

GROUP CAPITAL CALCULATION

June 11, 2025

Mathew Eberhardt, FSA, MAAA, SEAC Spring 2025 Conference, Bonita Springs, FL

A business of Marsh McLennan

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GROUP CAPITAL CALCULATION

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Introduction

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Terminology orientation

3

Determining scope of application

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Template input tabs

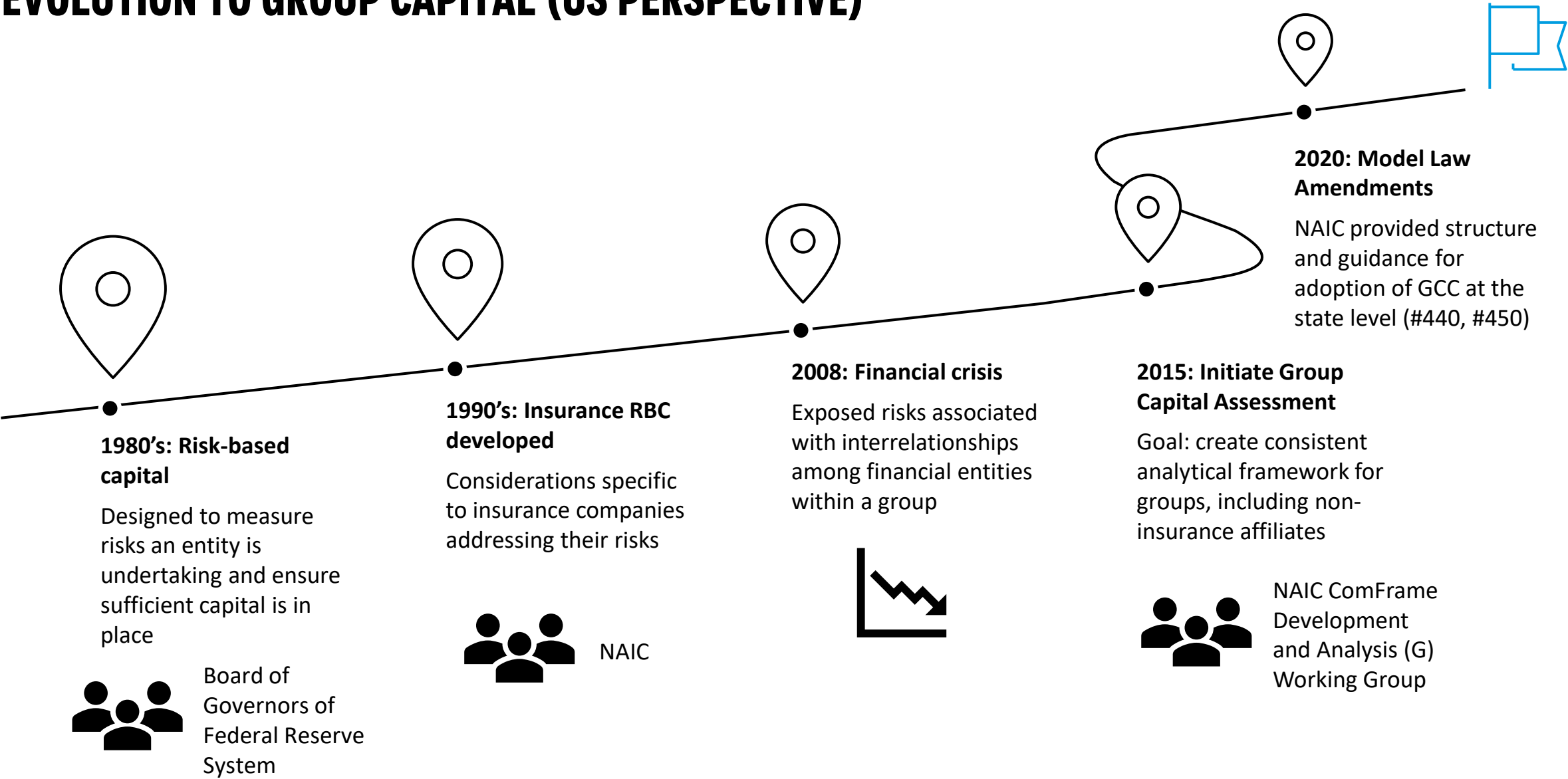
5

Aggregation and analysis

1

INTRODUCTION

EVOLUTION TO GROUP CAPITAL (US PERSPECTIVE)



PURPOSE AND IMPACTS OF GROUP CAPITAL CALCULATION

Primary Purpose: Provide a consistent analytical framework for evaluating the capital positions of groups with insurance entities.

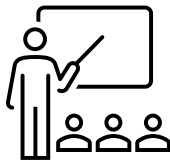
Information

Include information on potential risks, as well as locations and sources of capital within a group



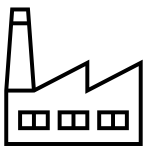
Consistency

Establish a standardized approach for evaluating and comparing between corporate groups



Expand assessment

Prescribe capital assessment of certain entities not currently subject to any capital regulations



Stronger policyholder protection

In line with their fundamental purpose, regulators can ensure policyholder protections are adequate and identify areas to strengthen



AGGREGATE IMPACT Reduce risk of cascading stresses throughout the financial system

CONCEPTUAL APPROACH FOR GCC

1

NAIC RBC

Determine NAIC specified RBC based capital requirements

Applicable to all US based insurers within group

2

Jurisdictional Capital

Insurers located in areas outside of the US are subject to different jurisdictional requirements

Determine the requirements based on their local rules

Scaling to put them on a comparable NAIC RBC basis

3

Other entity capital

Utilize capital requirements for non-insurance, financial entities

Use GCC specific approaches for determining requirements when no capital rules exist

4

Adjustments

Eliminate double counting for intra-group considerations

Account for capital instruments

Sensitivity variations

5

Aggregate

Final results are essentially a sum of the required and available capital, expressed as a percentage

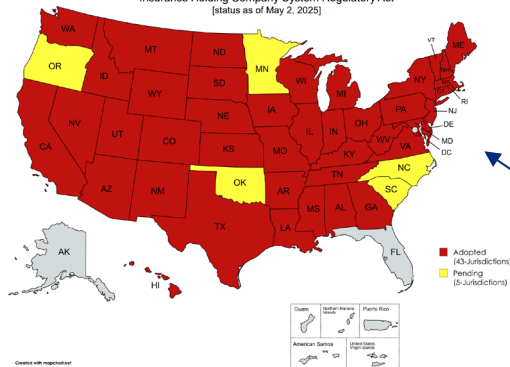
Conceptually similar to RBC ratio

$$\frac{\text{AVAILABLE GROUP LEVEL CAPITAL}}{\text{REQUIRED GROUP LEVEL CAPITAL}} = \text{GCC RATIO}$$

FOR MORE INFORMATION

 <https://content.naic.org/committees/e/group-capital-calculation-wg>

Implementation of 2020 Revisions to Model #440 (Group Capital Calculation and Liquidity Stress Test)
Insurance Holding Company System Regulatory Act
[status as of May 2, 2025]



OTHER IMPORTANT DOCUMENTS

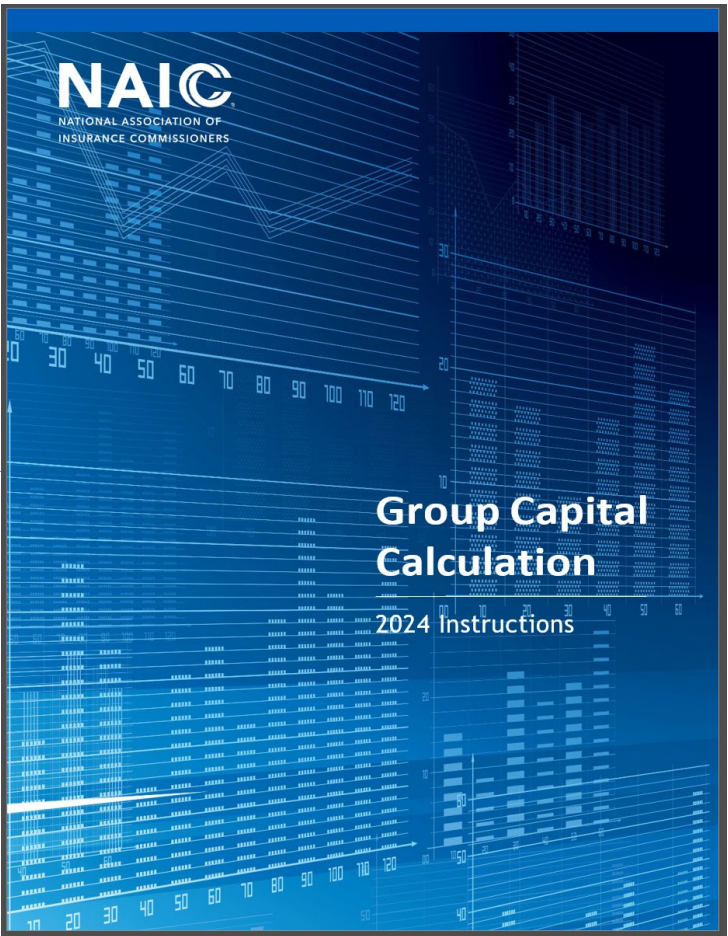
2020 Revisions to the Holding Company Models:

- [Legislative Tracking - Model #440](#)
- [Legislative Tracking - Model #450](#)
- [State Adoption Maps #440 and #450](#)
- [List of Jurisdictions that Recognize and Accept the GCC](#)

2024 GCC:

- [Year End 2024 GCC Instructions](#)
- [Year End 2024 GCC Template](#)

SELECTIONS ON SLIDES 24-37



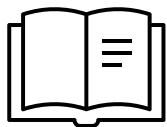
2

TERMINOLOGY ORIENTATION

KEY MODEL LAWS AND DEFINITIONS



- #440 – Insurance Holding Company System Regulatory Act (amended 2020)
- #450—Insurance Holding Company System Model Regulation (amended 2020)



For GCC purposes, #440 provides for the following key definitions:

- **Control** – power to direct management and processes of another **Person**
- **Broader Group** – Full corporate structure, including all companies whether insurance, financial, or otherwise
- **Ultimate Controlling Person** – Top of the **Broader Group**, generally exercises **Control** throughout **Broader Group**
- **Insurance Group** – The subset of the **Broader Group** including all insurance entities, entities with significant influence over them, and entities that finance or service the insurers
- **Lead State Regulator** – The state that takes the lead in conducting and coordinating groupwide supervision
- **Material Risk** – Emanating from non-insurance/non-financial entity that could adversely impact financial stability of the group as a whole

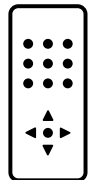


Person

Broad term representing several types of business organizations

A DEEPER LOOK AT CONTROL

- Possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a **Person**
- **Control** is presumed if an entity holds, directly or indirectly, 10% or more of the voting securities of another entity
- The entities involved are referred to as **Affiliates**
- Despite the 10% rule above, presumption of **Control** may be refuted by providing evidence indicating otherwise
 - Section 4K of #440 provides a means to conduct this
 - Final decisions are at the discretion of the commissioner
- Entities that would otherwise qualify as Schedule BA **Affiliates**, but are owned by other entities, should be treated the same way as though they were part of the group

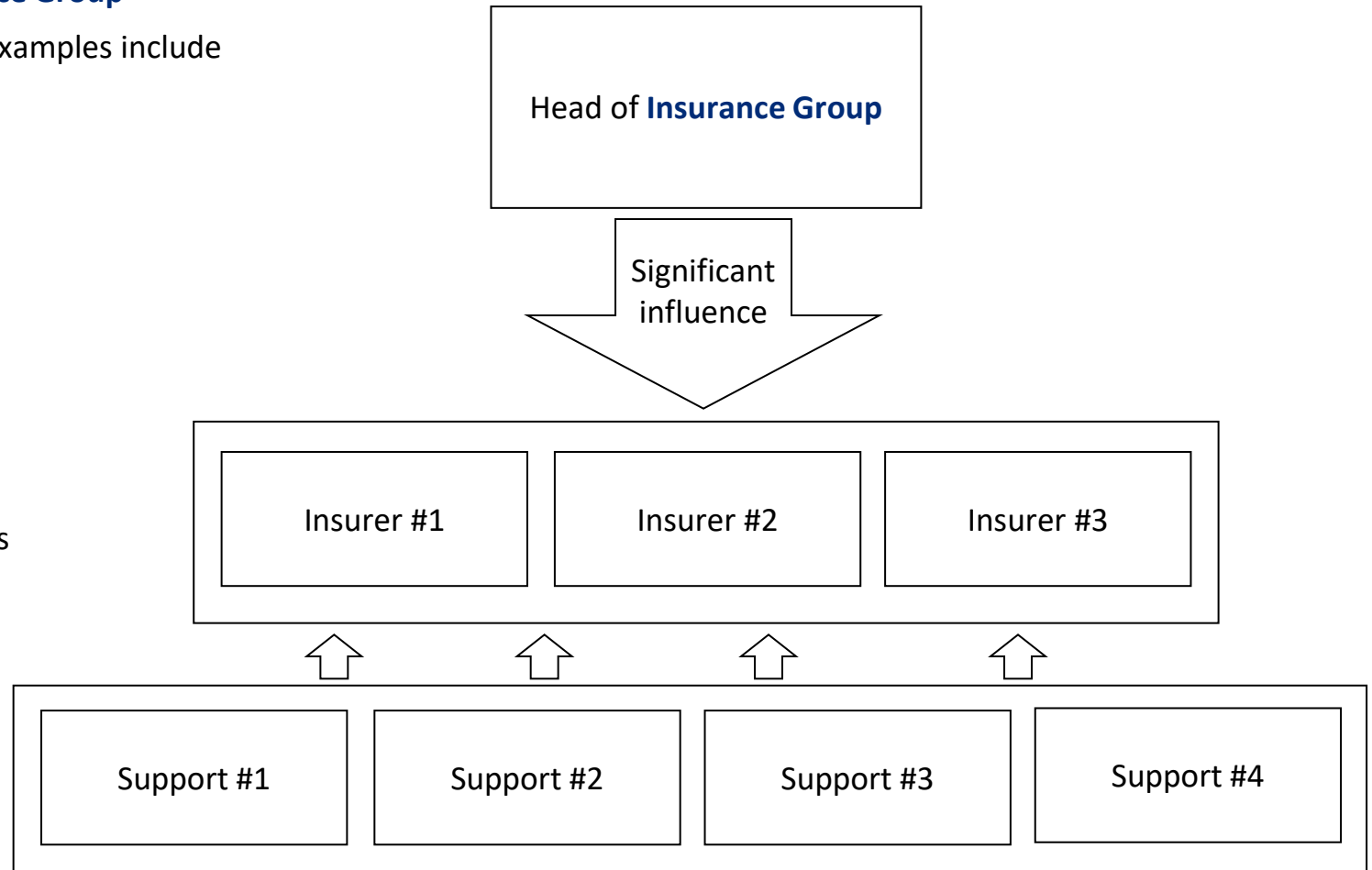


Why it matters

Recognizing where **Control** exists helps draw the picture of the **Broader Group** and determine which entities ultimately need to be scoped into the GCC calculation

A DEEPER LOOK AT **INSURANCE GROUP**

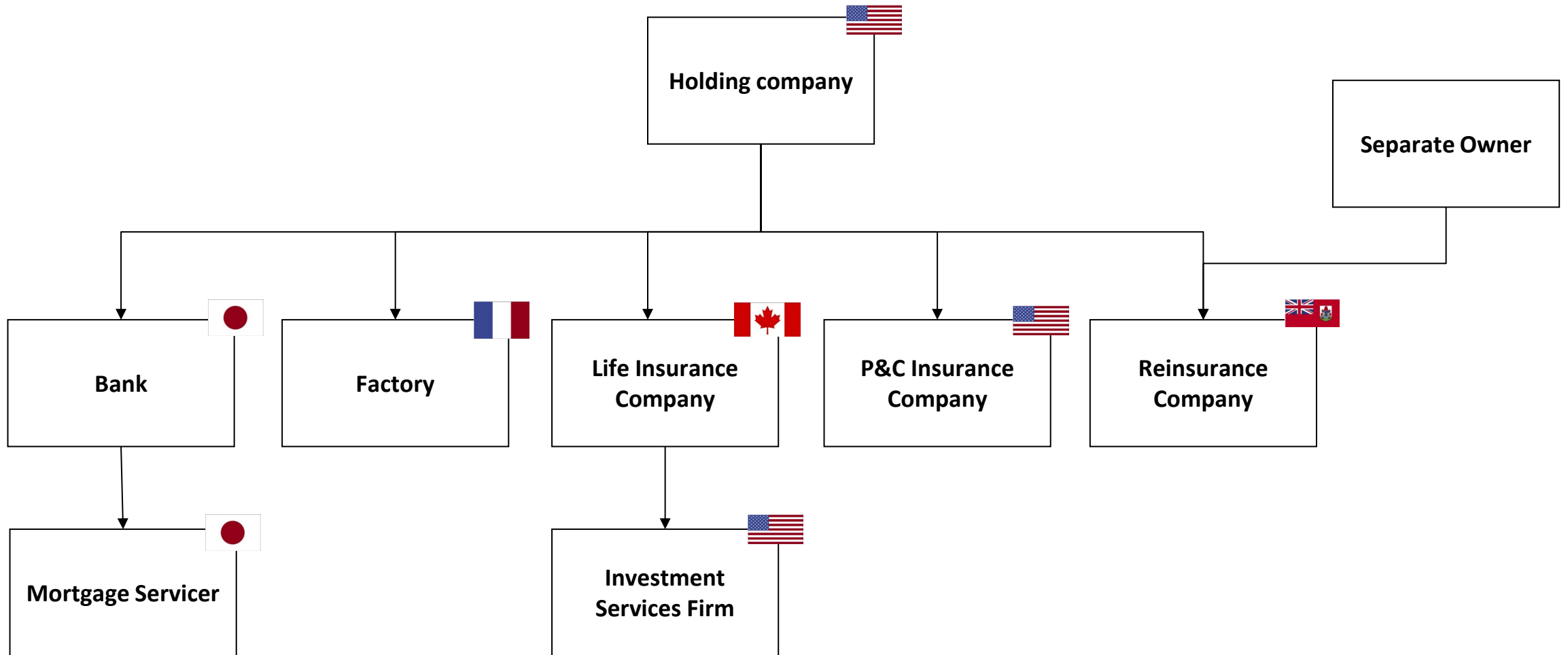
- Composed of all insurers + the head of the **Insurance Group** + all entities exercising significant influence (including **Control**)
 - Some non-insurers likely included under the **Insurance Group**
- Significant influence is not formally defined but some examples include
 - Direct or indirect participation
 - Influence and other contractual obligations
 - Interconnectedness
 - Risk exposure
 - Risk concentration
 - Risk transfer
 - Intragroup agreements
 - Transactions
 - Exposures
- Entities that finance or service the insurance operations
 - Holding companies
 - Branches
 - Non-regulated entities
 - Regulated financial institutions



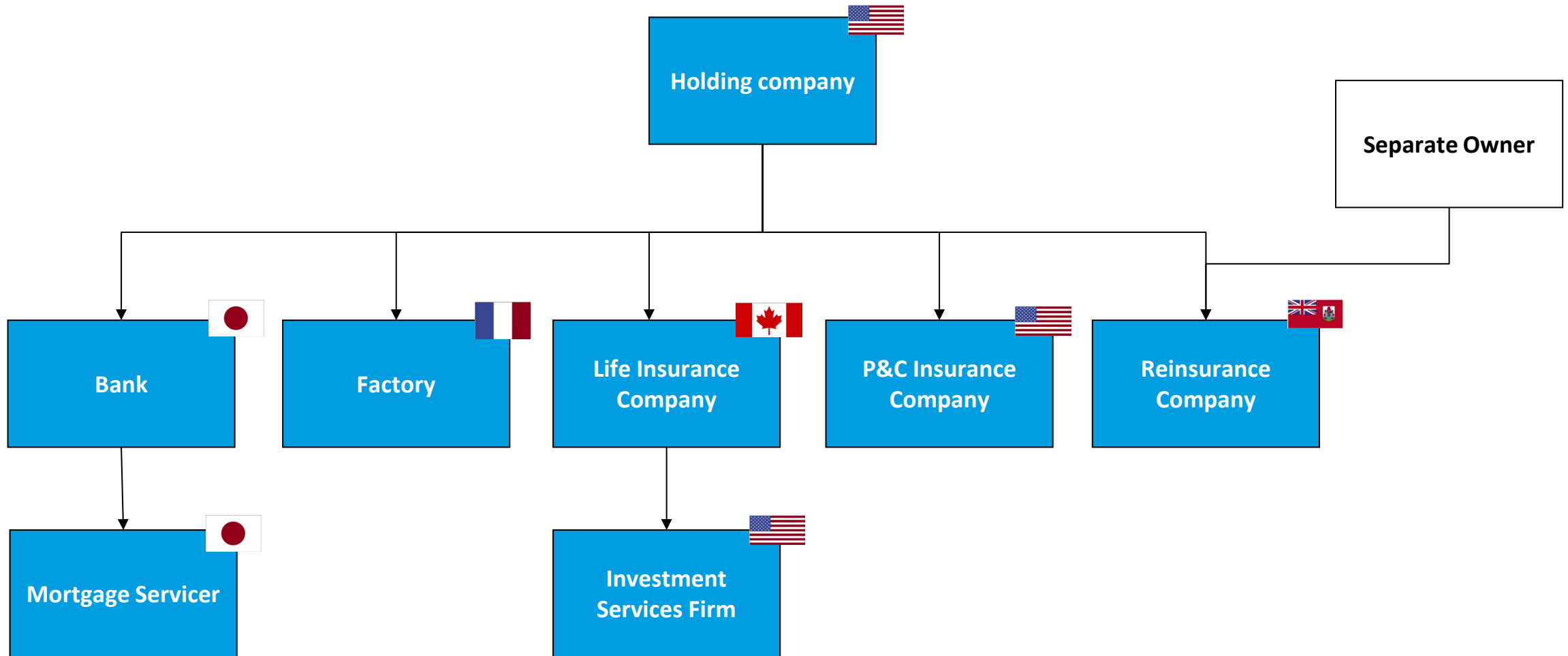
A DEEPER LOOK AT LEAD STATE REGULATOR

- Defined in Financial Analysis Handbook
- “Takes the lead” in conducting and coordinating groupwide supervision
- Scope is US solvency
- Several factors could determine which state will be lead state regulator:
 - State with the insurer with largest direct written premiums
 - Domiciliary state of top-tiered insurance company within an insurance holding company system
 - Physical location of main corporate offices or largest operation offices of the group
 - Knowledge in distinct areas of various business attributes and structures
 - Affiliated arrangements of reinsurance agreements
 - Lead state must be accredited by NAIC

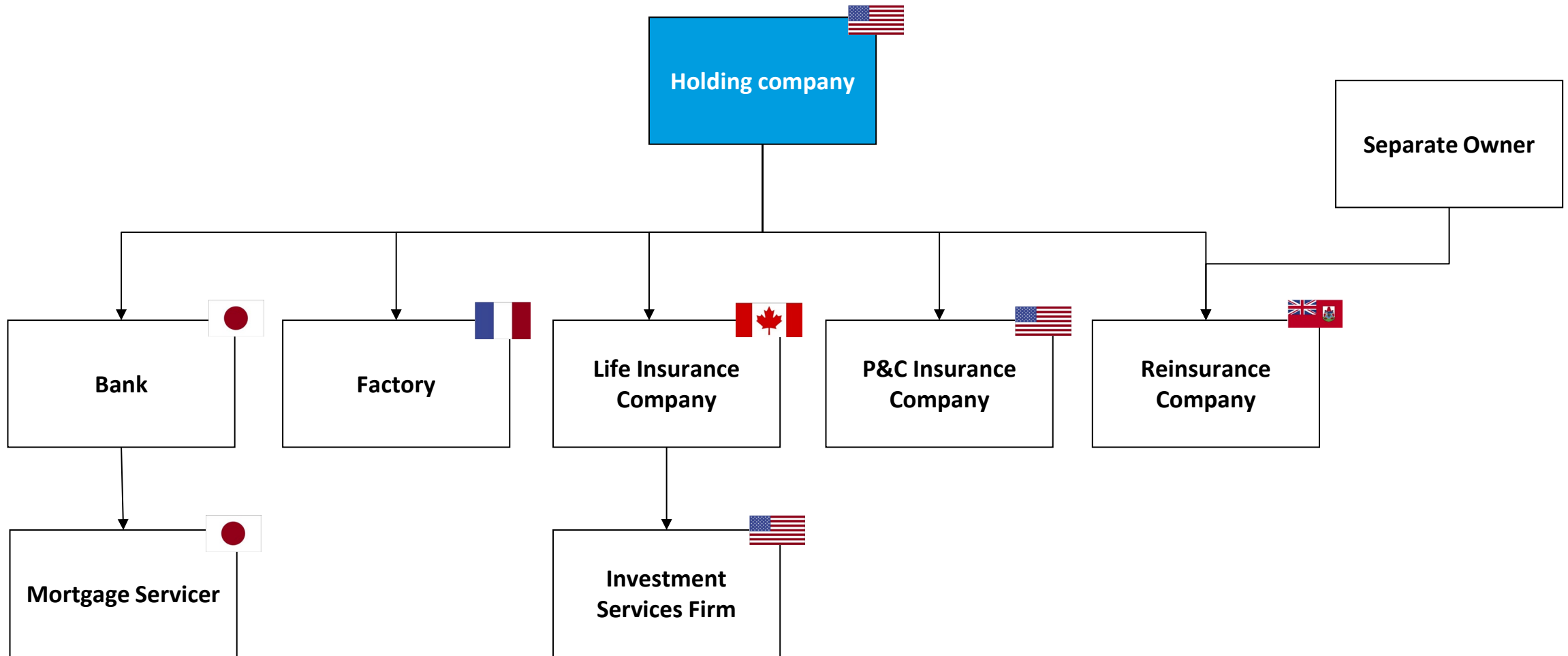
ILLUSTRATIVE GROUP



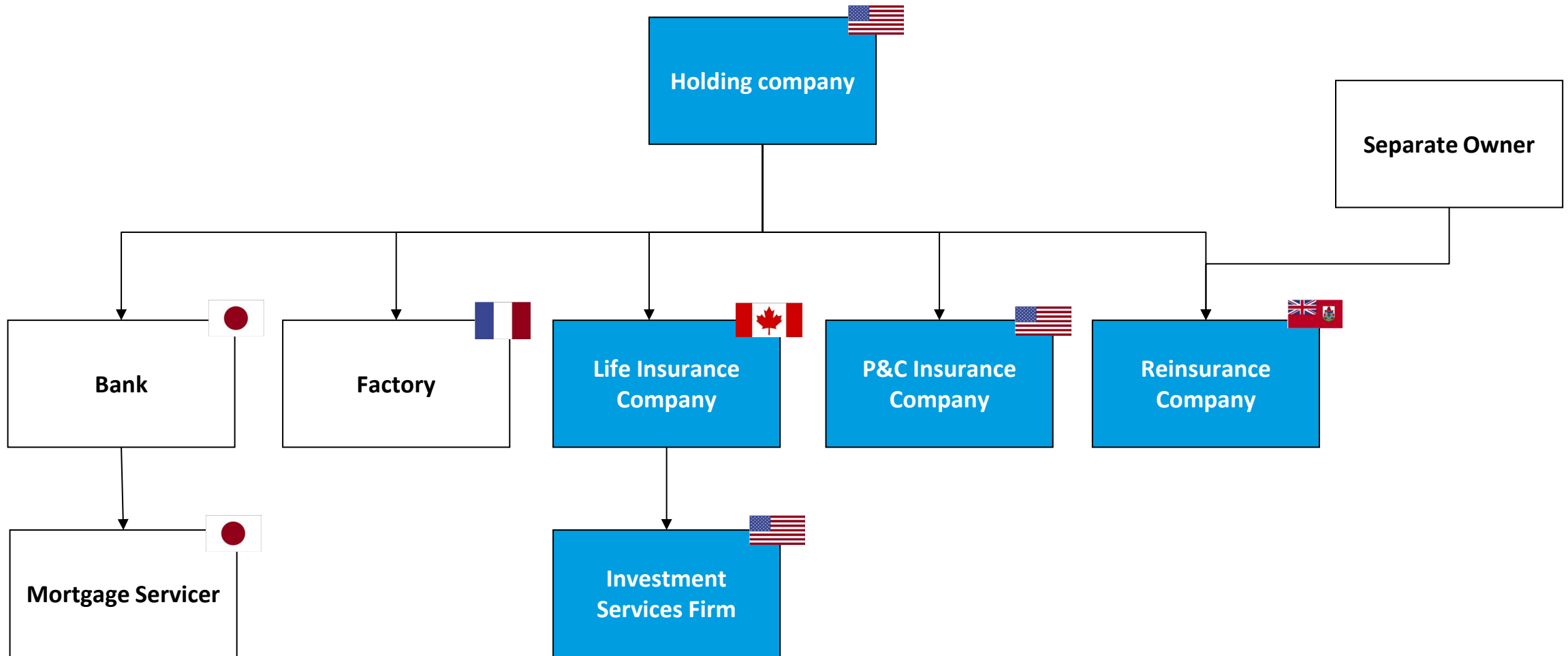
IDENTIFY: BROADER GROUP



IDENTIFY: ULTIMATE CONTROLLING PERSON



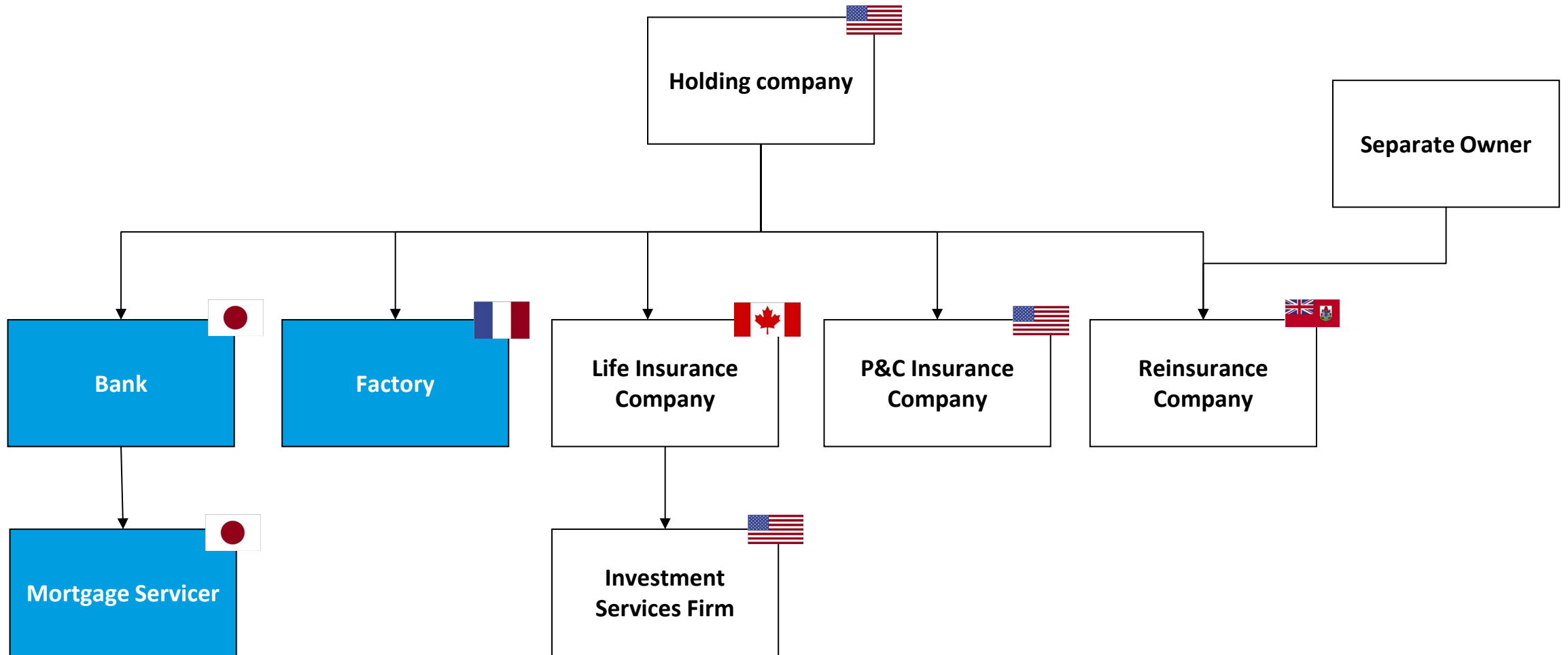
IDENTIFY: INSURANCE GROUP



A DEEPER LOOK AT MATERIAL RISK

- Possibility 1: Non-insurance and non-financial entities but not owned by an insurer in the **Insurance Group**
- Possibility 2: Part of Broader Group and of magnitude that could impact group stability or insurer ability to make payments
- Identify potential contributors, then evaluate, decide, and be prepared to defend decision
 - Entities ultimately deemed to pose **Material Risk** must be included in the GCC calculation
- Considerations
 - Past experience
 - Degree that **Insurance Group** has covered losses in subject entity
 - Existence of cross-support mechanisms
 - Means by which risk can be transferred
 - Degree of risk correlation
 - Existence and strength of structural safeguards to minimize transmission of risk

IDENTIFY: MATERIAL RISK CANDIDATES



US FILING SCOPE AND EXEMPTIONS

Considerations around requirement to file

Are you an entity within a holding company subject to US regulatory supervision?

Yes → You need to file NAIC's GCC annually with **Lead State Regulator**

Are you an insurance holding company whose non-US groupwide supervisor is located within a **Reciprocal Jurisdiction**?

No → You are exempted from NAIC's GCC, but may need to consider capital requirements under your local jurisdiction

Other exemptions for more unique situations also exist

Bonus term!

Reciprocal jurisdiction: Foreign jurisdictions that have an agreement with the US to recognize the sufficiency of their prudential measures. Arises in the context of reinsurance

2024 Reciprocal Jurisdictions

European Union
United Kingdom
Bermuda
Japan
Switzerland

While not a **Reciprocal Jurisdiction**, Canada has been separately evaluated by the NAIC and will be treated the same for purposes of considering GCC

TEMPLATE STRUCTURE

The full report includes the following tabs

- Attestation
- Input 1 - Schedule 1*
- Input 2 – Inventory
- Input 3 – Capital instruments
- Input 4 – Analytics*
- Input 5 – Sensitivity Analysis
- Input 6 – Questions A and BA affiliates

These tabs require input from the preparer.

- Calc 1 – Scaling (Ins)
- Calc 2 – Scaling (non-Ins)
- Summary 1 - Entity Level
- Summary 2 – Top Level
- Summary 3 – Analytics*
- Summary 4 – Grouping alternatives

* only required tabs for **Limited Group Capital Filing**. These are available after at least 1 full GCC filing and if certain conditions are met.

3

DETERMINING SCOPE OF APPLICATION

ENTITY INCLUSION/EXCLUSION HAS MANY CONSIDERATIONS

STARTING POINT: GENERALLY ENTIRE GROUP OR INSURANCE SUBGROUP

- Entities deemed out of scope may still require information sent to Lead State to demonstrate scope
- Schedule 1 tab—All entities in Broader Group listed to determine potential scope
 - Column for “inclusion” as based on preparer’s assessment
 - Column for regulator to opine on inclusion
- Only include Schedule A and BA affiliates which are insurance/financial entities (and reported as A or BA). All others are part of parent insurer
- Similar entities may be grouped where feasible and helpful, but full financial picture must be disclosed.
 - Only non-financial or non-regulated financials may be groupable
 - Should receive grouping approval prior to filing
 - There may be cause to leave out non-financial material entities with no cross-support mechanisms. Essentially components that operate independently and on whom the insurers do not depend.
 - Primary interest: does that entity pose a risk to the (American) insurance customers?
- Lead state regulator has final word (but can only assess based on the information they have access to)
- Scope is re-reviewable annually

LIKELY FINAL: INSURANCE GROUP + FINANCIAL ENTITIES + ENTITIES OWNED BY INSURERS + NON-FINANCIAL ENTITIES WITH MATERIAL RISKS

ATTESTATION TAB

- Give **Lead State Regulator** comfort that company has followed instructions
- Contact info
- Predominant focus of group (Life, P/C, health)
- Full or **Limited Group Capital Filing**

| GROUP INFORMATION PAGE (JURAT) | | | |
|---------------------------------------|--|---|---------------------------------|
| Group Capital Calculation | | | |
| For the Year Ending December 31, 2024 | | | |
| (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 | | |
| | | | (Street and Number or P.O. Box) |
| (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 | | Middle |
| (O) | Is this filing an Original, Amended or Refiling? | | |
| | (Q1) If Amended, Amendment Number: | | |
| | Predominant Type of Business? | | |
| | Is Limited Filing? | N | |

4

TEMPLATE INPUT TABS

<INPUT 1 – SCHEDULE 1> (1/2)

- Full inventory of **Broader Group**
- Entity level inclusion assessment
- Information to help **Lead State Regulator** understand the group’s function, its risks, and its capital allocation
- [5] functions as lookup index throughout rest of tabs
- [8] comes from a list of about 60 Entity Category Codes, reflecting geography and regulatory regimes (Appendix)
- Certain equity method investments reported in Inventory Section 1B do not need to be listed in Schedule 1. These are already accounted for in the Parent’s financials.
- [17] total columns

SCHEDULE 1B: ENTITY DESCRIPTION

| S1B | Included / Excluded (Company) | Included / Excluded (Supervisor) | Included/Excluded | Entity Grouping | Entity Identifier (Use NAIC where possible) | Entity Identifier Type | Entity Name | Entity Category |
|------|----------------------------------|-------------------------------------|-------------------|-----------------|--|------------------------|-------------|-----------------|
| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] |
| [1] | 0 | | 0 | | | | | |
| [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 | | | | | |
| [13] | 0 | | 0 | | | | | |
| [14] | 0 | | 0 | | | | | |

Ultimate Controlling Person typically on row 1; 999 additional rows available for entities in entities in **Broader Group**

<INPUT 1 – SCHEDULE 1> (2/2)

SCHEDULE 1C: DATA FOR ANALYTICS

| Basis of Accounting | Gross Written Premium | Net Written Premium | Reinsurance Assumed from Affiliates | Reinsurance Ceded to Affiliates | Book Assets | Book Liabilities | Gross Paid In Capital |
|---------------------|-----------------------|---------------------|-------------------------------------|---------------------------------|-------------|------------------|-----------------------|
| [1] | [2] | [3] | [4] | [5] | [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] |
| | | | | | | 0 | | | |
| | | | | | | 0 | | | |
| | | | | | | 0 | | | |
| | | | | | | 0 | | | |
| | | | | | | 0 | | | |
| | | | | | | 0 | | | |

<INPUT 2 - INVENTORY> (1/2) STANDARD FILING

A

- Identifier information pulled from <Input 1 Schedule 1>

B

- [1], [2]: Carrying values accounting basis to display depend on two regimes: parent and local
- [3]: removes carrying value of directly owned subsidiary from parent's carrying value
- [4]: flows automatically from Capital Instruments
- [5]-[7]: Other adjustments (each is then explained in Questions)

C

- Analogous to Inventory B, but focused on required capital
- Well-defined specifics in rules

D

- Inventory D contains several helpful checks

[illegible]

<INPUT 2 – INV LIMITED> (2/2) LIMITED GROUP CAPITAL FILING

- For **Limited Group Capital Filings**, a summarized version is prepared at Entity Category Code level
- Selected rows of total [57] shown here

| | ONLY LIMITED FILERS SHOULD COMPLETE | | Adjusted Carrying Value | Adj. Capital Calculation |
|------------|---|------|-------------------------|--------------------------|
| | | | [1] | [2] |
| HoldCo | Non-operating Holding Co. | [1] | XXXX | XXXX |
| US Ins | RBC Filing U.S. Insurer (Life) | [2] | XXXX | XXXX |
| US Ins | RBC Filing U.S. Insurer (P&C) | [3] | XXXX | XXXX |
| US Ins | RBC Filing U.S. Insurer (Health) | [4] | XXXX | XXXX |
| US Ins | RBC Filing U.S. Insurer (Other) | [5] | XXXX | XXXX |
| US Ins | U.S. Mortgage Guaranty Insurers | [6] | XXXX | XXXX |
| US Ins | U.S. Title Insurers | [7] | XXXX | XXXX |
| US Ins | Other Non-RBC Filing U.S. Insurers | [8] | XXXX | XXXX |
| US Ins | RBC filing (U.S. Captive) | [9] | XXXX | XXXX |
| Non-US Ins | Canada - Life | [10] | XXXX | XXXX |
| Non-US Ins | Canada - P&C | [11] | XXXX | XXXX |
| Non-US Ins | Bermuda - Other | [12] | XXXX | XXXX |
| Non-US Ins | Bermuda - Commercial Insurers | [13] | XXXX | XXXX |
| Non-US Ins | Japan - Life | [14] | XXXX | XXXX |
| Non-US Ins | Japan - Non-Life | [15] | XXXX | XXXX |
| Non-US Ins | Japan - Health | [16] | XXXX | XXXX |
| Non-US Ins | Solvency II (EU) - Life | [17] | XXXX | XXXX |
| Non-US Ins | Solvency II (EU) - Non-Life | [18] | XXXX | XXXX |
| Non-US Ins | Solvency II (UK) - Life | [19] | XXXX | XXXX |
| Non-US Ins | Solvency II (UK) - Non-Life | [20] | XXXX | XXXX |
| Fin | Bank (Basel III) | [48] | XXXX | XXXX |
| Fin | Bank (Other) | [49] | XXXX | XXXX |
| Fin | Financial Entity with a Regulatory Capital Requirement | [50] | XXXX | XXXX |
| Fin | Asset Manager/Registered Investment Advisor - High Risk | [51] | XXXX | XXXX |
| Fin | Asset Manager/Registered Investment Advisor - Medium Risk | [52] | XXXX | XXXX |
| Fin | Other Fin without Reg Cap Req – High Risk | [53] | XXXX | XXXX |
| Fin | Other Fin without Reg Cap Req -Medium Risk | [54] | XXXX | XXXX |

<INPUT 3 – CAPITAL INSTRUMENTS>

- Allows for inclusion of additional capital sources based on structural subordination
- One instrument per row
- Aims to capture surplus notes, senior debt, hybrid instruments and other subordinated debt (selected in [3])
- [4]: CUSIP or equivalent
- [9], [10]: account for intra-group considerations, cascades back to Inventory tab to adjust for double counting
- [14]-[16]: take all provided info and determine ultimate amounts to be included

| Capital Instruments | Name of Issuer | Entity Identifier | Type of Financial Instrument | Instrument Identifier (e.g. CUSIP) | Entity Category | Year of Issue (or refinancing) | Year of Maturity |
|---------------------|----------------|-------------------|------------------------------|------------------------------------|-----------------|--------------------------------|------------------|
| S3A | [1] | [2] | [3] | [4] | [5] | [6] | [7] |
| [1] | | | | | | | |
| [2] | | | | | | | |
| [3] | | | | | | | |
| [4] | | | | | | | |
| [5] | | | | | | | |
| [6] | | | | | | | |
| [7] | | | | | | | |
| [8] | | | | | | | |

| 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 |
|------------------------------|---------------------|--------------------------|---|---|--------------------------|------------------------------------|---------------------|-----------------|
| [8] | [9] | [10] | [11] | [12] | [13] | [14] | [15] | [16] |
| | | | | | | N | N | 0 |
| | | | | | | N | N | 0.0 |
| | | | | | | N | N | 0.0 |
| | | | | | | N | N | 0.0 |
| | | | | | | N | N | 0.0 |
| | | | | | | N | N | 0.0 |
| | | | | | | N | N | 0.0 |
| | | | | | | N | N | 0.0 |

<INPUT 4 – ANALYTICS>

- 5-year histories needed at Entity Category Code level
- Not used in capital calculations, but rather to provide **Lead State Regulator** with additional information and trends
- Metrics needed:
 - Gross Premium Written
 - Net Income
 - Return on Capital
 - Return on Assets
 - Net Premium Written
 - Liabilities
 - Dividends Received/(Paid)
 - Capital & Surplus
 - Capital contributions received/(Paid)
 - Ratio of actual to required capital
 - Several ratios

| | Is limited? | N | Gross Premium Written (\$) [excluding premiums ceded to affiliates] | | | | |
|------------|------------------------------------|------|---|------|------|------|------|
| | Core Insurance Table 1 | | | | | | |
| | Template Groupings | | 2024 | 2023 | 2022 | 2021 | 2020 |
| | | | [1] | [2] | [3] | [4] | [5] |
| HoldCo | Non-operating Holding Co. | [1] | XXXX | XXXX | XXXX | XXXX | XXXX |
| US Ins | RBC Filing U.S. Insurer (Life) | [2] | 0.0 | | | | |
| US Ins | RBC Filing U.S. Insurer (P&C) | [3] | 0.0 | | | | |
| US Ins | RBC Filing U.S. Insurer (Health) | [4] | 0.0 | | | | |
| US Ins | RBC Filing U.S. Insurer (Other) | [5] | 0.0 | | | | |
| US Ins | U.S. Mortgage Guaranty Insurers | [6] | 0.0 | | | | |
| US Ins | U.S. Title Insurers | [7] | 0.0 | | | | |
| US Ins | Other Non-RBC Filing U.S. Insurers | [8] | 0.0 | | | | |
| US Ins | RBC filing (U.S. Captive) | [9] | 0.0 | | | | |
| Non-US Ins | Canada - Life | [10] | 0.0 | | | | |
| Non-US Ins | Canada - P&C | [11] | 0.0 | | | | |
| Non-US Ins | Bermuda - Other | [12] | 0.0 | | | | |
| Non-US Ins | Bermuda - Commercial Insurers | [13] | 0.0 | | | | |
| Non-US Ins | Japan - Life | [14] | 0.0 | | | | |
| Non-US Ins | Japan - Non-Life | [15] | 0.0 | | | | |
| Non-US Ins | Japan - Health | [16] | 0.0 | | | | |
| Non-US Ins | Solvency II (EU) - Life | [17] | 0.0 | | | | |
| Non-US Ins | Solvency II (EU) - Non-Life | [18] | 0.0 | | | | |
| Non-US Ins | Solvency II (UK) - Life | [19] | 0.0 | | | | |
| Non-US Ins | Solvency II (UK) - Non-Life | [20] | 0.0 | | | | |
| Non-US Ins | Australia - All | [21] | 0.0 | | | | |
| Non-US Ins | Switzerland - Life | [22] | 0.0 | | | | |
| Non-US Ins | Switzerland - Non-Life | [23] | 0.0 | | | | |
| Non-US Ins | Hong Kong - Life | [24] | 0.0 | | | | |
| Non-US Ins | Hong Kong - Non-Life | [25] | 0.0 | | | | |
| Non-US Ins | Singapore - All | [26] | 0.0 | | | | |
| Non-US Ins | Chinese Taipei - All | [27] | 0.0 | | | | |
| Non-US Ins | South Africa - Life | [28] | 0.0 | | | | |
| Non-US Ins | South Africa - Composite | [29] | 0.0 | | | | |
| Non-US Ins | South Africa - Non-Life | [30] | 0.0 | | | | |
| Non-US Ins | Mexico | [31] | 0.0 | | | | |
| Non-US Ins | China | [32] | 0.0 | | | | |
| Non-US Ins | South Korea | [33] | 0.0 | | | | |
| Non-US Ins | Malaysia | [34] | 0.0 | | | | |
| Non-US Ins | Chile | [35] | 0.0 | | | | |

<INPUT 5 – SENSITIVITY ANALYSIS>

- The GCC calculation includes 8 sensitivities
- This tab is for entering information needed to conduct sensitivities 3, 4, 7, and 8
- Sensitivities are for disclosure only
- 3 – Permitted practices
- 4 – Prescribed practices
- 7 – Captives other than XXX/AXXX
- 8 – Regulatory discretion
 - Sensitivity 8 is a “custom” sensitivity chosen by the regulator
 - May be requested post-filing or selected in advance

| | Entity Name | Entity Identifier | For Available Capital | | | | For Calc'd Capital (at 200% of ACL level) | | | |
|------|-------------|-------------------|-----------------------|------------|----------------------------|-------------|---|------------|----------------------------|-------------|
| | | | 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] | | | | | | | | | | |
| [8] | | | | | | | | | | |
| [9] | | | | | | | | | | |
| [10] | | | | | | | | | | |
| [11] | | | | | | | | | | |
| [12] | | | | | | | | | | |
| [13] | | | | | | | | | | |
| [14] | | | | | | | | | | |
| [15] | | | | | | | | | | |
| [16] | | | | | | | | | | |
| [17] | | | | | | | | | | |
| [18] | | | | | | | | | | |
| [19] | | | | | | | | | | |
| [20] | | | | | | | | | | |
| [21] | | | | | | | | | | |

<INPUT 6 – QUESTIONS>

- Preparer’s opportunity to describe and explain entries in other tabs

| | 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 | | | | |

- Only two of the ten entry types are displayed here
- Whether and how these are populated depends on prior entries and specific group circumstances

| | 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 | | | | |

Final entry on this tab is a freeform response→

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

5

AGGREGATION AND ANALYSIS

<CALC 1 SCALING (INS)>

- No preparer input needed: All entries populated from prior tabs and applies preset scalars to align them to NAIC RBC equivalent values

ERR
Excess
Relative
Ratio

| | | Unscaled [@200%] | | Unscaled [@300%] | | GCC Scaled with ERR [@200% ACL Level] | | GCC Scaled with ERR [@300% ACL Level] | | Regime Type |
|------------------------------------|--|------------------|--------|------------------|--------|---------------------------------------|--------|---------------------------------------|--------|-------------|
| Entity Category | | How to Adjust? | Scalar | How to Adjust? | Scalar | How to Adjust? | Scalar | How to Adjust? | Scalar | |
| | | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | |
| | | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] |
| RBC Filing U.S. Insurer (Life) | | Pure Scalar | 100% | Pure Scalar | 150% | XS Scalar | 100% | Pure Scalar | 150% | Risk Based |
| RBC Filing U.S. Insurer (P&C) | | Pure Scalar | 100% | Pure Scalar | 150% | XS Scalar | 100% | Pure Scalar | 150% | Risk Based |
| RBC Filing U.S. Insurer (Health) | | Pure Scalar | 100% | Pure Scalar | 150% | XS Scalar | 100% | Pure Scalar | 150% | Risk Based |
| RBC Filing U.S. Insurer (Other) | | Pure Scalar | 100% | Pure Scalar | 150% | XS Scalar | 100% | Pure Scalar | 150% | Risk Based |
| U.S. Mortgage Guaranty Insurers | | Pure Scalar | 100% | Pure Scalar | 100% | XS Scalar | 100% | Pure Scalar | 100% | Risk Based |
| U.S. Title Insurers | | Pure Scalar | 100% | Pure Scalar | 100% | XS Scalar | 100% | Pure Scalar | 100% | Risk Based |
| Other Non-RBC Filing U.S. Insurers | | Pure Scalar | 100% | Pure Scalar | 100% | XS Scalar | 100% | Pure Scalar | 100% | Risk Based |
| RBC filing (U.S. Captive) | | Pure Scalar | 100% | Pure Scalar | 150% | XS Scalar | 100% | Pure Scalar | 150% | Risk Based |
| Canada - Life | | Pure Scalar | 100% | Pure Scalar | 100% | XS Scalar | 10% | XS Scalar | 25% | Risk Based |
| Canada - P&C | | Pure Scalar | 100% | Pure Scalar | 100% | XS Scalar | 28% | XS Scalar | 53% | Risk Based |
| Bermuda - Other | | Pure Scalar | 100% | Pure Scalar | 100% | XS Scalar | 46% | XS Scalar | 82% | Risk Based |
| Bermuda - Commercial Insurers | | Pure Scalar | 100% | Pure Scalar | 100% | XS Scalar | 46% | XS Scalar | 82% | Risk Based |
| Japan - Life | | Pure Scalar | 100% | Pure Scalar | 100% | XS Scalar | 124% | XS Scalar | 174% | Risk Based |

| | | | | | | | | | | Unscaled [@200%] | | | |
|---------------------|-------------------|-----------|--------------------|------------------|---------|--------------------|-------------------------|----------------------|---------------------------|------------------|--------|--------------------------|------------|
| SCALAR CALCULATIONS | Entity Identifier | Included? | Included Ins/Bank? | Entity Cat. Code | Revenue | Adj Carrying Value | Adj Capital Calculation | Unadj Carrying Value | Unadj Capital Calculation | Scaling Type | Scalar | Scaled and calibrated CC | Scaled TAC |
| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] | [12] | [13] |
| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] | [12] | [13] |
| | | 0.0 | 0 (Ins/Bank) | | 0.0 | | | | | N/A | N/A | N/A | N/A |
| | 0.0 | 0.0 | 0 (Ins/Bank) | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | N/A | N/A | N/A | N/A |
| | | 0.0 | 0 (Ins/Bank) | | | | | | | N/A | N/A | N/A | N/A |
| | | 0.0 | 0 (Ins/Bank) | | | | | | | N/A | N/A | N/A | N/A |
| | | 0.0 | 0 (Ins/Bank) | | | | | | | N/A | N/A | N/A | N/A |
| | | 0.0 | 0 (Ins/Bank) | | | | | | | N/A | N/A | N/A | N/A |
| | | 0.0 | 0 (Ins/Bank) | | | | | | | N/A | N/A | N/A | N/A |
| | | 0.0 | 0 (Ins/Bank) | | | | | | | N/A | N/A | N/A | N/A |

<CALC 2 – SCALING (NON-INS)>

- No preparer input needed: All entries populated from prior tabs

| | 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 |
|----------|--|------|----------------------------|--------------------|------------------------|----------------------------|---------------|--------|-----|----------------------------------|
| | | | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] |
| 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 |
| Other | Other Non-Ins/Non-Fin without Material Risk | [13] | 0.0 | 0.0 | 0.0 | 0.0 | Reported AC | 0.0% | 0 | 0 |
| | | | | | | Predominantly? | Life | | | |
| Excluded | Entities requested but not approved for exclusion | | | | 0.0 | 0.0 | | | | |

SUMMARY TABS

1: ENTITY LEVEL

- GCC ratio calculations
- Entity level calculations needed for certain sensitivities

2: TOP LEVEL

- Top level
- Grand total GCC
- Sensitivity level GCC

3: ANALYTICS






- Summary results for metrics described in the Analytics Guidance
- Utilizing data collected in the “Input 4 – Analytics” tab or other tabs in the GCC

4: GROUPING ALTERNATIVE

- Additional, optional, analytic tool
- Designed for groups to aggregate entity level results at tiers at which the reporting entity views its organization
- Intent is to provide enhanced dialogue with **Lead State Regulator**

| 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 | |

ILLUSTRATIVE EXAMPLE

| Regime | Entity | Assessment | Regime | Available capital | Regulatory capital | Required capital | Ratio |
|---|------------------------|------------|------------------|-------------------|--------------------|------------------|-------------|
| | Bank | Exclude | Bank (Basel III) | 45 | 35 | 35 (100%) | 128% |
| | Mortgage Servicer | Exclude | | 35 | 10 | 10 (100%) | 350% |
| | Factory | Exclude | | 5 | - | 1 | - |
|  | Life insurance company | Include | NAIC RBC | 106 | 25 | 38 (150%) | 424% |
|  | Investment Services | Include | | 20 | - | 7 | - |
|  | P&C insurance company | Include | NAIC RBC | 55 | 10 | 20 (200%) | 550% |
|  | Reinsurer | Include | BMA | 67 | 14 | 28 (200%) | 478% |
|  | Holding Company | Include | Holding Co | 433 | - | - | - |
| Grand Total | | | | 348 | | 93 | 374% |

Q&A



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APPENDIX

ENTITY CATEGORIES

| | | |
|------------------------------------|----------------------------|---|
| 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. |