

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

SCHEDULE IIB

(Paragraph 6)

Schedule of fixed income and equity investments by BSCR rating

[blank] name of Insurer

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

All amounts are expressed in (currency used)

Line no.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Quoted and unquoted bonds and debentures		Corporate and sovereign bonds		Residential mortgage-backed securities		Commercial mortgage-backed securities/asset-backed securities		Bond mutual funds		Mortgage loans		Total	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
1	BSCR rating 0												
2	BSCR rating 1												
3	BSCR rating 2												
4	BSCR rating 3												
5	BSCR rating 4												
6	BSCR rating 5												
7	BSCR rating 6												
8	BSCR rating 7												
9	BSCR rating 8												
10	Insured/Guaranteed Mortgages												
11	Other Commercial and Farm Mortgages												
12	Other Residential Mortgages												
13	Mortgages Not In Good Standing												
14	Total												
		ASSETS						LIABILITIES					
		Long Exposures		Short Exposures				Without Management Actions		With Management Actions		Total Assets	Total Assets
				Qualified as Assets held for risk mitigation purposes		Not Qualified as Assets held for risk mitigation purposes							

**INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E
SOLVENCY REQUIREMENT) AMENDMENT RULES 2018**

Equity Holdings		Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	After Shock	Before Shock	After Shock
15	Strategic Holdings – Listed											
16	Duration Based											
17	Listed Equity Securities in Developed Markets											
18	Preferred Stocks, BSCR Rating 1											
19	Preferred Stocks, BSCR Rating 2											
20	Preferred Stocks, BSCR Rating 3											
21	Preferred Stocks, BSCR Rating 4											
22	Preferred Stocks, BSCR Rating 5											
23	Preferred Stocks, BSCR Rating 6											
24	Preferred Stocks, BSCR Rating 7											
25	Preferred Stocks, BSCR Rating 8											
26	Equity Derivatives on Type 1 Equities											
27	Strategic Holdings – Unlisted											
28	Other Equities / Other Assets											
29	Equity Real Estate 1											
30	Equity Real Estate 2											
31	Letters of Credit											
32	Intangible assets											
33	Pension Benefit Surplus											
34	Equity Derivatives on Type 2 Equities											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

35	Infrastructure											
36	Derivatives on Infrastructure											
37	Total Equity Holdings											
Credit Derivatives		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock (bps)						
Spread Up Risk for Credit Derivatives												
38	BSCR rating 0					0						
39	BSCR rating 1					130						
40	BSCR rating 2					150						
41	BSCR rating 3					260						
42	BSCR rating 4					450						
43	BSCR rating 5					840						
44	BSCR rating 6					1620						
45	BSCR rating 7					1620						
46	BSCR rating 8					1620						
47	Total Spread Up											
		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock Rate						
Spread Down Risk for Credit Derivatives												
48	BSCR rating 0					0						
49	BSCR rating 1					-75%						
50	BSCR rating 2					-75%						
51	BSCR rating 3					-75%						
52	BSCR rating 4					-75%						
53	BSCR rating 5					-75%						
54	BSCR rating 6					-75%						
55	BSCR rating 7					-75%						
56	BSCR rating 8					-75%						
57	Total Spread Down											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

		Market Value of Derivatives with Positive Market Value	Market Value of Derivatives with Negative Market Value	Market Value of Collateral, Excluding any over-collateralization	
	Counterparty Default Risk for over-the-counter Derivatives				
58	BSCR rating 0				
59	BSCR rating 1				
60	BSCR rating 2				
61	BSCR rating 3				
62	BSCR rating 4				
63	BSCR rating 5				
64	BSCR rating 6				
65	BSCR rating 7				
66	BSCR rating 8				
67	Total Default Risk for over-the-counter Derivatives				

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

INSTRUCTIONS AFFECTING SCHEDULE IIB:

- (a) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, and bond mutual funds and classified by BSCR rating;
- (b) equity investments, both quoted and unquoted, shall be categorized into long exposures, short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
- (c) preferred stocks are required to be classified by BSCR rating;
- (d) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;
- (e) where a security is rated differently by various rating agencies, the insurer shall classify the security according to the most conservative rating assigned;
- (f) unrated securities shall be assigned a BSCR rating of 8;
- (g) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0; while all other sovereign bonds are required to be classified in a manner similar to corporate bonds;
- (h) debt issued by government-owned or entities that are explicitly guaranteed by that government, (except government issued mortgage-backed securities), shall be assigned a BSCR rating of 0;
- (i) "exposures" shall include those determined by the application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
- (j) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature which meet the criteria prescribed by the Authority for such holdings. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting criteria prescribed by the Authority, then such investments will be classified as "Type 1". Investments that do not meet such criterion shall be classified as "Type 2".
- (k) "infrastructure" refers to holdings in qualifying equity infrastructure investments which meet criteria prescribed by the Authority for such investments that are non-strategic holdings.
- (l) "listed equity securities in developed markets" refers to holdings in equity securities listed on designated stock exchanges or investments in certain funds prescribed by the Authority.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

- (m) “other equities” shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs “(j)” and “(l)” above; or not listed herein as an “Equity Holding” in this Schedule i.e., equities not listed on a designated stock exchange prescribed by the Authority, hedge funds, commodities and other alternative investments;
- (n) best estimate insurance liabilities and other liabilities (excluding risk margin) whose value is subject to equity risk are to be included in Lines 15 to 36;
- (o) exposures qualifying as assets held for risk-mitigation purposes, and exposures not qualifying as assets held for risk-mitigation purposes; shall be determined in accordance with criteria prescribed by the Authority; and
- (p) fixed income investments and preferred stocks shall be classified by the following BSCR Ratings:

BSCR Rating	Standard & Poor’s	Moody’s	AM Best	Fitch
1	AAA	Aaa	aaa	AAA
2	AA+ to AA-	Aa1 to Aa3	aa+ to aa-	AA+ to AA-
3	A+ to A-	A1 to A3	a+ to a-	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	bbb+ to bbb-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	bb+ to bb-	BB+ to BB-
6	B+ to B-	B1 to B3	b+ to b-	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	ccc+ to ccc-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below ccc-	Below CCC-

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

SCHEDULE IIC

(Paragraph 6)

Schedule of funds held by ceding insurers and funds held under retrocession by BSCR rating

[blank] name of Insurer

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

All amounts are expressed in (currency used)

Line no.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Quoted and unquoted bonds and debentures	Corporate and sovereign bonds		Residential mortgage-backed securities		Commercial mortgage-backed securities/asset-backed securities		Bond mutual funds		Mortgage loans		Total	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
1	BSCR rating 0												
2	BSCR rating 1												
3	BSCR rating 2												
4	BSCR rating 3												
5	BSCR rating 4												
6	BSCR rating 5												
7	BSCR rating 6												
8	BSCR rating 7												
9	BSCR rating 8												
10	Insured/Guaranteed Mortgages												
11	Other Commercial and Farm Mortgages												
12	Other Residential Mortgages												
13	Mortgages Not In Good Standing												
14	Total												
		ASSETS						LIABILITIES					
		Long Exposures		Short Exposures									

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

				Qualified as Assets held for risk mitigation purposes		Not Qualified as Assets held for risk mitigation purposes		Without Management Actions		With Management Actions	Total Assets	Total Assets
		Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	After Shock	Before Shock	After Shock
Equity Holdings												
15	Strategic Holdings – Listed											
16	Duration Based											
17	Listed Equity Securities in Developed Markets											
18	Preferred Stocks, BSCR Rating 1											
19	Preferred Stocks, BSCR Rating 2											
20	Preferred Stocks, BSCR Rating 3											
21	Preferred Stocks, BSCR Rating 4											
22	Preferred Stocks, BSCR Rating 5											
23	Preferred Stocks, BSCR Rating 6											
24	Preferred Stocks, BSCR Rating 7											
25	Preferred Stocks, BSCR Rating 8											
26	Equity Derivatives on Type 1 Equities											
27	Strategic Holdings – Unlisted											
28	Other Equities / Other Assets											
29	Equity Real Estate 1											
30	Equity Real Estate 2											
31	Letters of Credit											
32	Intangible assets											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

33	Pension Benefit Surplus											
34	Equity Derivatives on Type 2 Equities											
35	Infrastructure											
36	Derivatives on Infrastructure											
37	Total Equity Holdings											
Credit derivatives		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock (bps)						
Spread Up Risk for Credit Derivatives												
38	BSCR rating 0					0						
39	BSCR rating 1					130						
40	BSCR rating 2					150						
41	BSCR rating 3					260						
42	BSCR rating 4					450						
43	BSCR rating 5					840						
44	BSCR rating 6					1620						
45	BSCR rating 7					1620						
46	BSCR rating 8					1620						
47	Total Spread Up											
		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock Rate						
Spread Down Risk for Credit Derivatives												
48	BSCR rating 0					0						
49	BSCR rating 1					-75%						
50	BSCR rating 2					-75%						
51	BSCR rating 3					-75%						
52	BSCR rating 4					-75%						
53	BSCR rating 5					-75%						
54	BSCR rating 6					-75%						

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

55	BSCR rating 7					-75%	
56	BSCR rating 8					-75%	
57	Total Spread Down						
		Market Value of Derivatives with Positive Market Value	Market Value of Derivatives with Negative Market Value	Market Value of Collateral, Excluding any over-collateralization			
	Counterparty Default Risk for over-the-counter Derivatives						
58	BSCR rating 0						
59	BSCR rating 1						
60	BSCR rating 2						
61	BSCR rating 3						
62	BSCR rating 4						
63	BSCR rating 5						
64	BSCR rating 6						
65	BSCR rating 7						
66	BSCR rating 8						
67	Total Default Risk for over-the-counter Derivatives						
68	Cash and Cash Equivalentts						
69	Total Funds Held						

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

INSTRUCTIONS AFFECTING SCHEDULE IIC:

- (a) All funds held by ceding reinsurers (as reported in Form 4EBS, Line 12(c)) and funds held under retrocession (as reported in Form 4EBS, Line 34(c)) with identifiable assets and liabilities, such as fixed income investments, equity investments, mortgage loans, and cash and cash equivalents, are required to be included here;
- (b) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, and bond mutual funds and classified by BSCR rating;
- (c) equity investments, both quoted and unquoted, shall be categorized into long exposures; short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes, in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
- (d) preferred stocks are required to be classified by BSCR rating;
- (e) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;
- (f) where a security is rated differently by various rating agencies, the insurer shall classify the security according to the most conservative rating assigned;
- (g) unrated securities shall be assigned a BSCR rating of 8;
- (h) sovereign debt issued by a country in its own currency that is rated AA- or better, shall be classified under BSCR rating 0, while all other sovereign bonds are required to be classified in a manner similar to corporate bonds;
- (i) debt issued by government-owned or entities that are explicitly guaranteed by that government, (except government debt issued mortgage-backed securities), shall be assigned a BSCR rating of 0;
- (j) exposures shall include those determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
- (k) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature which meet criteria prescribed by the Authority for such holdings. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting criteria as prescribed by the Authority, then such investments shall be classified as "Type 1". Investments that do not qualify shall be classified as "Type 2".
- (l) "infrastructure" refers to holdings in qualifying equity infrastructure investments in accordance which meet criteria prescribed by the Authority and which are non-strategic holdings.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

- (m) “listed equity securities in developed markets” refer to holdings in equity securities listed on designated stock exchanges or investments in certain funds both as prescribed by the Authority.
- (n) “other equities” shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs “(k)” and “(m)” above or not listed herein as an “Equity Holding” in this Schedule i.e., equities not listed on a designated stock exchange as prescribed by the Authority, hedge funds, commodities and other alternative investments;
- (o) Liabilities held under retrocession whose value is subject to equity risk are to be included in Lines 15 to 36;
- (p) exposures qualifying as assets held for risk-mitigation purposes and exposures not qualifying as assets held for risk-mitigation purposes shall be determined in accordance with criteria prescribed by the Authority; and
- (q) fixed income investments and preferred stocks shall be classified by the following BSCR Ratings:

BSCR Rating	Standard & Poor’s	Moody’s	AM Best	Fitch
1	AAA	Aaa	aaa	AAA
2	AA+ to AA-	Aa1 to Aa3	aa+ to aa-	AA+ to AA-
3	A+ to A-	A1 to A3	a+ to a-	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	bbb+ to bbb-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	bb+ to bb-	BB+ to BB-
6	B+ to B-	B1 to B3	b+ to b-	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	ccc+ to ccc-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below ccc-	Below CCC-

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

SCHEDULE IID

(Paragraph 6)

Schedule of segregated account companies assets and liabilities by BSCR rating

[blank] name of Insurer

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

All amounts are expressed in (currency used)

Line no.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Quoted and unquoted bonds and debentures	Corporate and sovereign bonds		Residential mortgage-backed securities		Commercial mortgage-backed securities/asset-backed securities		Bond mutual funds		Mortgage loans		Total	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
1	BSCR rating 0												
2	BSCR rating 1												
3	BSCR rating 2												
4	BSCR rating 3												
5	BSCR rating 4												
6	BSCR rating 5												
7	BSCR rating 6												
8	BSCR rating 7												
9	BSCR rating 8												
10	Insured/Guaranteed Mortgages												
11	Other Commercial and Farm Mortgages												
12	Other Residential Mortgages												
13	Mortgages Not In Good Standing												
14	Total												
		ASSETS						LIABILITIES					
		Long Exposures		Short Exposures				Without Management Actions		With Management Actions		Total Assets	Total Assets
				Qualified as Assets held for risk mitigation purposes		Not Qualified as Assets held for risk mitigation purposes							

**INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E
SOLVENCY REQUIREMENT) AMENDMENT RULES 2018**

Equity Holdings		Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	After Shock	Before Shock	After Shock
15	Strategic Holdings – Listed											
16	Duration Based											
17	Listed Equity Securities in Developed Markets											
18	Preferred Stocks, BSCR Rating 1											
19	Preferred Stocks, BSCR Rating 2											
20	Preferred Stocks, BSCR Rating 3											
21	Preferred Stocks, BSCR Rating 4											
22	Preferred Stocks, BSCR Rating 5											
23	Preferred Stocks, BSCR Rating 6											
24	Preferred Stocks, BSCR Rating 7											
25	Preferred Stocks, BSCR Rating 8											
26	Equity Derivatives on Type 1 Equities											
27	Strategic Holdings – Unlisted											
28	Other Equities / Other Assets											
29	Equity Real Estate 1											
30	Equity Real Estate 2											
31	Letters of Credit											
32	Intangible assets											
33	Pension Benefit Surplus											
34	Equity Derivatives on Type 2 Equities											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

35	Infrastructure											
36	Derivatives on Infrastructure											
37	Total Equity Holdings											
Credit derivatives		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock (bps)						
Spread Up Risk for Credit Derivatives												
38	BSCR rating 0					0						
39	BSCR rating 1					130						
40	BSCR rating 2					150						
41	BSCR rating 3					260						
42	BSCR rating 4					450						
43	BSCR rating 5					840						
44	BSCR rating 6					1620						
45	BSCR rating 7					1620						
46	BSCR rating 8					1620						
47	Total Spread Up											
		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock Rate						
Spread Down Risk for Credit Derivatives												
48	BSCR rating 0					0						
49	BSCR rating 1					-75%						
50	BSCR rating 2					-75%						
51	BSCR rating 3					-75%						
52	BSCR rating 4					-75%						
53	BSCR rating 5					-75%						
54	BSCR rating 6					-75%						
55	BSCR rating 7					-75%						
56	BSCR rating 8					-75%						
57	Total Spread Down											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

		Market Value of Derivatives with Positive Market Value	Market Value of Derivatives with Negative Market Value	Market Value of Collateral, Excluding any over-collateralization	
	Counterparty Default Risk for over-the-counter Derivatives				
58	BSCR rating 0				
59	BSCR rating 1				
60	BSCR rating 2				
61	BSCR rating 3				
62	BSCR rating 4				
63	BSCR rating 5				
64	BSCR rating 6				
65	BSCR rating 7				
66	BSCR rating 8				
67	Total Default Risk for over-the-counter Derivatives				
68	Cash and Cash Equivalentents				
69	Total Segregated Account Companies Assets				

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

INSTRUCTIONS AFFECTING SCHEDULE IID:

- (a) All segregated account companies with identifiable assets (as reported in Form 4EBS, Lines 13(b), (c), (d)) and liabilities (as reported in Form 4EBS, Lines 36(c), (d), (e)), such as fixed income investments, equity investments, mortgage loans, and cash and cash equivalents, shall be included here;
- (b) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, and bond mutual funds and classified by BSCR rating;
- (c) equity investments, both quoted and unquoted, shall be categorized into long exposures, short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
- (d) preferred stock are required to be classified by BSCR rating;
- (e) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;
- (f) where a security is rated differently by various rating agencies, the insurer shall classify the security according to the most conservative rating assigned;
- (g) unrated securities shall be assigned a BSCR rating of 8;
- (h) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds are required to be classified in a manner similar to corporate bonds;
- (i) debt issued by government-owned and entities explicitly guaranteed by that government, (except government issued mortgage-backed securities), shall be assigned a BSCR rating of 0;
- (j) exposures shall include those determined by the application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
- (k) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature which meet criteria prescribed by the Authority. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting criteria prescribed by the Authority, then these investments will be classified as "Type 1". Investments that do not qualify shall be classified as "Type 2".
- (l) "infrastructure" refers to amounts in qualifying equity infrastructure investments which meets the criteria prescribed by the Authority that are non-strategic holdings.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

- (m) “listed equity securities in developed markets” refers to amounts in equity securities listed on a designated stock exchange or in investments in certain funds both as prescribed by the Authority.
- (n) “other equities” shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs “(k)” and “(m)” above or not listed herein as an “Equity Holding” in this Schedule i.e. equities not listed on a designated stock exchange as prescribed by the Authority, hedge funds, commodities and other alternative investments;
- (o) liabilities held under segregated account companies whose value is subject to equity risk are to be included in Lines 15 to 36;
- (p) exposures qualifying as assets held for risk-mitigation purposes and exposures not qualified as assets held for risk-mitigation purposes shall be determined in accordance with criteria prescribed by the Authority; and
- (q) fixed income investments and preferred stocks shall be classified by the following BSCR Ratings:

BSCR Rating	Standard & Poor’s	Moody’s	AM Best	Fitch
1	AAA	Aaa	aaa	AAA
2	AA+ to AA-	Aa1 to Aa3	aa+ to aa-	AA+ to AA-
3	A+ to A-	A1 to A3	a+ to a-	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	bbb+ to bbb-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	bb+ to bb-	BB+ to BB-
6	B+ to B-	B1 to B3	b+ to b-	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	ccc+ to ccc-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below ccc-	Below CCC-

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

SCHEDULE IIE

(Paragraph 6)

Schedule of deposit assets and liabilities by BSCR rating

[blank] name of Insurer

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

All amounts are expressed in (currency used)

Line no.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Quoted and unquoted bonds and debentures	Corporate and sovereign bonds		Residential mortgage-backed securities		Commercial mortgage-backed securities/asset-backed securities		Bond mutual funds		Mortgage loans		Total	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
1	BSCR rating 0												
2	BSCR rating 1												
3	BSCR rating 2												
4	BSCR rating 3												
5	BSCR rating 4												
6	BSCR rating 5												
7	BSCR rating 6												
8	BSCR rating 7												
9	BSCR rating 8												
10	Insured/Guaranteed Mortgages												
11	Other Commercial and Farm Mortgages												
12	Other Residential Mortgages												
13	Mortgages Not In Good Standing												
14	Total												
		ASSETS						LIABILITIES					
		Long Exposures		Short Exposures				Without Management Actions		With Management Actions		Total Assets	Total Assets
				Qualified as Assets held for risk mitigation purposes		Not Qualified as Assets held for risk mitigation purposes							

**INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E
SOLVENCY REQUIREMENT) AMENDMENT RULES 2018**

Equity Holdings		Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	After Shock	Before Shock	After Shock
15	Strategic Holdings – Listed											
16	Duration Based											
17	Listed Equity Securities in Developed Markets											
18	Preferred Stocks, BSCR Rating 1											
19	Preferred Stocks, BSCR Rating 2											
20	Preferred Stocks, BSCR Rating 3											
21	Preferred Stocks, BSCR Rating 4											
22	Preferred Stocks, BSCR Rating 5											
23	Preferred Stocks, BSCR Rating 6											
24	Preferred Stocks, BSCR Rating 7											
25	Preferred Stocks, BSCR Rating 8											
26	Equity Derivatives on Type 1 Equities											
27	Strategic Holdings – Unlisted											
28	Other Equities / Other Assets											
29	Equity Real Estate 1											
30	Equity Real Estate 2											
31	Letters of Credit											
32	Intangible assets											
33	Pension Benefit Surplus											
34	Equity Derivatives on Type 2 Equities											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

35	Infrastructure											
36	Derivatives on Infrastructure											
37	Total Equity Holdings											
Credit derivatives		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock (bps)						
	Spread Up Risk for Credit Derivatives											
38	BSCR rating 0					0						
39	BSCR rating 1					130						
40	BSCR rating 2					150						
41	BSCR rating 3					260						
42	BSCR rating 4					450						
43	BSCR rating 5					840						
44	BSCR rating 6					1620						
45	BSCR rating 7					1620						
46	BSCR rating 8					1620						
47	Total Spread Up											
		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock Rate						
	Spread Down Risk for Credit Derivatives											
48	BSCR rating 0					0						
49	BSCR rating 1					-75%						
50	BSCR rating 2					-75%						
51	BSCR rating 3					-75%						
52	BSCR rating 4					-75%						
53	BSCR rating 5					-75%						
54	BSCR rating 6					-75%						
55	BSCR rating 7					-75%						
56	BSCR rating 8					-75%						
57	Total Spread Down											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

		Market Value of Derivatives with Positive Market Value	Market Value of Derivatives with Negative Market Value	Market Value of Collateral, Excluding any over-collateralization	
	Counterparty Default Risk for over-the-counter Derivatives				
58	BSCR rating 0				
59	BSCR rating 1				
60	BSCR rating 2				
61	BSCR rating 3				
62	BSCR rating 4				
63	BSCR rating 5				
64	BSCR rating 6				
65	BSCR rating 7				
66	BSCR rating 8				
67	Total Default Risk for over-the-counter Derivatives				
68	Cash and Cash Equivalents				
69	Total Deposit Assets				

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

INSTRUCTIONS AFFECTING SCHEDULE IIE:

- (a) All deposit assets and liabilities with identifiable assets (as reported in Form 4EBS, Lines 13(e)) and liabilities (as reported in Form 4EBS, Lines 36 (f)), such as fixed income investments, equity investments, mortgage loans, and cash and cash equivalents, are required to be included here;
- (b) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, and bond mutual funds and classified by BSCR rating;
- (c) equity investments, both quoted and unquoted, shall be categorized into long exposures, short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
- (d) preferred stocks are required to be classified by BSCR rating;
- (e) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;
- (f) where a security is rated differently by various rating agencies, the insurer shall classify the security according to the most conservative rating assigned;
- (g) unrated securities shall be assigned a BSCR rating of 8;
- (h) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0 while all other sovereign bonds are required to be classified in a manner similar to corporate bonds;
- (i) debt issued by government-owned and entities explicitly guaranteed by that government, (except government issued mortgage-backed securities), shall be assigned a BSCR rating of 0;
- (j) "exposures" shall include those determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
- (k) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature in accordance which meet criteria prescribed by the Authority. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting the criteria as prescribed by the Authority, then these investments shall be classified as "Type 1". Investments that do not qualify shall be classified as "Type 2".
- (l) "infrastructure" refers to holdings in qualifying equity infrastructure investments which meet criteria prescribed by the Authority that are non-strategic holdings.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

- (m) “listed equity securities in developed markets” refers to holdings in equity securities listed on designated stock exchanges or investments in certain funds both as prescribed by the Authority.
- (n) “other equities” shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs “(k)” and “(m)” above or not listed herein as an “Equity Holding” in this Schedule i.e., equities not listed on a designated stock exchange as prescribed by the Authority, hedge funds, commodities and other alternative investments;
- (o) deposit liabilities whose value is subject to equity risk are to be included in Lines 15 to 36;
- (p) exposures qualifying as assets held for risk-mitigation purposes and exposures not qualifying as assets held for risk-mitigation purposes shall be determined in accordance with criteria prescribed by the Authority; and
- (q) fixed income investments and preferred stocks shall be classified by the following BSCR Ratings

BSCR Rating	Standard & Poor’s	Moody’s	AM Best	Fitch
1	AAA	Aaa	aaa	AAA
2	AA+ to AA-	Aa1 to Aa3	aa+ to aa-	AA+ to AA-
3	A+ to A-	A1 to A3	a+ to a-	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	bbb+ to bbb-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	bb+ to bb-	BB+ to BB-
6	B+ to B-	B1 to B3	b+ to b-	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	ccc+ to ccc-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below ccc-	Below CCC-

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

SCHEDULE IIF

(Paragraph 6)

Schedule of other sundry assets and liabilities by BSCR rating

[blank] name of Insurer

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

All amounts are expressed in (currency used)

Line no.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Quoted and unquoted bonds and debentures	Corporate and sovereign bonds		Residential mortgage-backed securities		Commercial mortgage-backed securities/asset-backed securities		Bond mutual funds		Mortgage loans		Total	
		20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)	20xx (000)
1	BSCR rating 0												
2	BSCR rating 1												
3	BSCR rating 2												
4	BSCR rating 3												
5	BSCR rating 4												
6	BSCR rating 5												
7	BSCR rating 6												
8	BSCR rating 7												
9	BSCR rating 8												
10	Insured/Guaranteed Mortgages												
11	Other Commercial and Farm Mortgages												
12	Other Residential Mortgages												
13	Mortgages Not In Good Standing												
14	Total												
		ASSETS						LIABILITIES					
		Long Exposures		Short Exposures				Without Management Actions		With Management Actions		Total Assets	
				Qualified as Assets held for risk mitigation purposes		Not Qualified as Assets held for risk mitigation purposes							

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

Equity Holdings		Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	After Shock	Before Shock	After Shock
15	Strategic Holdings – Listed											
16	Duration Based											
17	Listed Equity Securities in Developed Markets											
18	Preferred Stocks, BSCR Rating 1											
19	Preferred Stocks, BSCR Rating 2											
20	Preferred Stocks, BSCR Rating 3											
21	Preferred Stocks, BSCR Rating 4											
22	Preferred Stocks, BSCR Rating 5											
23	Preferred Stocks, BSCR Rating 6											
24	Preferred Stocks, BSCR Rating 7											
25	Preferred Stocks, BSCR Rating 8											
26	Equity Derivatives on Type 1 Equities											
27	Strategic Holdings – Unlisted											
28	Other Equities / Other Assets											
29	Equity Real Estate 1											
30	Equity Real Estate 2											
31	Letters of Credit											
32	Intangible assets											
33	Pension Benefit Surplus											
34	Equity Derivatives on Type 2 Equities											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

35	Infrastructure											
36	Derivatives on Infrastructure											
37	Total Equity Holdings											
Credit derivatives		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock (bps)						
Spread Up Risk for Credit Derivatives												
38	BSCR rating 0					0						
39	BSCR rating 1					130						
40	BSCR rating 2					150						
41	BSCR rating 3					260						
42	BSCR rating 4					450						
43	BSCR rating 5					840						
44	BSCR rating 6					1620						
45	BSCR rating 7					1620						
46	BSCR rating 8					1620						
47	Total Spread Up											
		Long Exposures		Short Exposures								
		Before Shock	After Shock	Before Shock	After Shock	Shock Rate						
Spread Down Risk for Credit Derivatives												
48	BSCR rating 0					0						
49	BSCR rating 1					-75%						
50	BSCR rating 2					-75%						
51	BSCR rating 3					-75%						
52	BSCR rating 4					-75%						
53	BSCR rating 5					-75%						
54	BSCR rating 6					-75%						
55	BSCR rating 7					-75%						
56	BSCR rating 8					-75%						
57	Total Spread Down											

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

		Market Value of Derivatives with Positive Market Value	Market Value of Derivatives with Negative Market Value	Market Value of Collateral, Excluding any over-collateralization	
	Counterparty Default Risk for over-the-counter Derivatives				
58	BSCR rating 0				
59	BSCR rating 1				
60	BSCR rating 2				
61	BSCR rating 3				
62	BSCR rating 4				
63	BSCR rating 5				
64	BSCR rating 6				
65	BSCR rating 7				
66	BSCR rating 8				
67	Total Default Risk for over-the-counter Derivatives				
68	Cash and Cash Equivalents				
69	Total Sundry Assets				

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

INSTRUCTIONS AFFECTING SCHEDULE IIF:

- (a) All other sundry assets and liabilities with identifiable assets (as reported in Form 4EBS, Lines 13(j)) and liabilities (as reported in Form 4EBS, Lines 36 (i)), such as fixed income investments, equity investments, mortgage loans, and cash and cash equivalents, shall be included here;
- (b) fixed income investments, both quoted and unquoted, shall be categorized into corporate bonds and sovereign bonds, residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, and bond mutual funds and classified by BSCR rating;
- (c) equity investments, both quoted and unquoted, shall be categorized into long exposures, short exposures qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority; and short exposures not qualifying as assets held for risk mitigation purposes in accordance with criteria prescribed by the Authority and are further required to be classified by strategic holdings, duration based, listed equity securities, preferred stocks, other equities, letters of credit, intangible assets, pension benefit surplus, infrastructure, derivatives and real estate;
- (d) preferred stock are required to be classified by BSCR rating;
- (e) the latest available AM Best, S&P, Moody's, or Fitch ratings shall be used in determining the appropriate BSCR rating of any fixed income security or preferred stock;
- (f) where a security is rated differently by various rating agencies, the insurer shall classify the security according to the most conservative rating assigned;
- (g) unrated securities shall be assigned a BSCR rating of 8;
- (h) sovereign debt issued by a country in its own currency that is rated AA- or better shall be classified under BSCR rating 0, while all other sovereign bonds are required to be classified in a manner similar to corporate bonds;
- (i) debt issued by government-owned and entities explicitly guaranteed by that government, (except government debt issued mortgage-backed securities, shall be assigned a BSCR rating of 0;
- (j) exposures include those determined by application of the "look-through" approach calculated in accordance with criteria prescribed by the Authority for collective investment vehicles and other investments packaged as funds;
- (k) "strategic holdings" refers to holdings in qualifying equity investments of a strategic nature in accordance which meet criteria prescribed by the Authority. Where such investments are listed on a designated stock exchange or are investments in certain funds both meeting criteria as prescribed by the Authority, then such investments shall be classified as "Type 1". Investments that do not qualify will be classified as "Type 2".
- (l) "infrastructure" refers to holdings in qualifying equity infrastructure investments which meet criteria prescribed by the Authority and which are non-strategic holdings.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

- (m) “listed equity securities in developed markets” refers to holdings in equity securities listed on a designated stock exchange or in investments in certain funds both as prescribed by the Authority.
- (n) “other equities” shall include holdings in quoted and unquoted equity investments that are not reported in accordance with the requirements of paragraphs “(k)” and “(m)” above or not listed herein as an “Equity Holding” in this Schedule i.e., equities not listed on a designated stock exchange as prescribed by the Authority, hedge funds, commodities and other alternative investments;
- (o) other liabilities whose value is subject to equity risk are to be included in Lines 15 to 36;
- (p) exposures qualifying as assets held for risk-mitigation purposes and exposures not qualifying as assets held for risk-mitigation purposes shall be determined in accordance with criteria prescribed by the Authority; and
- (q) fixed income investments and preferred stocks shall be classified by the following BSCR Ratings:

BSCR Rating	Standard & Poor’s	Moody’s	AM Best	Fitch
1	AAA	Aaa	aaa	AAA
2	AA+ to AA-	Aa1 to Aa3	aa+ to aa-	AA+ to AA-
3	A+ to A-	A1 to A3	a+ to a-	A+ to A-
4	BBB+ to BBB-	Baa1 to Baa3	bbb+ to bbb-	BBB+ to BBB-
5	BB+ to BB-	Ba1 to Ba3	bb+ to bb-	BB+ to BB-
6	B+ to B-	B1 to B3	b+ to b-	B+ to B-
7	CCC+ to CCC-	Caa1 to Caa3	ccc+ to ccc-	CCC+ to CCC-
8	Below CCC-	Below Caa3	Below ccc-	Below CCC-

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

**Schedule XIXA - Schedule of Cash and Cash Equivalent Counterparty Analysis
(Paragraph 6)**

[blank] name of Insurer

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

All amounts expressed in (currency used)

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

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

INSTRUCTIONS AFFECTING SCHEDULE XIXA:

- (i) cash and cash equivalent balances are to be reported based on its BSCR Rating;
- (ii) an insurer may disclose at least the top 10 cash and cash counterparty exposures (as reflected in Form 4EBS and Schedules IIB to IIF Column 1, Line 58);
- (iii) the remaining balance may be grouped according to BSCR rating;
- (iv) all unreconciled balances shall be allocated to the single consolidated exposure balance that receives a BSCR Rating of 8;
- (v) cash and cash equivalents issued by a country that is rated AA- or better in its own currency shall be classified under BSCR rating class 0;
- (vi) insurers may allocate BSCR Rating based on the table below or with the allocation detailed in Schedule IIB; and

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

(vii) amounts shall be reported on an EBS Valuation basis.

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

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

Schedule XXA - Schedule of Currency Risk

[blank] name of Insurer														
As at [blank] (day/month/year)														
All amounts expressed in (currency used)														
	MARKET VALUE BEFORE SHOCK						MARKET VALUE AFTER SHOCK							
		Long Exposures		Short Exposures				Long Exposures		Short Exposures				
Currency	Assets - Excluding currency- derivatives	Currency Derivatives Qualifying as held for risk- mitigation purposes	Currency Derivatives Not Qualifying as held for risk- mitigation purposes	Currency Derivatives Qualifying as held for risk- mitigation purposes	Currency Derivatives Not Qualifying as held for risk- mitigation purposes	Liabilities without Management Actions	Assets - Excluding currency- derivatives	Currency Derivatives Qualifying as held for risk- mitigation purposes	Currency Derivatives Not Qualifying as held for risk- mitigation purposes	Currency Derivatives Qualifying as held for risk- mitigation purposes	Currency Derivatives Not Qualifying as held for risk- mitigation purposes	Liabilities without Management Actions	Liabilities with Management Actions	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	
United States Dollars														
Bermuda Dollars														
Qatari Riyals														
Hong Kong Dollars														
Euros														
Danish Kroner														
Bulgarian Levs														
West African CFA Francs														
Central African CFA Francs														
Comorian Francs														
United Kingdom Pounds														

**INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E
SOLVENCY REQUIREMENT) AMENDMENT RULES 2018**

Canada Dollars													
Japan Yens													
Other currency 1													
Other currency 2													
Other currency 3													
Other currency 4													
Other currency 5													
Other currency 6													
Other currency 7													
Other currency 8													
Other currency 9													
Other currency 10													
Financial Year	Liabilities		ECR Charge										
	<u>Form 1EBS, Line 39</u>		<u>Summary Schedule</u>										
XXX-1													

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

XXX-2													
XXX-3													

INSTRUCTIONS AFFECTING SCHEDULE XXA:

- (a) insurers shall report currencies representing not less than 95% of their economic balance sheet liabilities;
- (b) assets qualifying as held for risk mitigation purposes; assets not qualifying for risk mitigation purposes and liabilities without management actions shall be valued in line with the Economic Balance Sheet principles set out in Schedule XIV and in accordance with criteria prescribed by the Authority;
- (c) liabilities with management actions shall be valued in in accordance to with criteria prescribed by the Authority in relation to the valuation of future bonuses and other discretionary benefits; and
- (d) amounts shall be reported on both an EBS Valuation and unconsolidated basis.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

Schedule XXIA - Schedule of Concentration Risk

(Paragraph 6)

[blank] name of Insurer

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

All amounts expressed in (currency used)

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

INSTRUCTIONS AFFECTING SCHEDULE XXIA:

- (a) disclosure of an insurer’s ten largest exposures to single counterparty risk by reporting the name, the exposure and allocation by asset type, bond or mortgage type (if applicable), BSCR Rating (if applicable) and asset value consistent with Form 4EBS.
- (b) for the purposes of this Schedule, a counterparty shall include all related or connected counterparties captured by either of the following criteria:
 - (i) controller relationship: if a counterparty, directly or indirectly, has control of (as a result of its majority shareholding in or significant influence) the other counterparties; or
 - (ii) economic interdependence: if one of the counterparties were to experience financial difficulties which directly or indirectly affect the ability of any or all of the remaining counterparties to perform their financial obligations (for example where a counterparty becomes unable to fund or repay certain financial contractual obligations, and as a result, other counterparties, are likely to be unable to fund or repay certain obligations imposed on them);
- (c) asset Type (Column A) shall be determined by the insurer as one of the following:
 - (i) cash and cash equivalents (as defined in Schedule XIX Column B Schedules IIB, IIC, IID, IIE, and IIF Column (1), Line 68);
 - (ii) quoted and Unquoted Investments (as defined in Schedules IIB, IIC, IID, IIE, and IIF Column (11), Line 14);
 - (iii) equity holdings (as defined in Schedules IIB, IIC, IID, IIE, and IIF Column (11), Line 37);
 - (iv) advances to Affiliates (reported on Form 4EBS, Line 4(g));
 - (v) policy Loans (reported on Form 4EBS, Line 6);
 - (vi) real Estate 1 (reported on Form 4EBS, Line 7(a));

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

- (vii) real Estate 2 (reported on Form 4EBS, Line 7(b));
- (viii) collateral Loans (reported on Form 4EBS, Line 8);
- (ix) for equity exposures that are grandfathered according to paragraph 23A, the appropriate asset type given in Instructions affecting Schedule XXI, point (iii).
- (d) when reporting asset sub-type (under Column B) shall provide further details of the type of asset as included in Table 1, Table 2 or Table 8 as appropriate;
- (e) when applying the BSCR Rating (under Column C) the insurer shall apply the BSCR rating that was allocated to the asset when it was included in Table 1, Table 2 or Table 8 as appropriate;
- (f) asset value (under Column D) shall be the value of the asset as required by the Economic Balance Sheet valuation principles as set out in Schedule XIV; and
- (g) amounts shall be reported on both an EBS Valuation and unconsolidated basis.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

Schedule XXII - Schedule of Interest Rate Sensitive Assets and Liabilities

INTEREST RATE DOWN SHOCK												
Currency	Exposures other than derivatives					Derivative exposures						
	Assets		Liabilities	Liabilities without Management Actions	Liabilities with Management Actions	Assets - Not Qualifying as held for risk-mitigation purposes		Assets - Not Qualifying as held for risk-mitigation purposes		Liabilities	Liabilities without Management Actions	Liabilities with Management Actions
	Before Shock	After Shock	Before Shock	After Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	After Shock
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
United States Dollars												
Euro												
United Kingdom Pounds												
Japan Yen												
Canada Dollars												
Swiss Francs												
Australia Dollar												
New Zealand Dollar												
Other currency 1												
Other currency 2												
Other currency 3												
Other currency 4												
Other currency 5												
Other currency 6												
Other currency 7												
Other currency 8												
Other currency 9												

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

Other currency 10												
Interest Down Shock Total												
INTEREST RATE UP SHOCK												
Exposures other than derivatives						Derivative exposures						
Currency	Assets		Liabilities	Liabilities without Management Actions	Liabilities with Management Actions	Assets - Not Qualifying as held for risk-mitigation purposes		Assets - Not Qualifying as held for risk-mitigation purposes		Liabilities	Liabilities without Management Actions	Liabilities with Management Actions
	Before Shock	After Shock	Before Shock	After Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	Before Shock	After Shock	After Shock
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
United States Dollars												
Euros												
United Kingdom Pounds												
Japan Yens												
Canada Dollars												
Swiss Francs												
Australia Dollars												
New Zealand Dollars												
Other currency 1												
Other currency 2												
Other currency 3												
Other currency 4												
Other currency 5												
Other currency 6												
Other currency 7												
Other currency 8												
Other currency 9												

**INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E
SOLVENCY REQUIREMENT) AMENDMENT RULES 2018**

Other currency 10												
Interest Up Shock Total												

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) AMENDMENT RULES 2018

INSTRUCTIONS AFFECTING SCHEDULE XXII:

- (a) insurers are required to report all interest rate sensitive assets including but not limited to fixed income assets, hybrid instruments, deposits, loans (including mortgage and policyholder loans), reinsurance balance receivables and exposures as determined by application of the “look-through” approach calculated in accordance with criteria prescribed by the Authority for the following items:
- i. collective investment vehicles and other investments packaged as funds, including related undertakings used as investment vehicles;
 - ii. segregated account companies assets;
 - iii. deposit asset;
 - iv. other sundry;
 - v. derivatives;
 - vi. funds held by ceding insurers.
- (b) insurers are required to report all interest rate sensitive liabilities including but not limited to best estimate of insurance liabilities, other liabilities and liability exposures as determined by application of the “look-through” approach calculated in accordance with criteria prescribed by the Authority for the following items:
- i. segregated account companies liabilities;
 - ii. deposit liabilities;
 - iii. other sundry liabilities;
 - iv. derivatives;
 - v. funds held under retrocession.
- (c) Assets qualified as held for risk mitigating purposes and assets not qualified as held for risk mitigating purposes shall be determined in accordance with criteria prescribed by the Authority.
- (d) liabilities with management actions shall be determined in accordance with criteria prescribed by the Authority.