an insurance group can meet the threshold on its own, or the sum of legal entity life insurers in a group could meet the threshold. Twenty-three insurance groups met the initial scope criteria.

In establishing whether an insurer or group met or exceeded the threshold criteria, the Subgroup members supported using the most current single year activity rather than a multi-year average. This resulted in coverage amounts ranging from 60% to 80% of the industry total for each activity based on 2018 data. It was recognized that using single year activity could result in more instances of an insurance group being in scope one year and out of scope the next, but regulators viewed it more important to have the most recent financial data utilized for determining scope. To address concerns about insurers moving in and out of scope, regulatory judgment will be used to address an insurer's exit from or entry to the scope of insurers subject to the liquidity stress test. Per revisions to the model Holding Company Act, the lead state regulator will consult with the Task Force in determining when it is appropriate to remove an insurer from the LST requirement if it no longer meets the scope criteria. Similarly, lead state regulators should have the ability to consult with the Task Force and require the LST from an insurer not meeting the scope criteria (e.g., an insurer close to triggering the scope criteria for more than one year).

CURRENT – Scope Criteria for the 2023 LST:

Regulators agreed to retain the same 6 criteria and thresholds from the 2020, 2021, and 2022 LST Scope Criteria for use as the 2023 LST Scope Criteria. The 2023 LST Scope Criteria have been applied to the 2022 annual statement data (data as of Dec. 31, 2022, filed by March 1, 2023).

Section 2. Liquidity Stress Test

2.1 Summary

The stress testing framework employs a company cash flow projection approach incorporating liquidity sources and uses over various time horizons under a baseline assumption and some number of stress scenarios (for 2023 there are 2 stress scenarios and also an insurer-specific request for information). The available assets are then recorded by asset category. The framework then calls for identification of expected asset sales by category, or other funding as allowed in the stress test, to cure any cash flow deficits (liquidity uses exceed liquidity sources) under the stress scenarios. The stress tests are to be performed at the legal entity level; the aggregated group does not perform the LST.

2.2 Time Horizons

The time horizons chosen by regulators are 30 days, 90 days, and 1 year, because, overall, insurance products are designed to be for the benefit of customers as risk protection over the long term and not designed to provide short term liquidity like other financial products. Historical experience in times of stress demonstrate slow policyholder reaction in short periods of time, as opposed to an event that occurs over months or years. Features designed to protect the long-term nature of the product for the policyholders ultimately reduce the likelihood of policyholder reaction to short-term volatility in markets. Therefore, evaluating shorter than 30-day time horizons has been deemed not warranted for the overarching macroprudential purpose of gauging liquidity risk in the Life insurance industry.

Policyholders do not “run” from an insurer in times of economic stress to the extent depositors do from a bank, because insurance is purchased to obtain the protection insurance provides, not as a source of liquidity or discretionary funds. In the United States, life insurance and annuities are purchased primarily for long-term financial protections upon death or retirement. Surrendering a life insurance contract to harvest its cash surrender value would leave the policyholder without death benefit protection that would be expensive or impossible to replace at a future date. Surrendering a variable annuity contract would lock in potentially temporary decreases in account value and could result in the loss of living benefit protection that becomes more valuable when market conditions depress account values below trigger points. Further, mitigating contract features such as surrender charges and the insurer’s right to delay the processing of withdrawals and surrenders for up to 30 days are common.

There are also non-contractual mitigating factors at play, such as potential negative tax consequences, that further reduce the short-term nature of liquidity risk for life insurers.

Simply put, policyholders are highly disincentivized to give up the likely irreplaceable protection for which they have already paid. The run-like mass surrender of insurance policies would require large numbers of policyholders to act against their self-interest.

From a holistic risk perspective, liquidity stress is traditionally experienced on the asset side. One short-term consequence of market turmoil could be a requirement to post collateral in connection with existing derivative contracts. However, even in this scenario, collateral is typically posted in the form of securities, so a demand for cash is not generated.

We do acknowledge liquidity risk does exist with respect to shorter time horizons and that many insurers do consider shorter time horizons (7-days for example) as part of their internal liquidity stress testing framework. This is viewed as a cash management/Treasury function impacting the daily operations of individual insurers, however, that would not affect the industry as a whole. Hence, these considerations are typically reviewed as part of individual/microprudential surveillance efforts in the U.S.

2.3 Insurer's Internal Liquidity Stress Testing System

Insurers are to use their own internal liquidity stress testing system to perform the regulatory LST, adjusting for regulatory assumptions, metrics, etc., as specified in this document. For example, assessing materiality of stressed cash flows for inclusion in the liquidity uses and sources templates is per the insurer's own internal methodology, but determining which legal entities are to perform the LST and report on those templates is specified in this document. Insurers should provide a narrative description of their internal liquidity stress testing system and processes, including for example their materiality thresholds for stressed cash flows and methodology for converting foreign currencies to U.S. dollars (see Section 7. Reporting). The stress scenarios may vary from year-to-year and contain variations referred to as "What-if" scenarios. The following sections provide a further description of each of the key components of the framework.

Section 3. Legal Entities Required to Perform the LST for Insurers Meeting the Scope Criteria

The scope of entities included within an insurance group for the purposes of liquidity stress testing to assess the potential for large scale liquidation of assets (i.e., the legal entities within the group which should perform the LST), should include:

- U.S. Life insurance legal entities, including reinsurers, regardless of corporate structure, so including captive (regulators specifically want all U.S. life insurance/reinsurance legal entities to perform the 2023 LST for informational purposes – future LST iterations may see a materiality consideration added);

  Non-guaranteed/market value separate accounts are not included in the 2023 LST. However, regulators may want to perform a separate account study in the future. The current thinking is that even though non-guaranteed/market value separate accounts may experience asset sales during stressed environments, those sales are at the policyholder's discretion and do not generate liquidity stress for the insurer/group. As such they are deemed other market activity rather than insurance entity activity. Thus, for annuities that provide both non-guaranteed and guaranteed benefits, insurers should only include the cash flow impact of the guaranteed benefits. Though not required for the 2023 LST, filers should consider including all cash flows related to assets and liabilities that may be grouped with general account assets in the event of a liquidation regardless of Separate Account classification.

  - Non-U.S. life insurance/reinsurance legal entities should perform the 2023 LST if they pose material liquidity risks to the U.S. group (see below on non-U.S. legal entities).
- Where applicable, holding companies that could be a source or draw of liquidity to the life insurance legal entities; and
- Non-life insurance entities and non-insurance entities with material sources of liquidity, or that carry out material liquidity risk-bearing activities and could, directly or indirectly, pose material liquidity risk to the U.S. group. This materiality consideration should occur within the context of the specific stress scenario (and "what if" modification if applicable). The materiality criteria and initial list of legal entities in scope should be reviewed by the lead state regulator and modified by the insurer as needed based on regulator direction.
    - Non-U.S. legal entities (including non-U.S. holding companies) are subject to this materiality consideration and should be subject to performing the LST if they pose material liquidity risk to the U.S. group.

    - U.S. non-life insurers and reinsurers are not automatically exempted. If the U.S. non-life insurer poses material liquidity risk, per the stress scenario, to the U.S. group, then that legal entity insurer should perform the LST.
- Legal entity asset managers and mutual funds (both U.S. and non-U.S.) are **<u>excluded</u>** from performing the 2023 LST.
    - However, those legal entities performing the LST (e.g., holding companies that could be a source or use of liquidity for the life insurers) must reflect any material stressed cash flows from/to the legal entity asset manager/mutual fund in their 2023 LST results (e.g., the liquidity sources and liquidity uses templates, as they do with any other type of legal entity that has material stressed cash flows from/to the legal entities performing the LST).
    - If such material stressed cash flows from/to the legal entity asset manager/mutual fund exist, the regulators want specific disclosures on those in the results (either by adjusting the templates to include a line for these and/or in the narrative/explanatory disclosures submitted along with the templates).
    - Examples of when such legal entity asset manager/mutual fund considerations and disclosures would need to be made for a specific stress scenario include:
        - If the holding company or another legal entity(ies) in the group is expected to fund a material liquidity shortfall of a mutual fund/asset manager (i.e., redemptions exceed the ability to sell assets), then the expected cash flows must be reflected (especially where there are established inter-affiliate support agreements);
        - If the holding company or another legal entity(ies) in the group is expected to provide capital to the mutual fund/asset manager or is expecting dividends from them, the material expected cash flows must be reflected; and
        - If the asset manager manages financial instruments under which it retains some risk, such as new European CLOs, or has contractual risk retention agreements for U.S. CLOs, the required risk retention limit (5% for Europe)

must be reflected if sourced from the holding company or another legal entity(ies) in the group and considered material.

- Legal entity banks (both U.S. and non-U.S.) are **excluded** from performing the 2023 LST.
    - However, those legal entities performing the LST (e.g., holding companies that could be a source or use of liquidity for the life insurers) must reflect any material stressed cash flows from/to the legal entity bank in their 2023 LST results (e.g., the liquidity sources and liquidity uses templates, as they do with any other type of legal entity that has material stressed cash flows from/to the legal entities performing the LST).
    - If such material stressed cash flows from/to the legal entity bank exist, the regulators want specific disclosures on those in the results (either by adjusting the templates to include a line for these and/or in the explanatory disclosures submitted along with the templates).
    - Examples of when such legal entity bank considerations and disclosures would need to be made for a specific stress scenario include:
        - If the holding company or another legal entity(ies) in the group is expected to fund a material liquidity shortfall of a bank, then the expected cash flows must be reflected (especially where there are established inter-affiliate support agreements); and
        - If the holding company or another legal entity(ies) in the group is expected to provide capital to the bank or is expecting dividends from them, the material expected cash flows must be reflected.

For 2023, the legal entities identified in the bullets above, per a Company's ORSA and/or other materiality criteria applied to the specific stress scenario, must be considered as material or identified as carrying out material liquidity risk bearing activities and hence subject to internal liquidity stress testing requirements. Although a legal entity in the group may not be required to perform the stress test due to materiality considerations or exemptions, those entities' material cash impacts on entities performing the stress test must be captured in the sources and uses templates of the entities performing the LST. The insurer will need to disclose the materiality criteria (agreed upon by the Lead State regulator) used in determining the legal entities subject to the 2023 LST in the submission of its results. Based on the results of the 2020 initial LST exercise and those of the 2021, 2022, and 2023 LST filings, the Subgroup will determine if additional materiality criteria should be developed to ensure better comparability amongst insurers.

Section 4. Cash Flow Approach – Liquidity Sources and Uses

The Liquidity Stress Testing Framework is anchored by a cash flow approach, utilizing companies' actual cash flow projections of sources and uses of liquidity over various time horizons based upon experience and expectations. This contrasts with a Balance Sheet Approach, which employs static balance sheet amounts and generic assumptions about asset liquidity. While a Balance Sheet Approach is easier to apply and provides calculation consistency (and thus the perception of increased comparability), its 'one-size fits all' approach could result in a misleading assessment of liquidity risk and fail to capture certain asset activities or product features under different stress scenarios and time horizons. The cash flow approach is deemed more dynamic and hence to capture liquidity risk impacts more precisely.

The insurer should produce cash flow projections for sources of liquidity and uses of liquidity that cover: operating items, investments and derivatives, capital items, and funding arrangements. (See Liquidity Sources and Uses templates in Section 7). To clarify an issue regarding funding arrangements, the projected cash flows for liquidity sources and uses should include already existing funding arrangements such as FHLB draws outstanding in the current time period. Also, specific to the holding company, these projected cash flows for liquidity sources and uses should include material non-U.S. impacts as well.

The insurer will produce these liquidity sources and uses cash flow projections in a baseline, normal course of business scenario, for each time horizon. The insurer will also produce these cash flows for each time horizon for a specific number of required stress scenarios (for 2023 there are 2 stress scenarios and also an insurer-specific worst-case scenario).

4.1 Baseline Assumptions for Cash flows

Baseline (pre-stress) cash flows are the insurer-specific cash flows from normal expected operations. Insurers should prepare cash flow projections under normal operating conditions and report the net cash flows (projected liquidity sources less uses) for each time horizon. These cash flow projections should be consistent with those used for internal baseline liquidity forecasts, such as those used for financial planning and analysis (FP&A), risk management, etc. A positive net cash flow is presumed in the baseline cash flows since companies are usually not expected to be operating in a net cash flow deficiency state.

Section 5. Stress Scenarios and their Assumptions

For year-end 2023 there are two regulatory liquidity stress scenarios: an adverse liquidity stress scenario for insurers, and an interest rate spike scenario. There is also an insurer-specific information request for each group's own most adverse liquidity stress scenario(s). The adverse liquidity stress scenario contains a regulator provided narrative, regulator-prescribed assumptions, and company-specific assumptions. The interest rate spike scenario allows all other narrative description components and key metrics (including how much interest rates spike) to be provided by each company. The insurer-specific information request contains a company provided narrative and a description of key company metrics. The regulator provided narrative will be a qualitative description of the specified stress scenario to highlight the particular risks and sensitivities associated with that stress scenario. The regulator prescribed assumptions are specific parameters insurers should incorporate into their process for a particular stress scenario. Company-specific assumptions should be consistent with the information provided in the regulator provided narrative and regulator prescribed assumptions, and represent the detailed assumptions needed for a specific company's liquidity stress testing process. Examples of where companies should provide their assumptions include: debt issuance, lapse sensitivity, new business sensitivity and mortality sensitivity. Regulators expect insurers to utilize policyholder behavior assumptions (e.g., surrenders and policy loan withdrawals, existence of new sales activity) as well as the insurer's response (e.g., assuming delays in payment of policyholder benefits), consistent with the severity of the stress, and to provide very thorough explanatory information. All key business activities and product- type impacts to liquidity should be considered by the companies.

If the insurer's internal model does not utilize a specific economic and/or company-specific assumption included in this document, the internal model does not need to be modified to incorporate it. However, if the insurer's internal model does utilize a specific economic and/or company-specific assumption included in this document, the insurer should use the approach outlined below to calculate the value for that assumption. (This emphasizes the macro surveillance benefit of the 2023 LST, allowing for a level of consistency of assumptions across the industry. As discussed previously, this is not meant to specify assumptions used by the insurers in their own internal liquidity stress testing work.) If there is no specific value included in the 2023 LST Framework and instead there is an illustrative value or suggested guidance, the company should use a value consistent with the illustrative value or suggested guidance. For example, guidance is given below on using Moody's values for migration, default, and recoveries. However, insurers may use S&P data or other appropriate data sources.

5.1 Adverse Liquidity Stress Scenario for Insurers

5.1.1 Narrative

Insurers are required to apply an adverse liquidity stress scenario as one of the two stress scenarios. The following is a summary of market conditions in the adverse scenario extracted from the Federal Reserve Board's 2017 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule.

The adverse scenario is characterized by weakening economic activity across all economies included in the scenario. This economic downturn is accompanied by a global aversion to long-term fixed-income assets that, despite lower short-term rates, brings about a near-term rise in long-term rates and steepening yield curves in the United States and the four countries/country blocks in the scenario.

The economic indicator levels described below provide the backdrop for the economic climate insurers should assume in the adverse scenario. The actual levels insurers should use in the adverse scenario are provided in Annex 2.

- Macroeconomic
  - Real GDP falls slightly more than 2 percent from the pre-recession peak in the fourth quarter of 2016 to the recession trough in the first quarter of 2018.
  - *Unemployment rate increases.*
  - *Headline CPI falls and then rises over the scenario period.*
- Interest Rates and Credit Spreads
  - *Short-term Treasury rates fall and remain near zero throughout the stress.*
  - *10-year Treasury yields rise.*
  - *Investment Grade (IG) corporate credit spreads widen.*
- Asset Valuations
  - *Equity prices decline by roughly 40%.*
  - *The Volatility Index (VIX) peaks at approximately 35.*
  - *Housing prices and commercial real estate prices decline through 8 quarters.*
- Description of International Market Conditions
  - *Recessions and slowdowns in growth are experienced in the Euro area, United Kingdom, Japan, and developing Asia economies.*
  - *All foreign economies experience a decline in consumer prices.*
  - *U.S. Dollar appreciates against the Euro, British Pound, and developing Asia currencies.*
  - *U.S. Dollar depreciates modestly against the Japanese Yen, driven by flight-to-safety capital flow.*

5.1.2 Regulator-Prescribed Assumptions

Insurers should utilize the values for the economic indicators from the Federal Reserve Board's annual Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress

Testing Rules and the Capital Plan Rule as the basis for scenario assumptions, Table A.1 Historical data and Table A.5 (Annex 2i, A) Supervisory adverse scenario. Insurers should use the version published in February 2017 (refer to the tables in Annex 2i). Specifically, insurers should run the adverse liquidity stress scenario using the deltas for the Treasury curve, Corporate spreads, GDP, Unemployment, U.S. Inflation (CPI), Housing Price Index (HPI), S&P 500 index (SPX SPOT), Commercial Real Estate Index (CREI) and VIX index. These economic variables should be used to the extent these variables are included in an insurer's internal liquidity stress test process or models.

Insurers should apply the same change in economic variables experienced between Q4 2016 Table A.1 and the stress scenarios in Table A.5 to current economic variable levels (Annex 2i, D). Insurers should use the tables in Annex 2i for an illustrative example of how the deltas from the 2017 Fed's CCAR are applied to the current reference quarter (Q4 2020) for the 2020 LST (Annex 2i, B). For example, insurers should use 2023 (or most recent year-end) 10 Yr. Treasury rates and apply the same percentage or absolute b.p. change shown from Q4 2016 to the 2017 Table A.5 amounts in their 2023 LST stress scenarios. Table C (Annex 2i, C) shows the 2017 deltas applied to 2021 year-end levels on an absolute and percentage basis for 3 month and 1-year horizons for ease of use. The deltas to apply are provided for the 30-day, 90-day and 1-year horizons. Note, the tables also include structured spread assumptions described below in section 5.1.4. The tables are included in Annex 2i of this document.

In addition, other market indicators are necessary for insurers to apply to stressed cash flows and to assess the impact on expected asset sales. These are as follows (with details to be found in Annex 2):

- Market Capacity Assumption
- Economic Variables for Adverse Scenario
- SWAP Spreads
- Swaption Volatility
- Credit Assumptions: Moody's Transition Matrix/Migration Rates

- Credit Assumptions: Moody’s Default Table
- Credit Assumptions: Moody’s Recovery Rate Table

Necessary edits for 2023 year-end values will be posted as Lead State Guidance to the Annexes in early 2024.

5.1.3 Market Capacity Assumption

The following is suggested guidance to determine market constraints on asset categories to be sold in times of stress. It represents standards followed by many insurers to estimate assets sales by stress scenario, asset category and time horizon that can be sold without meaningfully impacting the entire market by widening bid-offer spreads. We recognize each company has its own individual methodology for determining potential asset sales under stress, and we request a written narrative be provided as to how they make their determination.

Once an asset class has been identified as available to be sold to satisfy a cash deficiency from cash flow stress testing, the insurer should calculate its percentage of the total amount issued and outstanding. Next the insurer should obtain average daily trading volumes (ADTV) and make an assumption for the haircut amount to apply to that volume to reflect stressed conditions (the “haircut ADTV”). Next, the insurer would apply its calculated percentage of total outstanding owned to the haircut ADTV, and the result would be divided by the number of days in the stress testing time horizon to arrive at a daily amount that can be sold. This daily amount able to be sold would be multiplied by the number of days in the prescribed time horizon: 30 days for the 30-day horizon, 60 days for the 90-day horizon (31-90 days) and 274 days for the 1-year horizon (91-365 days). An illustrative example best explains the above-described process.

Illustrative example (also included in Appendix 2ii):

Step 1: Estimate Unconstrained Sales Per Day

Insurer A has a $100 billion portfolio of investment-grade corporate bonds, priced at par. Insurer A estimates that it holds approximately 5% of outstanding corporate bonds. In the adverse liquidity stress scenario, Insurer A's unconstrained liquidity stress testing model assumes that it can sell:

Time Horizon	% Able to Be Sold	Sale Price	Total Sale	Sales / Day
First 30 Days	**10%**	**97**	**$9.7 B**	**$440 M**
31-90 Days	**20%**	**94**	**$18.8 B**	**$430 M**
91-365 Days	**50%**	**90**	**$45.0 B**	**$230 M**

Step 2: Add Market Capacity Constraint

Assume the average daily trading volume in the secondary market for investment grade corporate bonds has been $13.0 Billion over the past year. Insurer A estimates that trading volumes would decline by 40% in the adverse liquidity stress scenario to $8.0 B per day. Since Insurer A is 5% of the market, Insurer A can only trade $400 M per day ($8B x 5%) without paying a significant illiquidity premium and impacting the overall market.

Insurer A then repeats this process for every asset class in its investment portfolio.

Time Horizon	Unconstrained Sales / Day	Market Capacity Assumption	Impact
First 30 Days	**$440 M**	**$400 M**	**($40 M)**
31-90 Days	**$430 M**	**$400 M**	**($30 M)**
91-365 Days	**$230 M**	**$400 M**	**$0**

5.1.4 Economic Variables for Adverse Scenario

Insurers should use Annex 2i and 2iii to assist in determining cash flows, asset values and the quantity of assets to be sold in stressed markets. For baseline values, the industry shall submit year-end spreads to the regulators shortly after year-end. The regulators will review and approve the values for use in the table for liquidity stress testing purposes. Structured spread data was derived from the JPMorgan ABS Weekly Asset Spread Datasheet. The spreads were scaled to a stressed economic environment consistent with an adverse scenario as described by the Fed, described above and adopted for this stress testing. For the 2020 LST, economic conditions experienced in March of 2020 were deemed consistent with an adverse scenario. Therefore, structured spreads from March 2020 were used as the basis for the stressed spreads assumptions for insurers to use in their stress testing scenario for the 30-day, 90-day and 1-year horizons. Note, to calculate structured spreads for CLO/CDO 5.5-7 year and ABS Auto3 year, it was necessary to construct a Treasury yield curve with 3-year and 7-year points. These points were calculated using a straight-line linear interpolation method. For the 2023 LST, the same March 2020 structured spreads were deemed appropriate for use.

Regulators ask industry members to agree on one set of structured spread values amongst themselves to submit for approval, not each insurer submitting values that each need to be approved. Regulators and/or the NAIC need to do a reasonableness check of current baseline/market levels of spreads insurers use before applying the stressed amounts in the JPMorgan spreadsheet. For example, if current spreads are already greater than the JPMorgan stressed spread amounts, regulators may have to consider alternatives or additional stressed levels. One agreed upon set of values will help provide uniformity, consistency, and comparability of stress testing results across insurers.

When utilizing these spreads, insurers should assume the percentage increase in spreads experienced in March 2020 from the JPMorgan ABS Weekly Asset Spread Datasheet; and apply the absolute increase to the agreed upon December 31 baseline spreads. These tables are provided in Annex 2i, B.

Since the reasonableness check is merely a check of current market rates, it is not anticipated that it will be burdensome for insurers to provide an agreed upon set of December 31 baseline values to regulators by January 31 of each year or for the regulators to be able to respond by February 28 of every year to allow insurers sufficient time to incorporate into their stress testing framework. Baseline amounts are included in Annex 2i, B.

For the 2023 LST – NAIC values are to be established as Lead State guidance in early 2024 after the 2023 LST Framework has been adopted. These NAIC values will be established using the industry developed process.

5.1.5 SWAP Spreads

Stressed spread levels may impact assets prices for expected sales calculations necessary for the stress scenarios. Insurers should complete the SWAP Spread table in Annex 2iv to document assumptions used in determining asset values and the quantity of assets to be sold in stressed markets. SWAP spread source data is no longer provided in the Federal Reserve's H.15 FRED data. Use of Bloomberg Swap Spreads is preferred – if options exist within Bloomberg, identify which option was used. If a different source from Bloomberg is used, then identify the source and option.

5.1.6 Swaption Volatility

Insurers should use the table in Annex 2v to assist in determining asset values and the quantity of assets to be sold in stressed markets. Insurers should obtain the information to populate the table using Bloomberg's Swaption Volatility for various time horizons and expiry. For consistency, insurers should use the table found on Bloomberg at NSV [Go].

Commented [ST1]: To be updated as Lead State Guidance in early 2024.

5.1.7 Moody's Transition Matrix/Migration Rates

Insurers should use the table in Annex 2vi to assist in determining corporate credit migrations, asset values and the quantity of assets to be sold in stressed markets. The table is imported from Moody's Corporate-Global: Annual default study, Exhibit 36 - Average one-year alphanumeric rating migration rates, 1983-2021. If available, insurers should use the equivalent Moody's tables for U.S. Public Finance for municipal bonds and the appropriate Moody's tables for structured /asset-backed securities. Alternative sources may be used but should be disclosed as well as the rationale for their use.

Commented [ST2]: To be updated as Lead State Guidance in early 2024.

5.1.8 Moody's Default Table

Insurers should use the table in Annex 2vii to assist in determining asset values and the quantity of assets to be sold in stressed markets. The table is imported from Moody's Corporate-Global: Annual default study, Exhibit 41 - Average cumulative issuer-weighted global default rates by letter rating, 1983-2021. Insurers should use the equivalent Moody's tables for U.S. Public Finance for municipal bonds and the appropriate Moody's tables for structured /asset-backed securities. Alternative sources may be used but should disclosed as well as the rationale for their use.

Commented [ST3]: To be updated as Lead State Guidance in early 2024.

5.1.9 Moody's Recovery Rate Table

Insurers should use the table in Annex 2viii to assist in determining asset values and the quantity of assets to be sold in stressed markets. The table is imported from Moody's Corporate-Global: Annual default study, Exhibit 8 - Average corporate debt recovery rates measured by ultimate recoveries, 1987-2021. Insurers should use the equivalent Moody's tables for U.S. Public Finance for municipal bonds and the appropriate Moody's tables for structured /asset-backed securities. Alternative sources may be used but should disclosed as well as the rationale for their use.

Commented [ST4]: To be updated as Lead State Guidance in early 2024.

If relevant for a given insurer, the adverse liquidity stress scenario for insurers can be run considering sources other than expected asset sales (e.g., FHLB credit line draws, bank lines of credit and holding company contributions). Should that be the case, the insurer must clearly identify the sources other than asset sales utilized to meet expected liquidity deficiencies.

5.1.10 “What If” Modification

The “What if” modification to the adverse liquidity stress scenario removes the ability for insurers to use extraordinary internal and external funding sources to satisfy any liquidity deficiency under stress, i.e., no actions taken in response to the stress (as opposed to ongoing operational funding agreements included in the insurer’s baseline templates) or in response to a liquidity deficiency. Intragroup “keep well” agreements would be considered extraordinary transactions. Thus, expected asset sales will be the primary source of meeting any liquidity deficiency for the “What if” scenario. Any existing funding such as commercial paper will not be assumed to roll, nor will FHLB facilities ability to roll upon maturity.

5.1.11 Company-Specific Assumptions

Insurers must construct the assumptions needed for their internal models to run the above adverse liquidity stress scenario for insurers. Company specific assumptions should be consistent with the above scenario as narrative and regulator prescribed assumptions. Examples include the inability to roll or issue new debt, potential increases in lapse rates, new business sensitivity, mortality experience and policyholder behavior (e.g., surrenders and policy loans).

5.2 Interest Rate Spike Scenario

5.2.1 Narrative

Insurers should run an interest rate spike stress test that resembles the late 70’s/early 80’s inflationary period as it most closely mirrors the regulatory desired interest rate spike scenario. Historical data from the late 70’s/early 80’s show the following economic conditions:

- Inflationary forces caused interest rates to rise quickly.
- Investors rotated out of fixed income and into equities, real estate, and commodities.
- Central bank responded by tightening monetary policy in tandem, eventually causing the yield curve to invert.

Insurers should provide a detailed narrative outlining their scenario and assumptions around general economic conditions bulleted above and specific assumptions for economic variables for each time horizon. The economic variables in the table below and the amount of expected movement in each variable should be fully described in the narrative to the extent are used in a company's internal model. The table outlines the directional movement of the relevant economic indicators. Insurers should specify the amount of movement for each variable they consider to be part of the scenario for a severe interest rate spike. For example, insurers may indicate a parallel shift in Treasury rates up 100bps in the first 30 days, up 200bps in 90 days and 300bps over 12 months. The table is a guide and not to be interpreted as a strict template and may be supplemented or customized by the insurer. Narrative/Explanatory disclosures should explain these assumptions.

5.2.2 Regulator-Prescribed Assumptions

Regulators did not adopt any regulator-prescribed assumption values for this stress scenario. Instead, they provided the below regulator guidance for insurers to use when establishing their own company specific assumptions for this stress scenario.

Economic Variable	**Expected Movement**	**Comments**
Treasury rates	Increase rapidly	Critical factors for modeling impacts to asset prices, collateral flows, and product cash flows
Equity prices	Increase rapidly	
Credit spreads	Increase moderately	
Inflation rates	Increase rapidly	These factors help define the macroeconomic conditions of the scenario
Real GDP growth	Flat	These factors help define the macroeconomic conditions of the scenario
Unemployment rate	Flat	
Real estate prices	Increase	
Swap spreads	Increase	Impact derivative collateral requirements
FX rates	Unclear	
Implied volatility	Increase	
Credit assumptions (transition, default, recovery rates)	Unclear	May not be an important assumption to define for the scenario

5.2.3 Company-Specific Assumptions

Insurers must construct the assumptions needed for their internal models to run the above stress scenario. Companies are encouraged to provide more information beyond these guidelines as they feel is appropriate to help regulators understand their assumptions for the scenario.

Company specific assumptions should be consistent with the stress scenario's narrative and regulator prescribed assumptions. Based on the 2022 significant increases to inflation and interest rates, insurers should consider appropriately stressed interest rates in the 2023 LST to ensure a "severe interest rate spike."

5.3 Insurer Specific Information Request - Worst-Case Scenario

5.3.1 Narrative

This information request requires insurers to provide a detailed narrative of their most severe liquidity stress scenario(s) to obtain greater insight to the drivers of liquidity risk for specific insurers. The most severe scenario should be one that results in the largest liquidity deficiency (liquidity sources less uses) from their existing internal liquidity stress testing process. The scenario should be focused on the insurer's internal model scenario with the worst-case outcome for the group. Regulators may use this information to inform future prescribed stress scenarios.

Insurers should provide a comprehensive narrative describing the stress scenario(s) and the economic environment(s). This stress scenario(s) could be a combination of multiple stressors. Insurers should review these scenarios to ensure they are worst case for their business model, products, etc., particularly if no liquidity deficiencies are identified.

Section 6. Available and Expected Asset Sales

Once the stressed sources and uses of liquidity have been established, and the net cash flows calculated, insurers then project the assets available at the end of the time horizon by asset category (please refer to the asset categories in the Assets Template in Section 7). The valuation of available assets for the baseline scenario utilizes current and projected asset values for a normal operating environment. The valuation of available assets for a stress scenario will be based upon fair value haircuts per the specific stress scenario narrative, its regulatory prescribed assumptions, and/or the company assumptions based on the narrative and regulatory prescribed assumptions (e.g., fair market value haircuts and capacity indicators). Note: Any securities pledged as part of institutional funding agreements (e.g., FHLB) should be excluded and considered encumbered. However, any pre-pledged assets that are not securing credit that has been extended and remains outstanding (i.e., excess) should be considered unencumbered.

To the extent that stressed cash inflows are insufficient to meet the anticipated cash outflows, the insurer must provide for cash flows to meet the deficiency. Unless a stress scenario (or "What-if" modification of a stress scenario) indicates otherwise, the insurer can utilize internal and external funding sources (e.g., FHLB new draws) as well as asset sales to satisfy a liquidity deficiency. Any expected asset sales must be reported in the appropriate column(s) of the template. Insurers decide which categories of available assets to sell, as well as the quantity to sell. (Please refer to the Assets Template in Section 7.)

Asset sales will appear in two different places - 1) within the liquidity sources template for expected/planned activity during the time horizon (pre-liquidity deficiency calculation), and 2) in the assets template for any amount of asset sales used to meet a liquidity deficiency (Liquidity Sources less Liquidity Uses). If an insurer has no liquidity deficiency, then there are no asset sales needed in the Assets Template (though available assets still apply). Similarly, if cash on hand was sufficient to meet the liquidity deficiency and the insurer chose to utilize that cash, then no asset sales would be reported in the Assets template.

The expected asset sales amounts calculated based on the insurer's own models should also be subjected to portfolio manager and/or Chief Investment Officer (CIO) feedback. This feedback may take the form of "topside" adjustments to the expected asset sales. Regulators expect robust disclosures around the chief investment officer's (or equivalent title or designee) assumptions and decisions on expected asset sales. The intent is for these asset sales to most accurately represent what actions the insurer could reasonably take in the given scenario, market conditions, and the company's anticipated investment policy and/or strategy.

Section 7. Reporting

Insurers should submit data in the reporting template for liquidity sources, liquidity uses, and assets (available assets and expected asset sales) in U.S. dollars. These templates utilize categories for 30-day, 90-day and 1-year time horizons. The assets template further illustrates available assets and final expected asset sales by asset sub-category to cover any liquidity deficiency (negative amounts of net liquidity sources less liquidity uses over the prescribed time horizons). Use of these consistent sub-categories of assets is critical for allowing the Task Force to aggregate the asset sales results.

Liquidity Sources and Liquidity Uses Templates:

A liquidity sources report and a liquidity uses report should be generated for each legal entity within the group that was subjected to liquidity stress testing, using the NAIC templates. These legal entity amounts should also be aggregated into a group liquidity sources report and a group liquidity uses report for submission (the LST is not performed at the group level; rather it is performed at the legal entity level and those results are aggregated to present a group level report).

- For the Baseline, the Adverse Liquidity stress scenario, and the Interest Rate Spike stress scenario, Liquidity Sources and Liquidity Uses templates at both the individual entity level and the aggregated group level are to be submitted.
- For the "What If" Variation of the Adverse Liquidity stress scenario, a group level Liquidity Sources template and/or a group level Liquidity Uses template is only required if there is a material difference from the Adverse Liquidity stress scenario's group level Liquidity Sources and Liquidity Uses templates.

Assets Template:

As with the Liquidity Uses and Liquidity Sources templates, the Assets template is to be generated for each legal entity performing the LST. For the 2023 LST, the insurer may submit the assets template at the group level only, without submission of the legal entity asset sales templates.

- A group level assets template is required for the Baseline and all stress scenarios, including the "What If" variation of the Adverse Liquidity stress scenario.

Modification of Templates:

Insurers are allowed to add lines to the templates to provide more detailed breakdown of existing categories (e.g., for cash flows to/from legal entity asset manager/mutual funds as well as banks), but deletions of existing lines/categories are highly discouraged.

Submission Deadline:

The reporting templates and many other narrative disclosures referenced in this document are to be submitted to the Lead State by June 30 of every year.

Section 8. Templates

8.1 Liquidity Sources Template

			Group Summary			Legal Entity 1		
Cash Flow	CF Type	CF Category	1 Month	3 Month	12 Month	1 Month	3 Month	12 Month
Sources	Operating	Premiums and Deposits (Renewal / New Business)	-	-	-	-	-	-
		Cash Charges / Fees	-	-	-	-	-	-
		Reinsurance Recoverables	-	-	-	-	-	-
		Expenses – Intercompany Settlements	-	-	-	-	-	-
		Tax Payments (Inflows)	-	-	-	-	-	-
		Other Flows	-	-	-	-	-	-
			-	-	-	-	-	-
	Investment and Derivatives	Principal and Interest	-	-	-	-	-	-
		Dividends / Distributions	-	-	-	-	-	-
		Initial and Variation Margin Received	-	-	-	-	-	-
		Other Collateral Received	-	-	-	-	-	-
		Asset Sales (Pending Settlement)	-	-	-	-	-	-
		Other Flows	-	-	-	-	-	-
			-	-	-	-	-	-
	Capital	Capital Contributions	-	-	-	-	-	-
		Commitments	-	-	-	-	-	-
		Dividends from Subsidiaries	-	-	-	-	-	-
		Other Flows	-	-	-	-	-	-
			-	-	-	-	-	-
	Funding	Debt Issuance / Refinancing	-	-	-	-	-	-
		GICs	-	-	-	-	-	-
		FHLB	-	-	-	-	-	-
		Repo / Securities Lending	-	-	-	-	-	-
		Credit Facilities (Incl. Contingency Funding Facilities)	-	-	-	-	-	-
		Intercompany Loans	-	-	-	-	-	-
		Commercial Paper	-	-	-	-	-	-
		Other Flows	-	-	-	-	-	-
		Total Sources (before Asset Sales)	-	-	-	-	-	-

Note 1: Certain flows could be settled in securities (e.g., margins on derivatives, capital contributions/dividends, etc.). See the more specific Security Collateral guidance within the Excel templates.

Note 2: Asset Sales (pending settlement) should include trades executed prior to the reporting date with a known settlement date after the reporting date (for example 12/30 trade date and 01/03 settle date).

Note 3: Asset Commitments should include anticipated cash flows related to settlement of a future obligation to a counterparty to the extent, and in the amount, appropriate for the specific stress scenario and economic assumptions. Examples could include capital calls for alternative investments, mortgage loan fundings, etc., and should include each company's best estimate as to what they would expect to fund under each scenario. If these commitments have been explicitly prefunded/collateralized by highly liquid assets, asset commitments should be reported on a net basis, including proceeds from the sale of the highly liquid assets in an amount consistent with the specific stress scenario and economic assumptions. This line item may include some percentage amount of commitments to fund private placement revolvers consistent with the specific stress scenario and economic assumptions, but revolvers and lines of credit themselves should be captured in the credit facilities line in the Sources Funding section.

8.2 Liquidity Uses Template

			Group Summary			Legal Entity 1		
Cash Flow	CF Type	CF Category	1 Month	3 Month	12 Month	1 Month	3 Month	12 Month
Uses	Operating	Non-Elective Benefits / Claims	-	-	-	-	-	-
		Elective Benefits / Claims	-	-	-	-	-	-
		Commissions	-	-	-	-	-	-
		Reinsurance Payables	-	-	-	-	-	-
		Expenses - Other	-	-	-	-	-	-
		Expenses - Intercompany Settlements	-	-	-	-	-	-
		Insurance Product Commitments	-	-	-	-	-	-
		Tax Payments (Outflows)	-	-	-	-	-	-
		Other Flows	-	-	-	-	-	-
			-	-	-	-	-	-
	Investment and Derivatives	Asset Commitments	-	-	-	-	-	-
		Initial and Variation Margin Paid	-	-	-	-	-	-
		Other Collateral Pledged	-	-	-	-	-	-
		Asset Purchases (Pending Settlement)	-	-	-	-	-	-
		Other Flows	-	-	-	-	-	-
			-	-	-	-	-	-
	Capital	Shareholder/Policyholder Dividends	-	-	-	-	-	-
		Capital Contributions to Subsidiaries	-	-	-	-	-	-
		Dividends to Parent	-	-	-	-	-	-
		Other Flows	-	-	-	-	-	-
			-	-	-	-	-	-
	Funding	Debt Maturities / Debt Servicing	-	-	-	-	-	-
		GICs Benefits / Maturities	-	-	-	-	-	-
		FHLB	-	-	-	-	-	-
		Repo / Securities Lending	-	-	-	-	-	-
		Credit Facilities (Incl. Contingency Funding Facilities)	-	-	-	-	-	-
		Intercompany Loans	-	-	-	-	-	-
		Other Flows	-	-	-	-	-	-
			-	-	-	-	-	-
		Total Uses	-	-	-	-	-	-

Note 1: Certain flows could be settled in securities (e.g., margins on derivatives, capital contributions/dividends, etc.). See the more specific Security Collateral guidance within the Excel templates.

Note 2: Asset Purchases (pending settlement) should include trades executed prior to the reporting date with a known settlement date after the reporting date (for example 12/30 trade date and 01/03 settle date).

Note 3: Asset Commitments should include anticipated cash flows related to settlement of a future obligation to a counterparty to the extent, and in the amount, appropriate for the specific stress scenario and economic assumptions. Examples could include capital calls for alternative investments, mortgage loan fundings, etc., and should include each company's best estimate as to what they would expect to fund under each scenario. If these commitments have been explicitly prefunded/collateralized by highly liquid assets, asset commitments should be reported on a net basis, including proceeds from the sale of the highly liquid assets in an amount consistent with the specific stress scenario and economic assumptions. This line item may include some percentage amount of commitments to fund private placement revolvers consistent with the specific stress scenario and economic assumptions, but revolvers and lines of credit themselves should be captured in the credit facilities line in the Sources Funding section.

8.3 Assets Template

Cash and Invested Assets Available for Sale

		Group Summary		
Asset Category	**Asset Sub-Category**	**1 Month**	**3 Month**	**12 Month**
Cash	Cash & Cash Equivalents	-	-	-
Government Securities	Treasury Bonds	-	-	-
	Agency Bonds	-	-	-
	Other IG Sovereigns & Regional Government	-	-	-
	Below IG Sovereigns & Regional Government	-	-	-
	Agency CMO	-	-	-
	Agency MBS	-	-	-
	Agency CMBS	-	-	-
	Agency ABS	-	-	-
Public Bonds	IG Public Corporate Bonds	-	-	-
	IG Municipal Bonds	-	-	-
	Below IG Public Corporate Bonds	-	-	-
	Below IG Municipal Bonds	-	-	-
Private Bonds	IG Private Placement Bonds	-	-	-
	IG 144As	-	-	-
	Below IG Private Placement Bonds	-	-	-
	Below IG 144As	-	-	-
Non-Agency Structured Debt	IG CMO	-	-	-
	IG MBS	-	-	-
	IG CMBS	-	-	-
	IG ABS	-	-	-
	IG CLO	-	-	-
	Below IG CMO	-	-	-
	Below IG MBS	-	-	-
	Below IG CMBS	-	-	-
	Below IG ABS	-	-	-
	Below IG CLO	-	-	-
Equity	Common Stock	-	-	-
	Preferred Stock	-	-	-
	Other Equity and Alternative Investments	-	-	-
Other	Commercial, Residential, Agricultural, Bank and Other Loans	-	-	-
	Other	-	-	-
	Total Invested Assets Available for Sale	**-**	**-**	**-**

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Scenario	
As of Date	

Summary	Group Summary			Legal Entity 1		
	1 Month	3 Month	12 Month	1 Month	3 Month	12 Month
Total Sources (before Asset Sales)	-	-	-	-	-	-
Total Uses	-	-	-	-	-	-
Net Sources & Uses (Deficit before Asset Sales)	-	-	-	-	-	-
Total Invested Assets Available for Sale	-	-	-	-	-	-
Cash applied to deficit	-	-	-	-	-	-
Deficit Sub-total	-	-	-	-	-	-
Total Assets Sold	-	-	-	-	-	-
Deficit satisfied if zero or greater	-	-	-	-	-	-

Final Expected Asset Sales After Adjustments

Asset Category	Asset Sub-Category	Group Summary 1 Month	3 Month	12 Month
Cash	Cash & Cash Equivalents	-	-	-
Government Securities	Treasury Bonds	-	-	-
	Agency Bonds	-	-	-
	Other IG Sovereigns & Regional Government	-	-	-
	Below IG Sovereigns & Regional Government	-	-	-
	Agency CMO	-	-	-
	Agency MBS	-	-	-
	Agency CMBS	-	-	-
	Agency ABS	-	-	-
Public Bonds	IG Public Corporate Bonds	-	-	-
	IG Municipal Bonds	-	-	-
	Below IG Public Corporate Bonds	-	-	-
	Below IG Municipal Bonds	-	-	-
Private Bonds	IG Private Placement Bonds	-	-	-
	IG 144As	-	-	-
	Below IG Private Placement Bonds	-	-	-
	Below IG 144As	-	-	-
Non-Agency Structured Debt	IG CMO	-	-	-
	IG MBS	-	-	-
	IG CMBS	-	-	-
	IG ABS	-	-	-
	IG CLO	-	-	-
	Below IG CMO	-	-	-
	Below IG MBS	-	-	-
	Below IG CMBS	-	-	-
	Below IG ABS	-	-	-
	Below IG CLO	-	-	-
Equity	Common Stock	-	-	-
	Preferred Stock	-	-	-
	Other Equity and Alternative Investments	-	-	-
Other	Commercial, Residential, Agricultural, Bank and Other Loans	-	-	-
	Other	-	-	-
	Total Invested Assets Final Sale	-	-	-

Note 1: Insurers will enter "Illiquid" in a data field for any asset category deemed such within a specific time horizon. (Regulators can then follow up with questions later if there are concerns, etc.)

Note 2: Any securities pledged as part of institutional funding agreements (e.g., FHLB) should be excluded and considered encumbered. However, any pre-pledged assets that are not securing credit that has been extended and remains outstanding (i.e., excess) should be considered unencumbered.

Note 3: Reminder that regulators want robust disclosures regarding the chief investment officer's (or equivalent title or designee) assumptions and decisions on expected asset sales. Might need to supplement the template comments with additional narrative disclosures.

Note 4: Excluding the "What If" variation, insurers are to provide disclosures indicating when affiliated amounts are provided to assist a legal entity in addressing a liquidity deficiency.

Narrative/Explanatory Disclosures noted in the 2023 LST

Narrative/explanatory disclosures are expected to be in English.

- Insurers should provide a narrative description of their internal liquidity stress testing system and processes, including for example their materiality thresholds for stressed cash flows and methodology for converting foreign currencies to U.S. dollars.
- Specific disclosures on material stressed cash flows to/from legal entity banks/asset managers/mutual funds if needed.
- Company-specific narrative on assumptions and metrics used for the adverse liquidity stress scenario for insurers, for example the inability to roll or issue new debt, potential increases in lapse rates, new business sensitivity, mortality experience and policyholder behavior (e.g., surrenders and policy loans).
- Company-specific narrative on the interest rate shock scenario, assumptions around general economic conditions bulleted in 5.2.1 Narrative, and specific metrics for economic variables for each time horizon. The economic variables in the table in 5.2.2 Regulator-Prescribed Assumptions should be fully described in the narrative, to the extent they are use in the company's internal model.
- Insurers should provide a comprehensive narrative describing their worst-case liquidity stress scenario(s) and the economic environment(s), including assumptions, key metrics and results.
- Written narrative on the insurer's own individual methodology for determining asset sales under stress.
- Robust disclosures regarding the chief investment officer's (or equivalent title or designee) assumptions and decisions on expected asset sales, if needed.
- Excluding the "What If" variation, disclosures to identify when affiliated amounts are contributed to assist a legal entity in addressing a liquidity deficiency.
- Disclose when a regulatory prescribed variable is not used for the LST because it is not used in the internal liquidity stress testing process or models.

[End of 2023 Liquidity Stress Testing Framework – to be included as an appendix in the NAIC Financial Analysis Handbook]

Data Aggregation

Given the NAIC's primary focus is on macroprudential impacts of a liquidity stress impacting the life insurance sector, the NAIC will aggregate final expected asset sales data across the insurance groups subject to the liquidity stress test. The aggregation will be done by asset category. The NAIC aims to compare the aggregated results against various benchmarks, potentially including normal and/or stressed trading volumes and asset values for various asset classes, to determine the impact such sales may have on the capital markets in times of stress. Findings from this analysis may also inform expected asset sale assumptions utilized in future runs of the liquidity stress test.

As part of its macroprudential surveillance, the insurance regulators and/or NAIC may reach out to other regulatory agencies to discuss aggregate results that may impact other regulated industries such as banks, securities brokers, and asset managers. Insurance regulators may also coordinate with other agencies to identify appropriate and perhaps coordinated action they may take to prevent or minimize the effect large asset sales may have on the financial markets and overall economy.

Regulatory Authority

For the 2020 through 2022 liquidity stress tests, lead state regulators utilized their examination authority to collect the reporting results from insurers and to keep the data confidential. A long-term solution was developed at the Financial Stability (EX) Task Force in coordination with addressing similar issues related to the Group Capital Calculation project, resulting in revisions to Model #440. However, it will take several years for states to adopt these revisions. As a result, some regulators will utilize their examination authority for the 2023 LST as well, while others may rely upon adopted revisions to their Holding Company Act.

Confidentiality

For the 2020 through 2022 liquidity stress tests, lead state regulators utilized their examination authority to collect the reporting results from insurers identified by the scope criteria. Existing protocols for collecting confidential/sensitive data for each state and insurer were utilized. A long-term solution was developed at the Financial Stability (EX) Task Force in coordination with addressing similar issues related to the Group Capital Calculation project, resulting in revisions to Model #440. However, it will take several years for states to adopt these revisions. As a result, some regulators will utilize their examination authority for the 2023 LST as well, while others may rely upon adopted revisions to their Holding Company Act.

Timeline

- December 2023 – Adopt the 2023 LST Framework.
- Regulators agreed to make no substantive changes for the 2023 LST Framework, including the Scope Criteria. Minor template revisions and Annex updates to the 2023 LST Framework document need to be finalized early in 2024 as Lead State Guidance to allow insurers adequate time to generate the 2023 LST filings in time for the June 30, 2024, filing deadline; ideally by the end of January 2024.
- June 2024 – Incorporate all appropriate Lead State Guidance into the 2023 LST Framework document as the starting place for the 2024 LST Framework and begin work on changes specific to the 2024 LST.

Annex 1: Original Scope Criteria with Annual Statement References

The Subgroup proposes to include in the scope of the Liquidity Stress Testing Framework any insurer/group that exceeds the following thresholds for any of the noted activities (or account balance as a proxy for that activity). The thresholds have been established taking into consideration both the account balance of the insurer/group to the total balance for the life insurance sector, as well as the aggregate account balance of insurers/groups within scope to the aggregate account balance for the life insurance sector.

Account Balances	Threshold in $B "greater than"	Reference to 2022 NAIC life/accident and health (A&H) annual financial statement blank
Fixed and Indexed Annuities	25	**Analysis of Increase in Annuity Reserves** Page: Analysis of Increase in Reserves Line: Reserves December 31, current year (15) Column: Sum of Individual Fixed Annuities, Individual Indexed Annuities, Group Fixed Annuities, and Group Indexed Annuities
Funding Agreements and GICs	10	**Deposit-Type Contracts** Page: Exhibit 7 – Deposit-Type Contracts Line: 9 Column: Guaranteed Investment Contracts (Column 2) + Column: Premium and Other Deposit Funds (Column 6) IF the amount of FHLB Funding Reserves from Note 11.B(4)(b) suggests funding agreements are not reported in Column 2 of Exhibit 7 + Synthetic GICS Page: Exhibit 5 – Interrogatories Line: 7.1
Derivatives–Notional Value (absolute value)	75	**Derivatives – Notional Value (absolute value)** Pages: Schedule DB, Part A; Schedule DB, Part B, Section 1 Column: Notional Value (sum all)
Securities Lending	2	**Securities Lending Collateral Assets** Pages: Schedule DL, Part 1; Schedule DL, Part 2 Line: Total (9999999) Column: Fair Value
Repurchase Agreements	1	**Repurchase Agreements** Page: Notes to Financial Statement Investments Restricted Assets Line: Sum of 05L1C, 05L1D, 05L1E, 05L1F Column: Total (General Account Plus Separate Account)

Borrowed Money (includes commercial papers, letters of credit, etc.)	1	**Borrowed Money** Page: Liabilities Line: Borrowed Money (22) Column: Current Year

[i] In performing the addition of the FHLB funding agreement amount to the GICs amount, NAIC staff discovered that the reporting of FHLB funding agreements is not consistent in Exhibit 7, Deposit-Type Contracts. The source of the FHLB amount is Note 11.B(4)(b):

Line: Funding agreements, current year, amount as of the reporting date, borrowing from FHLB, collateral

pledged to FHLB Column: Funding Agreement Reserves Established

For some insurers, we were able to match amounts from the FHLB funding agreement footnote to the exact same amount in Exhibit 7, either Column 2 (GICs) or Column 6 (Premiums and Other Deposit Funds). For those insurers where the FHLB amount matched Exhibit 7, Column 2, we did not add the FHLB funding agreement amount to the GICs amount, because that would be double-counting the FHLB funding agreements. For other insurers, even though the amounts did not match exactly, we were able to assume the FHLB funding agreements were reported in either Column 2 or Column 6 (e.g., the amount in Exhibit 7, Column 2 was zero or much smaller than the FHLB note, while the Column 6 amount was larger). However, for several insurers, we were not able to make an informed assumption (e.g., both Column 2 and Column 6 amounts were larger than the FHLB funding agreement amount). To be conservative in these instances, we added the FHLB funding agreement amount to the GICs amount. Overall, for the $10 billion threshold, adding FHLB funding agreements to GICs does not result in a different list of insurance groups from the list with GICs of more than $10 billion.

Annex 2: Regulatory Prescribed Assumptions

Annex 2i. Economic and Market Variables

A. Fed reference Table A.5 Adverse Scenario

2017 CCAR Adverse Scenario

Date	Real GDP growth	Nominal GDP growth	Real dispo-sable income growth	Nominal dispo-sable income growth	Unem-ployment rate	CPI inflation rate	3-month Treasury rate	5-year Treasury yield	10-year Treasury yield	BBB corporate yield	Mortgage rate	Prime rate	Level			
													Dow Jones Total Stock Market Index	House Price Index	Com-mercial Real Estate Price Index	Market Volatility Index
Q1 2017	-1.5	0.9	0.7	2.4	5.2	1.8	0.1	1.7	2.3	5.6	4.7	3.3	15,960	181	291	37.1
Q2 2017	-2.8	-0.7	-0.6	1.1	5.8	1.8	0.1	1.8	2.4	5.9	4.9	3.3	15,042	179	283	32.7
Q3 2017	-2.0	0.0	-0.5	1.1	6.3	1.8	0.1	1.8	2.5	6.1	5.1	3.3	14,290	176	275	34.4
Q4 2017	-1.5	0.5	-0.5	1.2	6.8	1.8	0.1	1.9	2.5	6.2	5.2	3.2	13,982	173	267	32.0
Q1 2018	-0.5	1.4	0.2	1.9	7.1	1.8	0.1	1.9	2.6	6.0	5.2	3.2	14,367	170	259	28.5
Q2 2018	1.0	3.0	0.6	2.4	7.3	2.0	0.1	1.9	2.7	5.8	5.2	3.2	15,001	166	254	25.8
Q3 2018	1.4	3.3	1.0	2.7	7.4	2.0	0.1	2.0	2.7	5.6	5.1	3.2	15,693	163	250	23.6
Q4 2018	2.6	4.4	1.5	3.4	7.3	2.1	0.1	2.0	2.7	5.4	5.1	3.2	16,603	161	249	21.6
Q1 2019	2.6	4.3	1.6	3.5	7.2	2.1	0.1	2.0	2.7	5.2	5.0	3.2	17,519	161	249	20.1
Q2 2019	3.0	4.6	2.1	3.8	7.1	2.0	0.1	2.0	2.7	5.0	4.9	3.2	18,514	161	251	18.7
Q3 2019	3.0	4.5	2.2	3.8	7.0	2.0	0.1	2.0	2.7	4.8	4.8	3.2	19,243	162	255	18.2
Q4 2019	3.0	4.5	2.1	3.8	6.9	1.9	0.1	2.0	2.7	4.7	4.8	3.2	20,025	163	259	17.6
Q1 2020	3.0	4.5	2.0	3.5	6.8	1.8	0.1	2.0	2.7	4.5	4.7	3.2	20,867	164	262	17.3

"Adverse Scenario":
BBB corporate yield spread is 3.7% at its peak in Q4:2017 when financial conditions are generally at their most acute

Narrative: "The U.S. economy experiences a moderate recession. Real GDP falls slightly more than 2 percent from the pre-recession peak , while the unemployment rate rises steadily, peaking at about 7¼ percent in the third quarter of 2018. The U.S. recession is accompanied by an initial fall in inflation through the third quarter of 2017, with the rate of increase in consumer prices then rising steadily and reaching 2 percent by the middle of 2018. Reflecting weak economic conditions, short-term interest rates in the United States fall and remain near zero for the rest of the scenario period. With the increase in term premiums, 10-year Treasury yields gradually rise to a little less than 2¾ percent by the second half of 2018. Financial conditions tighten for corporations and households during the recession. Spreads between investment-grade corporate bond yields and 10-year Treasury yields widen to about 3¾ percentage points by the end of 2017, while spreads between mortgage rates and 10-year Treasury yields widen to about 2½ percentage points over the same period. Asset prices decline in the adverse scenario accompanied by a rise in equity market volatility. Aggregate house prices and commercial real estate prices experience less sizable but more sustained declines compared to equity prices; house prices fall 12 percent through the first quarter of 2019 and commercial real estate prices fall 15 percent through the fourth quarter of 2018. Following the recession in the United States, real activity picks up slowly at first and then gains momentum; growth in real U.S. GDP accelerates from an increase of 1 percent at an annual rate in the second quarter of 2018 to an increase of 3 percent at an annual rate by the middle of 2019. The unemployment rate declines modestly."

Source: Federal Reserve

Source: 2017 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule https://www.federalreserve.gov/publications/2017-june-dodd-frank-act-stress-test-appendix- a-supervisory-scenarios.htm

B. Economic Variables-data deltas to apply to current levels (Including Structured)

	Inputs to Use		
	Adverse: 1 Mo	Adverse: 3 Mo	Adverse: 12 mo
Real GDP Growth	-1.5	-1.5	-1.5
Nominal GDP Growth	0.9	0.9	0.5
Real Disposable Income Growth	0.7	0.7	-0.5
Nominal Disposable Income Growth	2.4	2.4	1.2

- Use 3 month value for 1 month horizon since CCAR does not prescribe monthly values.

	Deltas to Apply		
	Adverse: 1 Mo	Adverse: 3 Mo	Adverse: 12 mo
Unemployment	0.2	0.5	2.1
CPI Inflation Rate	-0.5	-1.6	-1.6
3M Treasury	-1.0	-3.0	-3.0
3Y Treasury	-0.1	-0.2	0.2
5Y Treasury	0.0	0.0	0.2
7Y Treasury	0.0	0.1	0.5
10Y Treasury	0.1	0.2	0.5
BBB Corporate Yield	0.7	2.2	3.1
Agency MBS 10 Year Yield	0.2	0.6	2.2
Non-Agency MBS 10 Year AA Yield	0.7	2.2	8.4
CMBS 10 Year AA Yield	0.7	2.0	7.8
CLO/CDO 5.5-7 Year AA Yield	0.5	1.4	5.7
ABS -Cards 5 Year AAA Yield	0.3	0.9	4.1
ABS-Auto Near prime 3 year AAA Yield	0.4	1.1	5.1
Mortgage Rate	0.5	1.4	2.2
Prime Rate	-0.1	-0.4	-0.6
Dow Jones	-10.5%	-31.4%	-39.9%
House Price Index	-0.4%	-1.1%	-5.5%
Commercial Real Estate Price Index	-0.3%	-1.0%	-9.2%
VIX	4.9	14.6	9.5

- 1 month delta is 1/3 of 3 month value

C. 2017 CCAR Economic variable delta calculations

2017 CCAR

Annex 2iii, A

Spreads (%) 2016:Q4 Averages*			12/31/2016	Adverse: Q1	Adverse: Q4	3-Month Spreads over horizon (in %)*	12-Month Spreads over horizon (in %)*
	1	Real GDP Growth	3.1	-1.5	-1.5		
	2	Nominal GDP Growth	6.1	0.9	0.5		
	3	Real Disposable Income Growth	1.6	0.7	-0.5		
	4	Nominal Disposable Income Growth	4.5	2.4	1.2		
	5	Unemployment	4.7	5.2	6.8		
	6	CPI Inflation Rate	3.4	1.8	1.8		
	7	3M Treasury	0.4	0.1	0.1		
	8	3Y Treasury	1.3	1.2	1.3		
	9	5Y Treasury	1.7	1.7	1.9		
	10	7Y Treasury	2.0	2.0	2.2		
	11	10Y Treasury	2.2	2.3	2.5		
	12	BBB Corporate Yield	4.1	5.6	6.2		
0.71	13	Agency MBS 10 Year Yield	2.9	3.2	4.1	0.92	1.56
1.27	14	Non-Agency MBS 10 Year AA Yield	3.5	4.5	7.6	2.23	5.10
1.37	15	CMBS 10 Year AA Yield	3.6	4.7	7.8	2.35	5.29
1.87	16	CLO/CDO AA 5.5-7 Year AA Yield	3.8	4.7	7.2	2.65	5.00
0.45	16	ABS -Cards 5 Year AAA Yield	2.1	2.5	3.9	0.85	2.04
0.44	18	ABS-Auto Near prime 3 year AAA Yield	1.7	2.0	3.4	0.85	2.07
	19	Mortgage Rates	3.9	4.7	5.2		
	20	Prime Rate	3.5	3.3	3.2		
	21	Dow Jones	$23,277.0	$15,960.0	$13,982.0		
	22	House Price Index	183.0	181.0	173.0		
	23	Commercial Real Estate Price Index	294.0	291.0	267.0		
	24	VIX	22.5	37.1	32.0		

*Quarterly averages; Spread to treasuries

*Spread to treasuries

Annex 2ii. Market Capacity Assumption

Illustrative Example only

Step 1: Estimate Unconstrained Sales Per Day

Insurer A has a $100 billion portfolio of investment-grade corporate bonds, priced at par. Insurer A estimates that it holds approximately 5% of outstanding corporate bonds. In the adverse liquidity stress scenario, Insurer A's unconstrained liquidity stress testing model assumes that it can sell:

Time Horizon	% Able to Be Sold	Sale Price	Total Sale	Sales / Day
First 30 Days	10%	97	$9.7 B	$440 M
31-90 Days	20%	94	$18.8 B	$430 M
91-365 Days	50%	90	$45.0 B	$230 M

Step 2: Add Market Capacity Constraint

Assume the average daily trading volume in the secondary market for investment grade corporate bonds has been $13.0 Billion over the past year. Insurer A estimates that trading volumes would decline by 40% in the adverse liquidity stress scenario to $8.0 B per day.

Since Insurer A is 5% of the market, Insurer A can only trade $400 M per day ($8B x 5%) without paying a significant illiquidity premium and impacting the overall market.

Insurer A then repeats this process for every asset class in its investment portfolio.

Time Horizon	Unconstrained Sales / Day	Market Capacity Assumption	Impact
First 30 Days	$440 M	$400 M	($40 M)
31-90 Days	$430 M	$400 M	($30 M)
91-365 Days	$230 M	$400 M	$0

Annex 2iii, A. Year-end Structured Spread Baseline Values

	Q4 2016 Baseline Spreads (%)	Q4 2022 Spreads (%) Averages*
Agency MBS 10 Year Yield	0.71	1.629
Non-Agency MBS 10 Year AA Yield	1.27	3.186
CMBS 10 Year AA Yield	1.37	2.665
CLO/CDO 5.5-7 Year AA Yield	1.87	2.602
ABS -Cards 5 Year AAA Yield	0.45	0.760
ABS-Auto Near prime 3 Year AAA Yield	0.44	0.900

*Quarterly averages;

Spread to treasuries

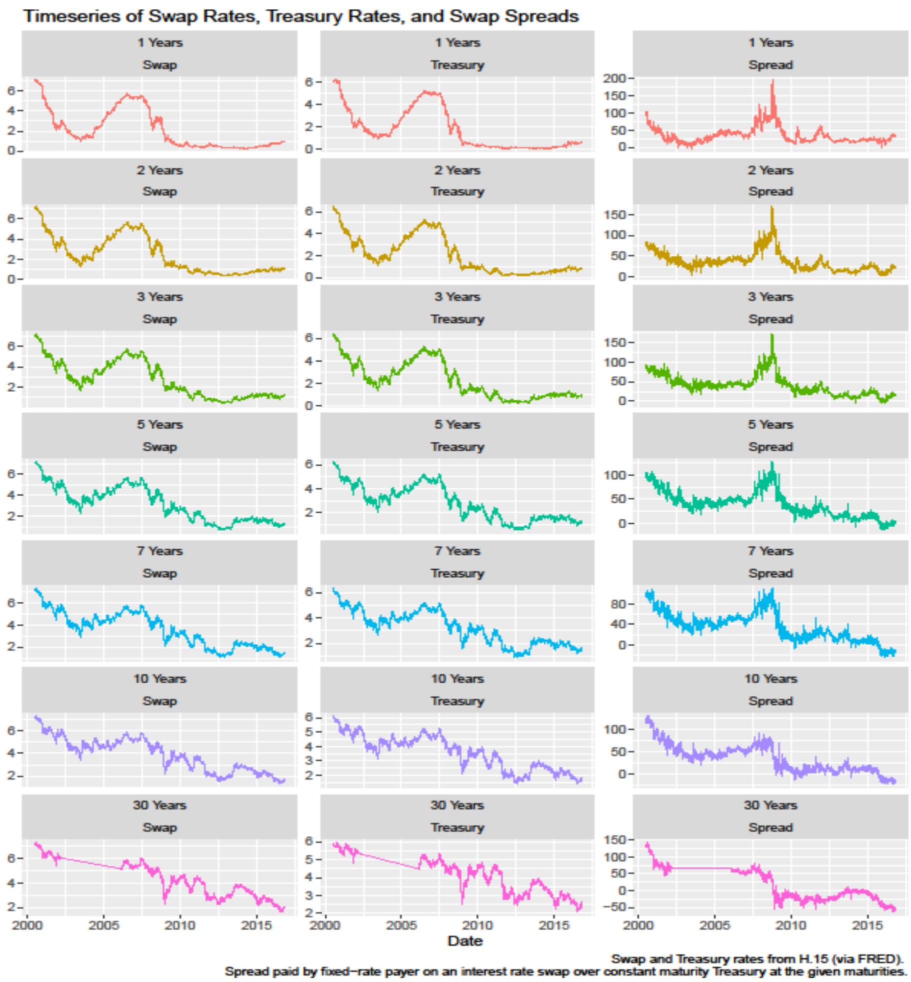
Commented [ST5]: To be updated as Lead State Guidance in early 2024.

Annex 2iv. SWAP Spread Table

Swap Spreads [1,2]						
Maturity	Baseline	1 Mo.	3 Mo.	6 Mo.	9 Mo.	12 Mo.
3 Mo.	X	X	X	X	X	X
5 Yr	X	X	X	X	X	X
10 Yr	X	X	X	X	X	X
20 Yr	X	X	X	X	X	X
30 Yr	X	X	X	X	X	X

1 - (Nominal) Swap Spreads (in BPS)

2 - IR Par Swap Spreads for USD, EUR, JPY, GBP, AUD and CAD



Source: Federal Reserve

Annex 2v. Implied Volatility of IR Swaptions

Implied Volatility		
Implied Normal Volatility of IR Swaption by Tenor and Expiry		
Time Horizon 0		
Tenor/Expiry	**3Y**	**7Y**
3 Mo.	X	X
3Y	X	X
5Y	X	X
7Y	X	X
10Y	X	X

Annex 2vi. Credit Assumptions: Moody's Transition Matrix/Migration Rates

Exhibit 36. Average one-year alphanumeric rating migration rates, 1983-2021 Back to Table of Contents

Source: Moody's Investors Service

From\To	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca-C	WR	Def
Aaa	87.2%	5.3%	2.2%	0.5%	0.3%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.0%
Aa1	1.6%	77.0%	7.8%	5.6%	1.4%	1.0%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.1%	0.0%
Aa2	1.0%	4.2%	74.3%	9.9%	3.3%	1.6%	0.4%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	0.0%
Aa3	0.1%	1.0%	4.0%	75.8%	8.8%	3.4%	0.8%	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.3%	0.0%
A1	0.0%	0.1%	1.0%	5.2%	76.8%	7.5%	2.5%	0.6%	0.4%	0.2%	0.2%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	0.1%
A2	0.0%	0.0%	0.2%	1.0%	5.7%	77.0%	7.2%	2.4%	0.9%	0.3%	0.2%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.5%	0.0%
A3	0.0%	0.0%	0.1%	0.3%	1.4%	6.1%	76.2%	6.7%	2.5%	0.8%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	0.1%
Baa1	0.0%	0.0%	0.1%	0.1%	0.2%	1.4%	6.3%	76.8%	6.6%	2.1%	0.5%	0.3%	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	4.8%	0.1%
Baa2	0.0%	0.0%	0.0%	0.1%	0.2%	0.5%	1.8%	6.5%	76.6%	6.2%	1.2%	0.6%	0.4%	0.3%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	5.1%	0.1%
Baa3	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.4%	1.7%	8.7%	73.6%	4.7%	2.0%	0.9%	0.7%	0.2%	0.2%	0.1%	0.1%	0.1%	0.0%	6.0%	0.2%
Ba1	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.6%	2.3%	10.1%	65.4%	5.6%	4.0%	1.5%	0.6%	0.5%	0.1%	0.2%	0.0%	0.1%	7.8%	0.4%
Ba2	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.3%	0.6%	3.6%	8.1%	64.6%	6.4%	3.7%	1.3%	0.9%	0.3%	0.2%	0.1%	0.1%	8.7%	0.6%
Ba3	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%	0.1%	0.4%	0.8%	2.8%	6.9%	64.6%	7.0%	3.1%	1.9%	0.7%	0.4%	0.1%	0.1%	9.6%	1.2%
B1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.4%	0.6%	2.8%	6.8%	63.6%	6.4%	4.4%	1.4%	0.7%	0.2%	0.2%	10.3%	1.8%
B2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.2%	0.6%	2.1%	7.4%	62.3%	8.0%	3.5%	1.9%	0.4%	0.5%	9.6%	2.7%
B3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%	0.2%	0.8%	2.5%	6.2%	60.6%	7.5%	3.3%	1.0%	0.8%	12.3%	4.2%
Caa1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.5%	1.2%	7.4%	59.0%	9.5%	2.8%	1.2%	13.9%	4.0%
Caa2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.3%	0.7%	1.9%	6.6%	58.2%	6.4%	2.9%	15.1%	7.6%
Caa3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.9%	2.9%	9.4%	45.7%	9.0%	14.4%	17.3%
Ca-C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.3%	1.6%	1.7%	3.2%	5.3%	37.1%	20.1%	30.0%

Source: Moody's

Commented [ST6]: To be updated as Lead State Guidance in early 2024.

Annex 2vii. Credit Assumptions: Moody's Default Table

Exhibit 41. Average cumulative issuer-weighted global default rates by letter rating, 1983-2021 Back to Table of Contents
Source: Moody's Investors Service

Rating\Horizon	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Aaa	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Aa	0.0%	0.1%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.7%	1.8%
A	0.1%	0.2%	0.3%	0.5%	0.7%	1.0%	1.2%	1.5%	1.7%	2.0%	2.2%	2.5%	2.7%	3.0%	3.3%	3.6%	3.9%	4.3%	4.6%	4.9%
Baa	0.1%	0.4%	0.7%	1.0%	1.3%	1.7%	2.1%	2.4%	2.8%	3.2%	3.6%	4.0%	4.5%	5.0%	5.5%	6.0%	6.4%	6.8%	7.2%	7.5%
Ba	0.8%	2.3%	4.0%	5.9%	7.5%	9.1%	10.5%	11.8%	13.1%	14.4%	15.6%	16.8%	17.9%	19.0%	20.1%	21.1%	22.1%	23.0%	23.9%	24.5%
B	3.1%	7.6%	12.2%	16.4%	20.2%	23.5%	26.5%	29.0%	31.4%	33.4%	35.1%	36.7%	38.4%	40.0%	41.5%	42.9%	44.1%	45.4%	46.5%	47.8%
Caa-C	9.3%	16.7%	23.1%	28.6%	33.4%	37.5%	40.8%	43.8%	46.6%	49.0%	50.9%	52.1%	53.2%	53.9%	54.6%	55.4%	56.1%	56.7%	57.5%	58.2%
IG	0.1%	0.2%	0.4%	0.6%	0.8%	1.1%	1.3%	1.6%	1.8%	2.1%	2.3%	2.6%	2.8%	3.1%	3.4%	3.7%	3.9%	4.2%	4.5%	4.8%
SG	4.1%	8.3%	12.3%	15.9%	19.0%	21.7%	24.0%	26.0%	27.9%	29.5%	30.9%	32.2%	33.5%	34.7%	35.8%	36.9%	37.9%	38.8%	39.8%	40.6%
All	1.7%	3.3%	4.8%	6.1%	7.2%	8.1%	8.9%	9.6%	10.2%	10.8%	11.3%	11.7%	12.2%	12.6%	13.1%	13.5%	13.9%	14.3%	14.6%	15.0%

Commented [ST7]: To be updated as Lead State Guidance in early 2024.

Annex 2viii. Credit Assumptions: Moody's Recovery Rate Table

Exhibit 8. Average debt recovery rates measured by ultimate recoveries, 1987-2021
Source: Moody's Investors Service

	Emergence year			Default year		
Priority position	2021	2020	1987-2021	2021	2020	1987-2021
Revolvers	98.4%	79.1%	86.3%	100.0%	83.2%	86.3%
Term Loans	52.3%	50.4%	71.8%	57.7%	49.9%	71.8%
Senior Secured Bonds	65.6%	41.3%	61.5%	81.9%	48.6%	61.5%
Senior Unsecured	40.6%	64.9%	47.4%	26.5%	34.9%	47.4%
Subordinated Bonds	n.a.	0.9%	27.9%	n.a.	0.9%	27.9%

* In 2020, the recovery for the PG&E Corporation bankruptcy heavily skewed the average recovery for the senior unsecured bonds. Excluding PG&E resulted in an average recovery of 10.3%.

Commented [ST8]: To be updated as Lead State Guidance in early 2024.

Attachment 3

69O-197.005; Independent Professional Examiners

Rule Draft

Notice of Change

69O-197.005 Independent Professional Examiners

(1) The following are independent professional examiners who may conduct examinations pursuant to ~~under~~ section 626.8828(2), F.S.:

(1) through (7) renumbered (a) through (g) No change.

(2) The Office of Insurance Regulation ("Office") shall ensure that the person selected by the Office to perform the examination has no conflicts of interest which might affect that person's ability to independently perform that person's responsibilities for the examination. The contract entered into by the office with the person shall include a prohibition on conflicts of interest. A conflict of interest, as it relates to Pharmacy Benefit Manager examinations, occurs, but is not limited to occurrences, where the following actions or situations are identified:

(a) Because of other past, present, or future planned activities or relationships, a person is unable, or potentially unable, to advise or render impartial assistance to the Office; or

(b) The objectivity of such person in performing contract work for the Office is or might be otherwise impaired, or such person has or would have an unfair competitive advantage; or

(c) A factual situation indicates or suggests that an actual conflict of interest may exist or arise from award of a proposed contract or from continuation of an existing contract; or

(d) The person engages in work for other parties, including, but not limited to, entering into consulting or other contractual arrangements with other persons or entities, the result of which could give rise to the person's ability to perform the work being performed under the contract with the Office being compromised; or

(e) any other circumstance where the private interests of the person create an actual or potential conflict, or the appearance of a conflict, between that person's private interests and the faithful performance of the person's responsibilities for the examination.

(3) The person selected shall ensure that all its employees, management, subcontractors, and consultants abide by the provisions of the contract regarding conflicts of interest.

(4) The rates charged to the pharmacy benefit manager being examined pursuant to section 626.8828, F.S., are to be consistent with rates charged by other persons in a similar profession and comparable with the rates charged for comparable examinations. If the amount invoiced by the contracted examiners reaches seventy-five percent of the original estimated amount provided to the office, the examiners must verify whether the examination will be completed within the originally estimated contracted amount provided to the Office. If the contracted examiner anticipates exceeding the original estimated amount provided to the office, an explanation for the excess amount anticipated shall be provided to the Office. No action of an independent professional examiner or person shall create any contractual relationship between the Office and the professionals or subcontractors employed by the independent professional examiner or person. The independent professional examiner or person is solely responsible for payment of any professionals or subcontractors the independent professional examiner or person utilizes.

Rulemaking Authority 624.308(1), 626.8828(2), (7), 626.8991 FS. Law Implemented 626.8828 FS. History – New 12-19-23, Amended ______.

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES
OIR – Insurance Regulation
RULE NO.: RULE TITLE:
69O-197.005 Independent Examiners

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 51 No. 204, October 20, 2025, issue of the Florida Administrative Register.

69O-197.005 Independent Professional Examiners

(1) The following are independent professional examiners who may conduct examinations pursuant to ~~under~~ section 626.8828(2), F.S.:
(a) through (g) No change.
(2) The Office of Insurance Regulation ("Office") shall ensure that the person ~~firm~~ selected by the Office to perform the examination has no conflicts of interest which might affect that person's ~~its~~ ability to independently perform that person's ~~its~~ responsibilities for the examination. The contract entered into by the Office with the person shall include a prohibition on conflicts of interest. A conflict of interest, as it relates to Pharmacy Benefit Manager examinations, occurs, but is not limited to occurrences, where the following actions or situations are identified:
(a) Because of other past, present, or future planned activities or relationships, a person ~~firm~~ is unable, or potentially unable, to advise or render impartial assistance to the Office; or
(b) The objectivity of such person ~~firm~~ in performing contract work for the Office is or might be otherwise impaired, or such person ~~contractor~~ has or would have an unfair competitive advantage; or
(c) A factual situation indicates or suggests that an actual conflict of interest may exist or arise from award of a proposed contract or from continuation of an existing contract; or
(d) The person ~~firm~~ engages in work for other parties, including, but not limited to, entering into consulting or other contractual arrangements with other persons or entities, the result of which could give rise to the person's ability to perform the work being performed ~~a conflict of interest with respect to the work being performed~~ under the contract with the Office being compromised; or
(e) any other circumstance where the private interests of the person ~~firm~~ create an actual or potential conflict, or the appearance of a conflict, between that person's private interests ~~interest~~ and the faithful performance of the person's ~~firm's~~ responsibilities for the examination.
(3) The person ~~firm~~ selected shall ensure that all its employees, management, subcontractors, and consultants abide by the provisions regarding conflicts of interest.
(4) The rates charged to the pharmacy benefit manager being examined pursuant to section 626.8828, F.S., are to be consistent with rates charged by other persons ~~firms~~ in a similar profession and are comparable with the rates charged for comparable examinations. If the amount invoiced by the contracted examiners reaches seventy-five percent of the original estimated amount provided to the Office, the examiners must verify whether the examination will be completed within the originally estimated contracted amount provided to the Office. If the contracted examiner anticipates exceeding the original estimated amount provided to the Office, an explanation for the excess amount anticipated shall be provided to the Office. No action of an independent professional examiner or person ~~the firm~~ shall create any contractual relationship between the Office and the professionals or subcontractors employed by the independent professional examiner or person ~~firm~~. The independent professional examiner or person ~~firm~~ is solely responsible for payment of any professionals or subcontractors the independent professional examiner or person utilizes.