

2021 LIMAT Ratio Public Disclosure Summary

Swiss Reinsurance Company Ltd (Canadian Life Branch) is required to comply with the Office of the Superintendent of Financial Institutions (OSFI) Life Insurance Capital Adequacy Test (LICAT). Branches are required, at minimum, to maintain a Total Ratio of 90%. OSFI has established supervisory target level of 100% for Total margin.

Definition of terms can be found in Guideline A at: [LICAT – Life Insurance Capital Adequacy Test](#)

A breakdown of the solvency ratio, by component, is presented in the table below.

		Current Period (000's)	Prior Period (000's)	Change - %
Available Margin (A-B)	C	1,381,786	674,704	104.8%
<i>Assets Available</i>	A	3,754,100	2,872,652	30.7%
<i>Assets Required</i>	B	2,372,315	2,197,948	7.9%
Surplus Allowance and Eligible Deposits	D	6,130,670	6,610,449	-7.3%
Required Margin	E	5,810,835	5,662,787	2.6%
LIMAT Total Ratio: (C + D) / E		129.3%	128.6%	0.5%

Qualitative Analysis of Solvency Ratio (Period over Period)

- The LIMAT Total Ratio increased from 128.6% (December 31, 2020) to 129.3% (December 31, 2021). The Total Ratio is well above the supervisory target level and above the Branch's operational target range.
- The 2021 change in the Available Margin (C) was mainly driven by: higher interest rate environment and annual basis changes
- The 2021 change in the Surplus Allowance and Eligible Deposits (D) was mainly driven by: higher interest rate environment and annual basis changes.
- The 2021 change in the Required Margin (E) was mainly driven by: normal course movements in the business in conjunction with: annual basis changes and market movements.