INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

2019 Field Testing Questionnaire for the

April 2019 Quantitative Data Collection Exercise of the

Field Testing Project

("the Questionnaire")

This is an IAIS working document used for 2019 Field Testing purposes. It does not purport to represent or prejudge the final proposals of the IAIS on ICS.

This document must be read in conjunction with the associated 2019 Field Testing Technical Specifications, Templates and yield curve documentation to provide an accurate and up-to-date understanding of the Field Testing exercise.

Contents

1 Introduction 5
1.1 Preamble 5
1.2 Confidentiality 5
1.3 Instructions 5
2 Identification 6
3 Baseline Current Regulatory Reporting 7
4 ICS Balance Sheet 11
5 Market Adjusted Valuation (MAV or Market Adjusted) 16
5.1 MAV: Valuation of Assets 16
5.2 MAV: Yield Curves and Bucketing 28
5.3 MAV: Additional Table for Middle Bucket 34
6 GAAP with Adjustments (GAAP Plus) 38
7 Reconciliations 56
7.1 Reconciliations: Life Insurance Liabilities - GAAP Plus to MAV 56
7.2 Reconciliations: Non-Life Insurance Liabilities - GAAP Plus to MAV 58
8 Capital Resources 61
9 Consistent and Comparable Margin Over Current Estimate 67
9.1 Percentile-MOCE 67
10 The ICS Standard Method 69
10.1 Look-through 69
10.2 Risk mitigation 71
10.3 Geographical segmentation 73
11 Insurance risks 75
11.1 Grouping of Policies for Life Risks 75
11.2 Mortality Risk 76
11.3 Longevity Risk 79
11.4 Morbidity and Disability Risk 82
11.5 Lapse Risk 85
11.6 Expense Risk 88
11.7 Premium Risk and Claims Reserve Risk 91
11.8 Catastrophe Risk 93

11.8.1 Catastrophe risk: Non-Life Exposures 93
11.8.2 Catastrophe risk: Life Exposures 98
12 Market risks 99
12.1 Interest Rate risk 99
12.2 Non-default spread risk 103
12.3 Equity risk 107
12.4 Real Estate risk 109
12.5 Currency risk 110
12.6 Asset Concentration risk 113
13 Credit risk 117
13.1 Calibration of Credit risk factors for Commercial Mortgages 121
14 Operational risk 129
15 ICS Risk Charges 131
16 Aggregation / Diversification of ICS Risk Charges 132
17 ICS Tax Treatment 133
18 Baseline Jurisdictional Legal-Entity Capital Requirements 145
19 Baseline Supplementary Internal Model Data 147
20 Supplementary Data Collection (Segmentation of Investments) 153
21 Supplementary Data Collection (Dynamic Hedging) 159
22 Self-assessment Template for Internal Models 162
Prerequisite 1: Description of the scope of application of internal models 162
Prerequisite 2: Validation 165
Prerequisite 3: Sign-off of the Board of Directors of the IAIG 167
Prerequisite 4: Statistical quality test 167
Prerequisite 5: Calibration test 170
Prerequisite 6: Use test and governance 173
Prerequisite 7: Documentation standards 174
Prerequisite 8: Absence of cherry-picking (for partial models) 176
Prerequisite 9: The resulting ICS capital requirement more appropriately reflects the risk profile of the insurer (for partial models) 176
Prerequisite 10: Explain how the partial internal model and standard method's results can be integrated (for partial models) 177
Monitoring period: Suggestion for template refinement 178

Annex IM SAT 179

1 Introduction

1.1 Preamble

This Questionnaire focuses on supplementary information in relation to quantitative data provided in the 2019 Field Testing Template of the April 2019 Quantitative Data Collection Exercise of the Field Testing Project, and is due **31 July 2019**.

Defined terms in this document shall have the dame meaning as ascribed to them in the Guidelines unless otherwise defined herein.

1.2 Confidentiality

This Questionnaire forms part of the documentation for the Field Testing Project. Please refer to the Introduction and Purpose and the Applicable Technical Standards in the 2019 Field Testing Technical Specifications, as well as the Field Testing Guidelines, for information in relation to confidentiality of this document and the information submitted by Volunteer Groups using this document. For avoidance of doubt, responses to this Questionnaire that are received in line with the processes outlined in the 2019 Field Testing Technical Specifications will benefit from the same level of confidentiality as the information submitted via the 2019 Field Testing Template.

1.3 Instructions

Please:

- Provide your answers ONLY in the spaces in the table provided for responses to each question.
- **DO NOT** alter the structure of this document (e.g. do not add additional rows or boxes for your answers, unless they are within the space already provided).
- **DO NOT** enter any information in blank spaces between questions or sections. The structure provided in this document is used to collate responses across Volunteer Groups. Any information entered outside this structure may result in that information being discarded during collation of the responses.

If this results in any problems with providing a response to any question in this Questionnaire, please email IAIS_Field_Testing@bis.org with details of the problem.

Please refer to the 2019 Field Testing Technical Specifications for instructions on submitting this Questionnaire. In particular please adhere to the deadlines and the file naming convention provided therein.

2 Identification

1	Please provide the name of your Volunteer Group below:
	Volunteer Group name Insert text
2	Please indicate the date of submission of this questionnaire (dd/mm/yyyy). If an earlier submission of this Questionnaire has been updated please indicate a new date here:
	Date of this submission Insert text
3	Please indicate the name of the contact persons for queries about the responses to this Questionnaire, including email address and telephone number.

Primary Contact	**Information**
Name:	Insert text
Email:	Insert text
Phone:	Insert text

Backup Contact	**Information**
Name:	Insert text
Email:	Insert text
Phone:	Insert text

3 Baseline Current Regulatory Reporting

FT Template Sheets referred to in this section:	FT19.Baseline
Key FT Technical Specification sections relevant to this section	4. Baseline Current Regulatory Reporting

4	Were any material simplifications and/or divergences from sectoral rules made when calculating the sectoral capital requirements for regulated banking activities in *FT19.Baseline*?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe these simplifications and/or divergences from sectoral rules. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

5	Were any material (in aggregate) non-regulated banking-like activities reported in *FT19.Baseline*?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe those non-regulated banking-like activities. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Description and rationale
Insert text	Insert text

	<table><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
6	Were there any material simplifications or divergence from the rules of application when determining the leverage ratio and Basel III risk-weighted assets information for non-regulated banking-like activities in *FT19.Baseline*?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe these simplifications or divergence from the rules of application when determining the leverage ratio and Basel III risk-weighted assets information for non-regulated banking-like activities. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. <table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
7	Were any material (in aggregate) other financial activities, particularly securities business or asset management business, within the scope of the group consolidation reported in *FT19.Baseline*?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe these other financial activities and the basis and amount of any capital requirements as reported for these other financial activities businesses. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

	Item name	Description and rationale	Basis and amount of capital requirements reported
	Insert text	Insert text	Insert text

(Add additional rows as necessary)

8	Does your Volunteer Group engage in any material (in aggregate) unregulated business that is similar to other insurance regulated business and that could be considered as insurance business for ICS purposes?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the unregulated business and the jurisdiction in which the business is operated.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Description of unregulated business	Jurisdiction in which it operates
Insert text	Insert text	Insert text

(Add additional rows as necessary)

9	In order for the IAIS to better understand the Baseline current regulatory reporting, please provide information on the impact of transitional measures applicable to the figures reported for the *Insurance-related capital requirement* and *Insurance-related qualifying capital resources*. Do those reported values take into account the effect of any transitional measures?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

<table>
<tr><td></td><td>If YES, please quantify the impact by comparing these values to the values if no transitional measures were taken into account.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>10</td><td>Do you have further comments regarding this section?

Where appropriate, this includes comment on data, additional relevant data, and/or calculation that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue and describe it and the rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
</table>

4 ICS Balance Sheet

FT Template Sheets referred to in this section:	FT19.ICS.Balance Sheet
Key FT Technical Specification sections relevant to this section	5 ICS Balance Sheet

11	If, as permitted in the Technical Specifications, an aggregation rather than full consolidation method for the starting GAAP Balance Sheet has been used: does that method include the use of multiple jurisdictional GAAP methods for valuing portfolios of insurance liabilities (ie U.S. GAAP, IFRS, Japanese GAAP)?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please provide the balance for insurance liabilities valued under each different jurisdictional GAAP method. It is assumed that the GAAP Plus approach used to adjust balances to a current estimate would align with the jurisdictional GAAP. If this is not the case please provide an explanation as well as any additional qualitative or quantitative details of the impact of these liabilities not having been restated to the primary or predominant jurisdictional GAAP basis specified.

Jurisdictional GAAP used	GAAP Plus approach used	Amount	Description and rationale
Insert text			Insert text

(Add additional rows as necessary)

12	Were any material reclassifications made between reported general purpose audited financial statements (GAAP) and GAAP Plus in *FT19.ICS.Balance Sheet* (table *Information on the balance sheets*, Column *Reclassification from GAAP*)?
	Provide your response by placing an 'x' in the relevant cell:

<table>
<tr><td></td><td>☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the reclassifications made between reported GAAP and GAAP Plus. Please address at least the following points for reclassification:
- The method used to calculate each adjusted amount
- If the processes and systems used were subject to audit
- Any simplifying assumptions used and an assessment of the impact of these simplifications.
Reclassifications may include, for example, any amounts that are adjusted due to changes in balance sheet presentation, netting or grossing of balances, differences in the scope of the group, or application of different consolidation methods or rules.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>13</td><td>Were any material reclassifications made between reported GAAP and MAV in the worksheet FT19.ICS.Balance Sheet (table Information on the balance sheets, Column Reclassification from GAAP)?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the reclassifications made between reported GAAP and MAV. Please address at least the following points for reclassification:
- The method used to calculate each adjusted amount.
- If the processes and systems used were subject to audit.
- Any simplifying assumptions used and an assessment of the impact of these simplifications.
Reclassifications may include, for example, any amounts that are adjusted due to changes in balance sheet presentation, netting or grossing of balances, differences in the scope of the group, or application of different consolidation methods or rules.</td></tr>
</table>

<table>
<tr><td></td><td>Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>14</td><td>Has an amount been reported in worksheet FT19.ICS.Balance Sheet, table Information on the balance sheets, Row (-) adjustments already included in other equity items?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please provide a description of what was included in the amount in sufficient detail to understand why the offset was necessary.

<table><tr><th>Amount</th><th>Description</th></tr><tr><td>Insert text</td><td>Insert text</td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>15</td><td>Has an amount been reported in the Other line in the equity section of the worksheet FT19.ICS.Balance Sheet?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please provide additional information on the amount so that the IAIS can determine whether that amount should be included within ICS capital resources.

<table><tr><th>Amount</th><th>Description</th></tr></table></td></tr>
</table>

	Insert text	

(Add additional rows as necessary)

16	Do the columns for *Other than Related to insurance activities* in the worksheet *FT19.ICS.Balance Sheet* include any pension business?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please address the following points:

- Is any capital requirement recorded for this business on the Baseline sheet?
- For pension business deemed *Other than Related to insurance activities*, is any asset management of that pension business recorded either *Within Insurance Activities* on the balance sheet or in the Baseline *Information on Assets under Management*?

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

17	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

5 Market Adjusted Valuation (MAV or Market Adjusted)

5.1 MAV: Valuation of Assets

FT Template Sheets referred to in this section:	FT19.Valuation Assets FT19.ICS.Balance Sheet
Key FT Technical Specification sections relevant to this section	6 Market Adjusted Valuation (MAV) Approach

18	Were any sections of the MAV Technical Specifications not followed when valuing assets and liabilities (including insurance liabilities)?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the part(s) of the Technical Specifications that were not followed and the rationale for the decision not to perform the calculation as specified. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

19	Is there any section of the MAV Technical Specifications where more detailed specifications would have been helpful to minimise inconsistencies in understanding/interpretation?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please identify the section(s) of the Technical Specifications and describe the issues which should be addressed.

<table>
<tr><td></td><td>Please describe in summary, but with sufficient detail to allow an assessment of materiality.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>20</td><td>Were any additional assets or liabilities reported in the MAV Balance Sheet that may be inconsistently valued across GAAPs? (ie should the IAIS define a new adjustment for that balance sheet item)?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe each asset or liability reported in the MAV Balance Sheet that may be inconsistently valued across GAAPs, including an assessment of the materiality of such inconsistencies, and provide proposals for how such inconsistencies may be managed and addressed.
Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>21</td><td>Were any material assumptions or simplifications applied for the purposes of determining MAV current estimates for insurance liabilities and reinsurance assets in the worksheet FT19.ICS Balance Sheet?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

If YES, please describe each material simplification or adjustment made, including an assessment of their materiality, and the rationale for making the assumption or simplification.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Examples of areas which could be covered:

- Recognition criteria
- Contract boundaries
- Treatment of expenses
- Management actions
- Valuation of options and guarantees

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

22 Was any materially negative current estimate calculated for any product line in any IAIS defined segment (even if the total amount of insurance liabilities for the entire segment was not negative)?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the insurance products or contracts in the product lines for which negative current estimates were obtained, explain why these negative current estimates are reasonable outcomes, and describe how these negative current estimates were treated when results were aggregated into field testing segments.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

In your description, please provide an assessment of the extent to which such outcomes are a result of the MAV recognition criteria, which allows for recognition of future profits in the current estimate valuation.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

23	Are there any lines of business for which options and/or guarantees are material in determining current estimates in any IAIS defined segment?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe how options and/or guarantees were valued in determining current estimates for each line of business in each affected segment. Please address at least the following points for each relevant line of business:

- The type of option and /or guarantee in the insurance or reinsurance obligations
- The materiality of the valuation of the options and/or guarantees relative to the valuation of the line of business
- The methodology used to determine the valuation of the option and/or guarantees (Monte Carlo simulation approach, closed form stochastic approach, deterministic approach; or an Other approach (please explain))
- If a deterministic approach was used, how the probability that the option will gain in intrinsic value over time was addressed
- How any practical problems in the valuation of options and/or guarantees were addressed, including approximations made (and their impact)
- The extent to which future expected policyholder behaviour was taken into account when valuing your options and guarantees, including what that expected future behaviour was assumed to be
- Any material changes in the valuation of options and/or guarantees since the most recent field testing exercise you participated in

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

IAIS defined segment	Description of valuation of options and/or guarantees
Insert text	Insert text

(Add additional rows as necessary)

24	Were there any IAIS defined segments for which material future assumed management actions were taken into account in the calculation of the current estimates with respect to Section 6.3.13 (MAV Management Actions of the Technical Specifications)?

	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the future assumed management actions taken into account in the calculation of the current estimates for any product line in any field testing segment. Please address at least the following points for each relevant line of business: - The management actions assumed when calculating current estimate liabilities - The extent to which the application of future assumed management actions has reduced the total current estimate that would otherwise be derived - The extent to which the use of management actions have reduced the current estimate corresponding future discretionary benefits or options and guarantees that would otherwise be derived. That is, changes in current estimates attributable to assumed management actions in addition to normal reductions in bonuses following adverse experience, such as being triggered by the solvency of the company and / or fund being seriously threatened - The extent to which future assumed policyholder behaviours in response to management actions have been taken into account - Any material changes in future assumed management actions since the most recent field testing exercise you participated in - The basis on which the allowance was made (written policy, established practice, etc.) Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

IAIS defined segment	Description of valuation of options and/or guarantees
Insert text	Insert text

(Add additional rows as necessary)

25	Were there any material differences in the methods and/or assumptions used to calculate the reinsurance recoverables compared to those used to calculate current estimates for any material line of business within any IAIS defined segment?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the differences between the methods/assumptions used to calculate reinsurance recoverables and current estimates, the rationale for using different methods/assumptions, and the impact of not using the methods/assumptions used for calculating

current estimates for computing reinsurance recoverables for each relevant line of business in each relevant segment.

Please also indicate whether there is any material change in approach compared to the most recent field testing exercise you participated in, the rationale for those changes, and the impact of those changes on outcomes.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

IAIS defined segment	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

26 This question refers to the valuation of contingent liabilities, which should be based on the Volunteer Group's reported IFRS or GAAP valuations. Most contingent liabilities are disclosed in the notes to financial statements because estimates are not reliable and/or the IFRS/GAAP definition of a liability to be reported on the balance sheet is not met.

Were any material contingent liabilities not disclosed in the balance sheet due to local accounting rules?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the material contingent liabilities not included in the balance sheet, and the possible size of those liabilities. Please also explain if there are any material changes in local accounting rules regarding contingent liabilities since the most recent field testing exercise you participated in, and the impact of those changes.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

	(Add additional rows as necessary)
27	Were overhead expenses material when calculating any current estimates for IAIS defined segments?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe how overhead administrative expenses are taken into account when calculating any current estimates. Please address at least the following points for each relevant line of business: - The proportion (both in currency and percentage terms) of your projected overhead expenses that has been taken into account in current estimates - The methodology used for the allocation of overhead expenses between administrative expenses included in current estimates and other expenses such as acquisition expenses - Any material changes in treatment of overhead expenses since the most recent field testing exercise you participated in Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

IAIS defined segment	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

28	Were any practical difficulties encountered in the calculation of overhead expenses to be included in current estimates for IAIS defined segments?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the difficulties encountered and provide proposals for how they could be addressed in order to make the calculation more practical. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

	<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
29	Were any defined benefit (DB) pension plan surplus assets included in the worksheet *FT19.ICS Balance Sheet*?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the source and valuation methods used to calculate any defined benefit (DB) pension plan surplus assets included in your balance sheet. Please also explain any material changes in treatment of these valuation methods since the most recent field testing exercise you participated in. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. <table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
30	Were any material assumptions or approximations applied for the purposes of providing the data in the table *Breakdown of the Present Value of Future Cashflows within Contract Boundaries* for non-life premium liabilities?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

<table>
<tr><td></td><td>If YES, please describe material assumptions or approximations, provide the rationale supporting your assumptions or approximations, and indicate the impact of adopting your assumptions or simplifications.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>31</td><td>Is there any additional information that you think would be valuable for understanding the data reported in the table Breakdown of the Present Value of Future Cashflows within Contract Boundaries for non-life premium liabilities?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. Examples of items that could benefit from further explanation include (but are not limited to):

• Unusual or negative values
• Issues with mapping expenses to the columns provided,
• Any “Other Adjustments” made in the last column.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>32</td><td>Were either of the possible proxies for non-life premium liabilities applied?</td></tr>
</table>

<table>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please indicate which proxy was used and provide details on the difficulties faced in the calculation of non-life premium liabilities. Provide details on alternative proxies (including formulas) which the IAIS could consider (references/ links to external sources are also welcome).
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>33</td><td>Compared to the most recent field testing exercise you participated in, have any material changes in the approaches or methodologies used to value assets and liabilities in the MAV Balance Sheet been made?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe these changes in approach or methodology, the rationale supporting the changes, and indicate the impact of making these changes on reported outcomes.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>34</td><td>This question refers to the valuation of insurance liabilities under stressed economic conditions.</td></tr>
</table>

<table>
<tr><td></td><td>Were any material assumptions or approximations applied for the purposes of reporting insurance liabilities by segment under stressed economic conditions in the worksheet FT19.ICS Balance Sheet?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe material assumptions or approximations, the rationale supporting the assumptions or simplifications, and the impact of adopting the assumptions or simplifications.

Additionally, if material assumptions or approximations were applied, are they likely to materially impact:
- Comparisons between some approaches for some insurance segments or products? If so, please specify the segments or products and the extent of the impact.
- Comparisons between current economic conditions and stressed economic conditions for some insurance segments or products? If so, please specify the segments or products and the extent of the impact.
Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>35</td><td>This question refers to valuation of insurance liabilities under current economic conditions and stressed economic conditions.

Were any difficulties encountered in obtaining the necessary data to enter into the tables on valuation of insurance liabilities and valuation of assets, under current and stressed economic conditions, in worksheet FT19.ICS.Balance Sheet?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the difficulties encountered in obtaining the necessary data, resolutions of these difficulties, the rationale supporting the resolutions, and the impact of adopting the resolutions.</td></tr>
</table>

<table>
<tr><td></td><td>Additionally, if similar data is requested in the future how could the structure of the data request be improved?

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>36</td><td>Do you have further comments regarding this section?

Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

<table><tr><th>Item name</th><th>Reference</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
</table>

5.2 MAV: Yield Curves and Bucketing

FT Template Sheets referred to in this section:	FT19.Valuation Assets FT19.ICS.Balance sheet FT19.Insurance portfolios FT19.Model portfolio FT19 Yield Curves.xlsx
Key FT Technical Specification sections relevant to this section	6.3.15 and 6.4

37	Was the IAIS base yield curve methodology applied to any additional currency beyond the 35 for which IAIS published data?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe any difficulties which you faced in that process. Please describe in summary.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

38	When applying the bucketing of insurance liabilities, were there any particular difficulties in allocating the liabilities to buckets?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

<table>
<tr><td></td><td>If YES, please describe the particular difficulties in applying the criteria for each of the buckets, how these difficulties were addressed, the rationale supporting the approach, and the impact of adopting the approach.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>39</td><td>Are the criteria proposed for the different buckets sufficiently clear?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If NO, please describe the elements which require additional clarity.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>40</td><td>When applying bucketing of liabilities, are there insurance liabilities that fulfil the criteria for the Top or Middle Bucket, but that were reported in the General Bucket? Please give details on the rationale of such treatment.</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

<table>
<tr><td></td><td>If YES, please describe the insurance product and explain the rationale for opting to not report these liabilities in the Top or Middle Bucket.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>41</td><td>Were any material assumptions or approximations applied in the valuation of insurance liabilities allocated to the Top Bucket?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe all material assumptions and approximations applied, the rationale supporting the assumptions and approximations, and the impact of adopting the adjustments.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>42</td><td>Were any material assumptions or approximations applied in the valuation of insurance liabilities allocated to the Middle Bucket?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

<table>
<tr><td></td><td>If YES, please describe all material assumptions and approximations applied, the rationale supporting the assumptions and approximations, and the impact of adopting the adjustments.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>43</td><td>Were any material assumptions or approximations applied in the valuation of insurance liabilities allocated to the General Bucket?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe all material assumptions and approximations applied, the rationale supporting the assumptions and approximations, and the impact of adopting the adjustments.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>44</td><td>Were any material assumptions or approximations applied in the valuation of insurance liabilities using the risk-free rate?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

<table>
<tr><td></td><td>If YES, please describe all material assumptions and approximations applied, the rationale supporting the assumptions and approximations, and the impact of adopting the adjustments.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>45</td><td>Regarding the Middle Bucket, were any particular difficulties encountered in providing the data to determine the risk corrected spreads in the worksheet FT19.Valuation Assets?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe all material difficulties encountered in obtaining the necessary data for the tables on determination of the risk corrected spread, the resolution of these difficulties, the rationale supporting your resolutions, and the impact of adopting your resolutions.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>46</td><td>Were any difficulties encountered in performing the requested revaluation of assets and liabilities when using the stressed scenario?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

<table>
<tr><td></td><td>
If YES, please describe the difficulties encountered in performing the requested revaluation of assets and liabilities when using the stressed scenario, propose adjustments, the rationale supporting the adjustments, and the impact of adopting the adjustments.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

<table>
<tr><th>Item name</th><th>Description and rationale</th></tr>
<tr><td>Insert text</td><td>Insert text</td></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td></td></tr>
</table>
(Add additional rows as necessary)
</td></tr>
<tr><td>47</td><td>
Do you have further comments regarding this section?

Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
</td></tr>
<tr><td></td><td>
Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

<table>
<tr><th>Item name</th><th>Reference</th><th>Description and rationale</th></tr>
<tr><td>Insert text</td><td>Insert text</td><td></td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td></tr>
</table>
(Add additional rows as necessary)
</td></tr>
</table>

5.3 MAV: Additional Table for Middle Bucket

FT Template Sheets referred to in this section:	FT19.Insurance Portfolios FT19.Model Portfolio
Key FT Technical Specification sections relevant to this section	6.6 Additional Information on the Middle Bucket

48	This question concerns the modification of criterion c) of the Middle Bucket eligibility criterion, as specified in Section 6.6.1 *Duration Matching Criterion* of the Technical Specifications. Were any particular difficulties encountered in providing the data according to this modified criterion? In particular, was another duration definition used?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the difficulties encountered. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

49	This question concerns the modification of criterion c) of the Middle Bucket eligibility criterion, as specified in Section 6.6.1 *Duration Matching Criterion* of the Technical Specifications. Are the tests (market value test, duration test, convexity test) appropriate? In particular, is the Macaulay duration, with the defined upper and lower bounds, appropriate for the criterion?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

<table>
<tr><td></td><td>Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>50</td><td>This question concerns the modification of criterion c) of the Middle Bucket eligibility criterion, as specified in Section 6.6.2 Broader Allowance of Carry Forward of Cash for Level Premium Products of the Technical Specifications.
Were any particular difficulties encountered in providing the data according to this modified criterion?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the difficulties encountered.
Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>51</td><td>Do you have any liabilities whose features you consider to be suitable for the Middle Bucket, but are currently precluded from it?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the liability.</td></tr>
</table>

<table>
<tr><td></td><td>Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Type of liability</th><th>Proportion of total liabilities</th><th>Key features</th></tr><tr><td>Insert text</td><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>52</td><td>For those liabilities precluded from the Middle Bucket in 2019 Field Testing, what are the reasons they did not meet the criteria?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please also explain, in detail, how the criteria should be changed.
Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Criteria not met</th><th>Why the criteria is not met</th><th>Suggested amendments</th></tr><tr><td>Insert text</td><td>Insert text</td><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>53</td><td>Do you have further comments regarding this section?
Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

6 GAAP with Adjustments (GAAP Plus)

FT Template Sheets referred to in this section:	FT19.ICS.Balance sheet
Key FT Technical Specification sections relevant to this section	7 GAAP with Adjustments Valuation Approach (GAAP Plus)

54	Did you conclude that MAV and GAAP Plus are essentially the same (and hence you did not prepare a separate GAAP Plus balance sheet with explicit adjustments)?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the analyses performed to determine that the balances under GAAP Plus did not materially differ from MAV, and specify the key factors in support of that determination. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

55	Were any GAAP Plus specifications not followed or simplifying assumptions made in calculating the GAAP Plus Balance Sheet?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe, for each GAAP Plus specification not followed and each simplifying assumption made, the impact of using such alternative treatment (from the specifications, or simplification) particularly if this may not be justifiable using the proportionality principle. Please provide your rationale for the approach taken.

<table>
<tr><td></td><td>Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>56</td><td>Were any internal inconsistencies or material adjustments identified that should be addressed in the specification of the jurisdictional GAAP Plus approaches in the Technical Specifications?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please reference the specific GAAP Plus approach(es) that apply and describe these internal inconsistencies or material adjustments, provide the rationale supporting your changes, and indicate the impact of making these changes on reported outcomes.
Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>57</td><td>U.S. GAAP Plus - Under U.S. GAAP Plus, as a result of applying ASU 2018-12 for the valuation of fixed term and limited payment contracts, was a current upper-medium grade fixed-income instrument yield used to discount future cash flows on U.S. insurance contract portfolios?</td></tr>
</table>

	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe how an upper medium grade rate was derived and applied. 1. Was a reference portfolio(s) used to develop this discount rate? Please describe 2. If a curve was developed, what assumptions and judgments were applied (e.g. how was the unobservable portion, extrapolation and long term forward rate addressed)? 3. What other relevant/significant judgments were made? 4. Please provide any additional context that is deemed important to understand the approach taken.

Question Reference	Response
Insert text	Insert text
1.	
2.	

(Add additional rows as necessary)

If NO, please describe the discounting approach taken and how this would be appropriate under the ASU 2018-12.

58	**U.S. GAAP Plus -** Under U.S. GAAP Plus as a result of applying ASU 2018-12 for fixed term and limited payment contracts, was a discount rate based on a current upper-medium grade fixed-income yield applied to any **non-U.S**. portfolios?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe any differences in how an upper-medium grade fixed-income rate was derived and applied for non-U.S. portfolios. Please provide details in your answer similar to the bullets in the question above.

	<table><tr><th>Question Reference</th><th>Response</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td>1.</td><td></td></tr><tr><td>2.</td><td></td></tr></table> *(Add additional rows as necessary)*
59	**U.S. GAAP Plus** – Under U.S. GAAP Plus, as a result of applying ASU 2018-12 for fixed term and limited payment contracts, was a starting balance estimated for the AOCI amount representing the effect of updating the discounting rate assumption?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe how either the AOCI related to updating discounting assumptions was estimated or what simplifying assumption may have been used. <table><tr><th>Response</th></tr><tr><td>Insert text</td></tr><tr><td></td></tr><tr><td></td></tr></table> *(Add additional rows as necessary)* If NO, please explain why an amount was not estimated. <table><tr><td></td></tr></table>
60	**U.S. GAAP Plus –** Were there any difficulties encountered when applying the ASU 2018-12 to GAAP Plus?

<table>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.
<table><tr><th>Item Reference</th><th>Response</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>61</td><td>U.S. GAAP Plus - Were there any difficulties encountered when applying a gross premium valuation approach for adjusting investment contracts to a current estimate?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe below:
<table><tr><th>Response</th></tr><tr><td>Insert text</td></tr></table></td></tr>
<tr><td>62</td><td>U.S. GAAP Plus – Were any practical expedients or simplifying assumptions used to measure Guarantees/Options under ASU 2018-12?</td></tr>
</table>

<table>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe any practical expedients or simplifying assumptions used.
<table><tr><th>Item Reference</th><th>Response</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>63</td><td>U.S. SAP Plus – Was GAAP Plus applied to any liabilities measured based on the Principles Based Reserving approach?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe any difficulties in applying this approach.
<table><tr><th>Response</th></tr><tr><td>Insert Text</td></tr></table>(Add additional rows as necessary)</td></tr>
</table>

64	**IFRS GAAP Plus –** Were balances reported under the IFRS GAAP Plus approach?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If NO:

1. Explain what prevented you from reporting the data in 2019.
2. Would these issues or limitations be resolved before 2020 Field Testing of GAAP Plus?
3. Are there any simplifying assumptions or practical expedients that could be applied in future field testing that would address these issues or limitations?

Question Reference	Response
Insert text	Insert text
1.	
2.	

(Add additional rows as necessary)

65	**IFRS GAAP Plus –** Were any simplifying assumptions or practical expedients applied in the reporting of balances under IFRS GAAP Plus for 2019 Field Testing?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES:

1. Please describe the method used to estimate balances in accordance with IFRS 17.
2. Please disclose any other information that would assist in the analysis of such figures.

Question Reference	Response
Insert text	Insert text
1.	
2	

(Add additional rows as necessary)

66	**IFRS GAAP Plus (Use of solvency reporting) –** Were figures from solvency reporting adapted to approximate IFRS 17 figures for the purpose of GAAP Plus reporting?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES: 1. Please describe, for each adaptation made, the impact of using such alternative treatment (from the specifications) particularly if this may not be justifiable using the proportionality principle. 2. Please summarise, but with sufficient detail to allow an assessment of materiality and direction of impact, your rationale for the approach taken. 3. Please provide details of any expected sources of material difference between IFRS 17 and solvency reporting that have not been adjusted.

Item Reference	Response
Insert text	Insert text
1.	
2.	

If NO, please provide details of any expected sources of material difference between IFRS 17 and solvency reporting that have not been adjusted.

67	**IFRS GAAP Plus (Life Liabilities) –** Were there, or do you expect there to be, significant differences in the way that future cash flows are estimated between IFRS GAAP Plus (applying IFRS 17) and MAV?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the driver(s) of these differences and if possible a sense of the materiality for each impacted product segment. Examples may include:

- Contract Boundaries
- Overhead expenses
- Level of aggregation used to estimate fulfillment cash flows

(Add additional rows as necessary)

Item Reference	Response
Insert text	Insert text

68 **IFRS GAAP Plus (Non-Life Liability for Remaining Coverage) –** Were there, or do you expect there to be, significant differences in the way that future non-life liability for remaining coverage cash flows are estimated between IFRS GAAP Plus (applying IFRS 17) and MAV? Please indicate in your response whether (or not) you are using the premium allocation approach.

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the driver(s) of these differences and, if possible, a sense of the materiality for each impacted product segment. Examples might include:

- Discounting
- Contract boundaries
- Overhead expenses
- Level of aggregation used to estimate fulfillment cash flows

(Add additional rows as necessary)

Item Reference	Response
Insert text	Insert text

69 **IFRS GAAP Plus (Non-Life Claims) –** Were there, or do you expect there to be, significant differences in the way future non-life claim cash flows are estimated between IFRS GAAP Plus (applying IFRS17) and MAV?

Provide your response by placing an 'x' in the relevant cell:

	☐ YES ☐ NO ☐ Not Applicable If YES, please describe the driver(s) of these differences and if possible a sense of the materiality for each impacted product segment. Examples might include: • Discounting • Contract boundaries • Overhead expenses • Level of aggregation used to estimate fulfillment cash flows *(Add additional rows as necessary)*

Item Reference	Response
Insert text	Insert text

70	**IFRS GAAP Plus –** Did you develop or are you developing a methodology for calculating a discount rate or curve for purposes of implementing IFRS GAAP Plus? And does this differ from your currently expected approach under IFRS17?

Provide your response by placing an 'x' in the relevant cell:

	YES		NO		Not Applicable

If YES, please describe your current thinking on this methodology including:

1. Did you, or will you, use multiple curves/rates? If so please describe how these will be applied and how they might differ.
2. Did you, or will you, apply a top down or bottom up method to develop a discount rate/curve?
3. If top down, describe how the yield curve that reflects the current market rates of return implicit in the fair value measurement of a reference portfolio of assets was or may be determined, as well as other relevant considerations requiring judgment (e.g. what was or may be used as the reference portfolio, how a risk premium and expected default were or may be calculated and deducted).
4. If bottom up, describe relevant considerations requiring judgement such as how a liquidity premium were or may be calculated and how the risk-free rate/curve was, or may be, constructed.
5. What was considered to be the observable period (last liquid point)?
6. Did you, or do you intend to, use a spot rate or a forward rate for the ultimate rate? How is that rate determined?
7. When does it begin to apply?
8. Describe the technique that was, or will be used, if any, to extrapolate between the last liquid point and the ultimate rate. How did or how might the discount curve construction differ by currency?
9. Describe any other adjustments that were, or may be, made.

Question Reference	Response
Insert text	Insert text
1.	
2.	

(Add additional rows as necessary)

If NO, please provide a discussion of what elements are being considered and the timeline for concluding on a discounting methodology

71	**IFRS GAAP Plus –** Have you developed, or are you developing a methodology for calculating a risk adjustment for purposes of implementing IFRS 17?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe your methodology including: 1. What method was or may be used (e.g. VaR, TVaR, Cost of Capital)? 2. What time period was or may be used and what is the rationale for choosing that time period? 3. What risks were or may be captured in your non-financial risks? 4. What level of aggregation was or may be used? 5. How was or will reinsurance be applied or addressed? 6. Did you, or do you intend to, incorporate a diversification effect, if so please describe? 7. How did or will you determine your confidence level to develop a risk adjustment and what was the level? 8. How did or would the risk adjustment differ from the percentile MOCE defined in the 2019 Field Testing? 9. For those products for which you used, or intend to use, the Premium Allocation Approach, describe how/if the risk adjustment would be calculated. 10. If applicable, how does or might the risk adjustment differ from the risk margin in the regime in your jurisdiction (eg Solvency II)?

Question Reference	Response
Insert text	Insert text
1.	
2.	

(Add additional rows as necessary)

72	**IFRS GAAP Plus –** Have you developed a policy for determining portfolio allocation for purposes of implementing IFRS 17?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, Please describe this methodology including: 1. Is or will the portfolio allocation under IFRS 17 be more or less granular than the ICS segments? Please describe any material differences.

	2. Is or will the portfolio allocation under IFRS 17 be different from what you have currently under your jurisdiction's solvency regime? Please describe. | Question Reference	Response
Insert text	Insert text
1.	
2.	| *(Add additional rows as necessary)* If NO, please provide a discussion of what you are currently considering and the timeline for concluding on assigning/defining portfolios.
73	**IFRS GAAP Plus** – Did you or do you intend to apply the Premium Allocation Approach (PAA) to any products?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please indicate what portion of liabilities were reported on an undiscounted basis on the GAAP Plus balance sheet. | Item name	Reported amount
Insert text	Insert text
	| *(Add additional rows as necessary)*
74	**IFRS GAAP Plus** – Did you or will you apply the Premium Allocation Approach (PAA) to any products classified as Life for 2019 Field Testing?
	Provide your response by placing an 'x' in the relevant cell:

	☐ YES ☐ NO ☐ Not Applicable If YES, please describe the products and the rationale for applying the PAA. | Item name	Description and rationale
Insert text	Insert text
	| *(Add additional rows as necessary)*
75	**IFRS GAAP Plus** – Did you or will you apply the Premium Allocation Approach (PAA) to any contracts with a coverage period greater than one year?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the products and the rationale for applying the PAA. | Item name	Description and rationale
Insert text	Insert text
	| *(Add additional rows as necessary)*
76	**IFRS GAAP Plus –** Have you developed a timeline for the implementation of IFRS 17 and IFRS 9?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES: 1. If you have not submitted an IFRS GAAP Plus balance sheet in for 2019 field testing, does that timeline allow for preparation of a balance sheet reflecting IFRS 17 and IFRS 9, perhaps with some simplifying assumptions, for the field testing of GAAP Plus in 2020?

2. Can you provide any additional commentary that would explain possible limitations to providing a balance sheet reflecting IFRS 17 and IFRS 9 for 2020 Field Testing?

Question Reference	Response
Insert text	Insert text
1.	
2.	

(Add additional rows as necessary)

If NO, please explain the issues that would prevent you from submitting a balance sheet reflecting new accounting rules for 2020 Field Testing.

77	**China GAAP Plus –** Did you have any difficulties in applying the China GAAP Plus approach?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES:

1. Can you explain the reason for the difficulty?
2. Do you have any suggestions that would help to resolve the difficulty or clarify the technical specifications?

Question Reference	Response
Insert text	Insert text
1.	
2.	

(Add additional rows as necessary)

78	**AOCI adjustment (U.S. GAAP Plus Only)** – Have you reported an AOCI adjustment for GAAP Plus and segregated assets backing liabilities that would no longer apply an AOCI adjustment because they would be valued under new accounting rules for fixed term and limited payment contracts.

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the process used to segregate those assets that are backing only the liabilities for which an AOCI adjustment is applicable.

If NO, please explain why this segregation was not performed.

79	Did you complete the stressed scenario balance sheet under GAAP Plus?

Provide your response by placing an 'x' in the relevant cell:

	YES		NO		Not Applicable

If YES, please describe the methodology used to apply stressed spreads to invested assets, insurance liabilities and the AOCI adjustment (if applicable)

Please also describe any practical expedients or simplifying assumptions that were used.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

80	Do you have any suggested improvements or refinements to the 2019 GAAP Plus Technical Specifications?

Provide your response by placing an 'x' in the relevant cell:

	YES		NO		Not Applicable

If YES, please specify the improvement and the rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

81	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

7 Reconciliations

7.1 Reconciliations: Life Insurance Liabilities - GAAP Plus to MAV

FT Template Sheets referred to in this section:	FT19.ICS.Balance sheet
Key FT Technical Specification sections relevant to this section	8 Reconciliations from GAAP Plus to MAV

82	Reconciliation of life insurance liabilities GAAP Plus to MAV includes two user defined columns to report any material adjustments required to move from GAAP Plus to MAV excluding changes to contract boundaries, cash flow projections and discounting. Were these columns utilised?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please provide a description for the adjustment amounts reported in each column.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

83	Reconciliation of life insurance liabilities GAAP Plus to MAV includes a column labelled *other* to report any additional adjustments required to move from GAAP Plus to MAV excluding changes explicitly reported in previous columns. Was this column utilised?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please provide a description for the amounts reported.

Item name	Description and rationale
Insert text	Insert text

	(Add additional rows as necessary)	
84	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).	
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.	

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

7.2 Reconciliations: Non-Life Insurance Liabilities - GAAP Plus to MAV

FT Template Sheets referred to in this section:	FT19.ICS.Balance sheet
Key FT Technical Specification sections relevant to this section	8 Reconciliations from GAAP Plus to MAV

85	Did you report any amount in the Other columns for the premium liability reconciliations?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all the amounts reported as part of *Other* in each table, provide the rationale supporting your adjustments, and indicate the impact of adopting your adjustments. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Table	Item name	Description and rationale
GAAP to MAV	Insert text	Insert text
GAAP to GAAP Plus		
GAAP Plus to MAV		

(Add additional rows as necessary)

86	Do you have any other comments on the premium liability reconciliations? Where appropriate, this includes comment on data, additional relevant data, and/or calculation that you provide which you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue and discuss it and the rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

	<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
87	Did you report any amounts in the *Other* columns for the claim liability reconciliation?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all the amounts reported as part of *Other* in each table, provide the rationale supporting your adjustments, and indicate the impact of adopting your adjustments. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. <table><tr><th>Table</th><th>Item name</th><th>Description and rationale</th></tr><tr><td>GAAP to GAAP Plus</td><td>Insert text</td><td>Insert text</td></tr><tr><td>GAAP Plus to MAV</td><td></td><td></td></tr></table> *(Add additional rows as necessary)*
88	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

8 Capital Resources

FT Template Sheets referred to in this section:	FT19.ICS.Balance Sheet FT19.BCR+HLA FT19.ICS Summary FT19.Financial Instruments FT19.Financial Instruments.TPC FT19.Non-Paid-Up Cap Resources FT19.Encumbered Assets
Key FT Technical Specification sections relevant to this section	9 Qualifying Capital Resources

89	Do any of the debt instruments reported contain terms allowing for the acceleration of future scheduled interest and/or principal payments?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the nature of the terms and the circumstances under which acceleration could be triggered for instruments with different provisions as regards acceleration clauses (in particular whether they can be triggered in either going concern or gone concern circumstances).

For example, acceleration terms can allow for the principal amount of the instrument to become immediately due (i.e. payable) if the Volunteer Group fails to pay any scheduled interest payment within thirty days of the relevant interest payment date. Other acceleration terms may only allow for the acceleration of future scheduled payments when the Volunteer Group is bankrupt, insolvent, wound-up, or liquidated.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

	<table><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
90	Were any proceeds from the issuance of debt at a parent holding company transferred or contributed to a downstream insurance entity/subsidiary within the group, or used to refinance existing debt?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If "YES", please provide the following information: • The nature of the Holding Company's operations in particular, whether any policyholder obligations reside on the parent's balance sheet. • For each debt instrument issued, indicate the amount of the proceeds that have been down-streamed into each insurance subsidiary of the Holding Company. • Please indicate which amounts, if any, were contributed to an entity/subsidiary in another jurisdiction. • If amounts have been transferred to an entity/subsidiary in another jurisdiction, does the supervisory regime in that jurisdiction enforce structural subordination? Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. <table><tr><th>Operations undertaken within the holding company</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
91	With respect to any structurally subordinated debt instruments, are there any mechanisms or protocols in place that allow for an appropriate monitoring and tracking of amounts that have been down-streamed into insurance subsidiaries?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

	If "YES", please describe the mechanisms or protocols. If "NO", please describe any difficulties you foresee in establishing mechanisms or protocols to allow for future monitoring and tracking of amounts down-streamed to insurance subsidiaries. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

92	Do any reported financial instruments contain features that cannot be accurately captured within the Template?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the instrument(s) and its associated features. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

93	Are there any ERROR codes in the *2019 Field Testing Assessment Table* in the worksheet *FT19.Financial Instruments* within the Template?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, Please explain the reason for the ERROR code or why it could not be addressed. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

	Item name	Reference	Description and rationale
	Insert text	Insert text	

(Add additional rows as necessary)

94	Were any financial instruments reported for which the classification afforded in the Template was inconsistent with the information provided in the Technical Specifications?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe this instrument and its associated features.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

95	Did you report regulatory reserves as defined in Section 9.3.3 – *Regulatory Reserves* under any legal entity or group solvency reporting balance sheet?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please provide the following information on any such reserves (especially those that are not included in the table of reserves listed in Section 9.3.3 of the Technical Specifications). If data is not available on a best efforts basis, please describe any difficulties associated with obtaining this data.

General Information (If the reserve is reported at a legal entity level, balances may be aggregated to a group level)	
Name of reserve	

Name of reporting framework under which the reserve is reported (name of solvency regime)	
Level at which the reserve is reported (e.g. solo legal entity or group level)	
Balance as of the field testing reporting date	
Information on Loss Absorbing Capacity (If the loss absorbing capacity information on a particular reserve has previously been submitted to the IAIS in an earlier field test, this section may be left blank)	
Purpose of the regulatory reserve	
Any restrictions or conditions placed on the use of the reserve	
How the reserve is calculated	
Circumstances under which the reserve could be released or used to absorb losses beyond the stated purpose of the reserve	
Specific conditions or approvals that must be met in order to release the reserves or use the reserves to absorb losses beyond the stated purpose of the reserve	
Estimate of the frequency (over the past 10 years) that the	

	regulatory reserve has been released or used to absorb losses beyond the stated purpose	

Description of difficulty obtaining data
Insert Text

(Add additional rows as necessary)

96	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications and/or Template, and provide a description as well as rationale for its relevance to the Field Testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

9 Consistent and Comparable Margin Over Current Estimate

9.1 Percentile-MOCE

FT Template Sheets referred to in this section:	FT19.ICS.Balance Sheet
Key FT Technical Specification sections relevant to this section	11 Consistent and Comparable Margin Over Current Estimate

97	Is the choice of ICS insurance risk charges to measure the Percentile-MOCE appropriate?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If NO, please specify and explain the ICS risk charges which should be used to measure the Percentile-MOCE.

ICS risk charge	Rationale
Insert text	Insert text

98	Is the range of percentiles being tested appropriate?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If NO, please specify and explain which percentiles would be appropriate.

Percentile	Rationale
Insert text	Insert text

99	Is the choice of distribution being tested appropriate?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

<table>
<tr><td></td><td>If NO, please specify and explain the choice of distribution that would be appropriate.
<table><tr><th>Distribution</th><th>Rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr></table></td></tr>
<tr><td>100</td><td>Do you have further comments regarding the Percentile-MOCE?
Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.
Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.
<table><tr><th>Item name</th><th>Reference</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td><td></td></tr><tr><td></td><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
</table>

10 The ICS Standard Method

10.1 Look-through

FT Template Sheets referred to in this section:	-
Key FT Technical Specification sections relevant to this section	12.2.1 Look-through

101	Were there any difficulties encountered in applying the look-through approach as described in the Technical Specifications?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material difficulties encountered in applying the look-through approach, your resolutions of these difficulties, the rationale supporting your resolutions, and indicate the impact of adopting these resolutions. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

102	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

10.2 Risk mitigation

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.2.2 Risk mitigation

103	With regard to the criteria for the recognition of risk mitigation arrangements, were any difficult to interpret or implement?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please provide details on the difficulties encountered:

Criteria	Difficulties raised
Insert text	Insert text

(Add additional rows as necessary)

104	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale

Insert text	Insert text	

(Add additional rows as necessary)

10.3 Geographical segmentation

FT Template Sheets referred to in this section:	-
Key FT Technical Specification sections relevant to this section	12.2.3 Geographical segmentation

105	Were there any difficulties encountered in using the geographical segmentation as described in the 2019 Field Testing Technical Specifications?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material difficulties encountered in using the geographical segmentation (for example, were there some risks for which it was not possible to split results into geographical segments), your resolutions of these difficulties, the rationale supporting your resolutions, and indicate the impact of adopting these resolutions. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

106	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

11 Insurance risks

11.1 Grouping of Policies for Life Risks

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3.1 Grouping of Policies for Life Risks

107	Do you have any comments on this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

11.2 Mortality Risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3.3 Mortality Risk

108	Were any material assumptions or simplifications used when providing data on Mortality risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Mortality risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

109	Are there material differences in the Mortality risk charge between GAAP Plus and MAV?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please identify the differences as reported in the Template or other differences that you foresee and describe the primary drivers of the differences (for example, are differences driven by discounting, differences in the approach to the stress calculation or something else?). Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

	<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
110	Did you specify any effect of management actions for Mortality risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe any material management actions taken with respect to Mortality risk and the basis for such actions. <table><tr><th>Management actions</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
111	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact. <table><tr><th>Item name</th><th>Reference</th><th>Description and rationale</th></tr></table>

Insert text	Insert text	

(Add additional rows as necessary)

11.3 Longevity Risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3.4 Longevity Risk

112	Were any material assumptions or simplifications used when providing data on Longevity risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Longevity risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

113	Is Longevity risk one of the main contributors (above 20%) to your total Life risk charge?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, are there material differences in the way Longevity risk is assessed in your economic/internal models compared to the approach used in 2019 Field Testing? Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale

	Insert text	Insert text

(Add additional rows as necessary)

114	Are there material differences in the Longevity risk charge between GAAP Plus and MAV?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please identify the differences as reported in the Template or other differences that you foresee and describe the primary drivers of the differences (for example, are differences driven by discounting, differences in the approach to the stress calculation or something else?).

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

115	Did you specify any effect of management actions for Longevity risk?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe any material management actions taken with respect to Longevity risk and the basis for such actions.

Management actions	Description and rationale
Insert text	Insert text

<table>
<tr><td></td><td><table><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>116</td><td>Do you have further comments regarding this section?

Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

<table><tr><th>Item name</th><th>Reference</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
</table>

11.4 Morbidity and Disability Risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3.5 Morbidity and Disability Risk

117	Were any material assumptions or simplifications used when providing data on Morbidity/Disability risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Morbidity/Disability risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

118	Are there any material differences in the Morbidity/Disability risk charge between GAAP Plus and MAV?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please identify the differences as reported in the Template or other differences that you foresee and describe the primary drivers of the differences (for example, are differences driven by discounting, differences in the approach to the stress calculation or something else?).

<table>
<tr><td></td><td>Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>119</td><td>Did you specify any effect of management actions for Morbidity/Disability risk?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe any material management actions taken with respect to Morbidity/Disability risk and the basis for such actions.
<table><tr><th>Management actions</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>120</td><td>Do you have further comments regarding this section?
Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.</td></tr>
</table>

	Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact. | Item name	Reference	Description and rationale
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Insert text	Insert text	
			  (Add additional rows as necessary)

11.5 Lapse Risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3.6 Lapse Risk

121	Were any material assumptions or simplifications used when providing data on Lapse risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Lapse risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

122	Are there material differences in the Lapse risk charge between GAAP Plus and MAV?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please identify the differences as reported in the Template or other differences that you foresee and describe the primary drivers of the differences (for example, are differences driven by discounting, differences in the approach to the stress calculation or something else?). Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

	<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
123	Did you specify any effect of management actions for Lapse risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe any material management actions taken with respect to Lapse risk and the basis for such actions. <table><tr><th>Management actions</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table> *(Add additional rows as necessary)*
124	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact. <table><tr><th>Item name</th><th>Reference</th><th>Description and rationale</th></tr></table>

Insert text	Insert text	

(Add additional rows as necessary)

11.6 Expense Risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3.7 Expense Risk

125	Were any material assumptions or simplifications used when providing data on Expense risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Expense risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

126	Are there material differences in the Expense risk charge between GAAP Plus and MAV?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please identify the differences as reported in the Template or other differences that you foresee and describe the primary drivers of the differences (for example, are differences driven by discounting, differences in the approach to the stress calculation or something else?). Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

	Item name	Description and rationale
	Insert text	Insert text

(Add additional rows as necessary)

127	Did you specify any effect of management actions for Expense risk?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe any material management actions taken with respect to Expense risk and the basis for such actions.

Management actions	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

128	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale

Insert text	Insert text	

(Add additional rows as necessary)

11.7 Premium Risk and Claims Reserve Risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3.8 Premium Risk and Claims Reserve Risk

129	Were any material assumptions or simplifications used when providing data on Premium and Claims Reserve risks?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Premium and Claims Reserve risks, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

130	Do you have further comments regarding Premium and Claims Reserve risks? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

	Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact. | Item name	Reference	Description and rationale
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Insert text	Insert text	
			  (Add additional rows as necessary)

11.8 Catastrophe Risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3.9 Catastrophe Risk

11.8.1 Catastrophe risk: Non-Life Exposures

131	Please provide the following information about the natural catastrophe model used to produce the data reported in the Template related to natural catastrophe.
	Information about the natural catastrophe model used to produce the data reported in the Template related to natural catastrophe.

	Tropical cyclone	Other windstorm	Earthquake	Other
Model description				
Type of model: vendor / proprietary				
Vendor name(s) (if relevant)				
Vendor model name(s) (if relevant)				
Vendor model version(s) (if relevant)				
If not a vendor model: 1st year when the model was developed and used				
If not a vendor model: year of the last major update of the model				
Modelling specification				

	Event set selected				
	Frequency selected				
	Attenuation function selected (if relevant)				
	Secondary uncertainty (Y/N)				
	Secondary perils included (primary peril for the 'other' category)				
	Demand surge / Loss amplification (Y/N)				
	Model run: in house / by third party				
	What further key options did you use?				
	Exposures description				
	Main territories of exposures				
	Main lines of business covered				
	Main geocoding level and estimated % of total exposures				
	Estimated insurance / direct business (% of total exposures)				
	Estimated non-proportional reinsurance business (% of total exposures)				
	Modelling adjustment				
	Please briefly describe the perils, sub-perils or territories not modelled to which you are materially exposed				

	What additional charge did you include for non-modelled risks or non-modelled exposures or other (e.g. adjustments for exposure data quality, adjustments for exposure growth, model deficiencies – severity or frequency, other factors for prudence)? (%)					
	Please briefly describe the method used to calculate the adjustment					
	If you use multiple models, please explain how results from different models are aggregated/ blended					
	Did you make any further adjustments to the model?					
132	Please provide your justification of the choice of a particular model over others (including the process of the decision, the key criteria for the choice and where possible what made other models less relevant for your firm).					
	Information about the natural catastrophe model used to produce the data reported in the Template related to natural catastrophe. Model used / Description Insert text / Insert text *(Add additional rows as necessary)*					
133	How is it ensured that results from the natural catastrophe model are appropriate?					
	Information about the natural catastrophe model used to produce the data reported in the Template related to natural catastrophe. Item name / Description and rationale					

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(Add additional rows as necessary)
</td></tr>
<tr><td>134</td><td>Please describe how the impact of the risk mitigation arrangements was calculated to determine the losses net of protection.</td></tr>
<tr><td></td><td>Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.
<table>
<tr><th>Item name</th><th>Description and rationale</th></tr>
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<tr><td></td><td></td></tr>
</table>
(Add additional rows as necessary)
</td></tr>
<tr><td>135</td><td>Please describe why any perils or territories are not modelled using catastrophe models (for example, no model available for these perils or territories, concerns on the reliability of available models, exposure data collected does not allow the use of models, etc.) and the materiality of these perils or territories.</td></tr>
<tr><td></td><td>Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.
<table>
<tr><th>Item name</th><th>Description and rationale</th></tr>
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(Add additional rows as necessary</td></tr>
<tr><td>136</td><td>In calculating the surety component of the credit and surety scenario, please indicate if the PML methodology applied takes into account salvage and subrogation.</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:</td></tr>
</table>

<table>
<tr><td></td><td>☐ YES ☐ NO ☐ Not Applicable

If YES, please briefly describe the methodology.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>137</td><td>Do you have further comments regarding Catastrophe risk?

Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.
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</table>

11.8.2 Catastrophe risk: Life Exposures

138	Do you have comments regarding life exposures in the Catastrophe risk? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

12 Market risks

12.1 Interest Rate risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.4.1 Interest Rate Risk

139	Were any material assumptions or simplifications used when providing data on Interest Rate risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Interest Rate risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

140	Were lapse rates varied in response to the interest rate scenarios?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, what were the major product groups for which it was assumed that lapse rates vary with interest rates, and how much did the lapse rates change under the scenarios?

Scenario	Major product groups	Description and rationale, change in lapse rates

	Insert text	Insert text	Insert text

(Add additional rows as necessary)

141	Does your group have products with interest rate guarantees?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, which product groups have interest rate guarantees triggered under the scenarios? How were interest rate guarantees valued for the purposes of the interest rate stresses?

Product groups	Valuation of guarantees
Insert text	Insert text

(Add additional rows as necessary)

142	A 10% IRR stress is applied at the LTFR point. The IAIS Base Yield Curve Methodology limits the annual change of the LTFR to 15 bps/year, for valuation purposes. If the IRR shock were to be subject to a similar limit, what would be the impact on the IRR risk charge compared to the current 10% stress?

Quantification of impact

143	Did you encounter any problems regarding implementation of each GAAP Plus stress method? Where different GAAP Plus examples were used for valuation purposes, did you face any practical issues when applying different Interest Rate risk methods to different parts of your business?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

<table>
<tr><td></td><td>
If YES, please describe the problems encountered. Where different GAAP Plus methods were used to value assets and insurance liabilities, please describe the approach used to calculate Interest Rate risk.

Please comment on which method produces more reasonable stress outcomes in light of features of liability and asset portfolios.

<table>
<tr><th>Item name</th><th>Description and rationale</th></tr>
<tr><td>Insert text</td><td>Insert text</td></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td></td></tr>
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(Add additional rows as necessary)
</td></tr>
<tr><td>144</td><td>Have management actions been incorporated into the Interest Rate risk scenarios?</td></tr>
<tr><td></td><td>
Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please explain how management actions were incorporated.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

<table>
<tr><th>Item name</th><th>Description and rationale</th></tr>
<tr><td>Insert text</td><td>Insert text</td></tr>
<tr><td></td><td></td></tr>
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</td></tr>
<tr><td>145</td><td>Do you have further comments regarding this section?

Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:</td></tr>
</table>

	YES	NO	Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

12.2 Non-default spread risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.4.2 Non-Default Spread Risk

146	Did you experience practical difficulties when calculating the Non-Default Spread risk charge?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the difficulties encountered.

Identification	Description
Insert text	Insert text

(Add additional rows as necessary)

147	Was the information (eg yield curves, stressed spreads) provided by the IAIS sufficient for the calculation of the Non-Default Spread risk charge?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If NO, please identify the missing elements and the rationale for their inclusion.

Identification	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

148	Were any material assumptions or simplifications used when providing data on Non-Default Spread risk?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe all material assumptions or simplifications made for Non-Default Spread risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

149	Are there material differences in the Non-Default Spread risk charge between GAAP Plus and MAV?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please identify the differences as reported in the Template or other differences foreseen and describe the primary drivers of the differences (eg are differences driven by discounting, differences in the approach to the stress calculation or something else?).

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

<table>
<tr><td></td><td>(Add additional rows as necessary)</td></tr>
<tr><td>150</td><td>Were any problems encountered regarding implementation of each GAAP Plus stress method? Where different GAAP Plus examples were used for valuation purposes, did you face any practical issues when applying different Non-Default Spread risk methods to different parts of your business?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the problems encountered. Where different GAAP Plus methods were used to value assets and insurance liabilities, please describe the approach used to calculate Non-Default Spread risk.

Please comment on which method produces more reasonable stress outcomes in light of features of liability and asset portfolios.

<table>
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<tr><td>151</td><td>Have management actions been incorporated into the Non-Default Spread risk scenarios?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please explain how management actions were incorporated.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

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<tr><td>152</td><td>Do you have further comments regarding this section?

Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

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12.3 Equity risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.4.3 Equity Risk

153	Is it more appropriate to apply the level and implied volatility shocks separately, rather than together?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable Please describe in summary why your preferred approach (separately or together), is more appropriate, including sufficient detail to allow an assessment of materiality and direction of impact.

Insert text	Insert text

(Add additional rows as necessary)

154	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

12.4 Real Estate risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.4.4 Real Estate Risk

155	Do you have comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

12.5 Currency risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.4.5 Currency Risk

156	Were any material assumptions or simplifications used when providing data on Currency risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Currency risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

157	Did you specify any effect of management actions for Currency risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe any material management actions taken with respect to Currency risk and the basis for such actions.

Management actions	Description and rationale

	Insert text	Insert text

(Add additional rows as necessary)

158	Are there material differences in the Currency risk charge between GAAP Plus and MAV?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please identify the differences as reported in the Template or other differences that you foresee and describe the primary drivers of the differences (for example, are differences driven by discounting, differences in the approach to the stress calculation or something else?).

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

159	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

12.6 Asset Concentration risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.4.6 Asset Concentration Risk

160	Were any material assumptions or simplifications used when calculating the granularity adjustment?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Asset Concentration risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

161	How many connected groups were you able to identify in order to calculate the granularity adjustment?

Number of connected groups
Insert text

162	Upon performing the granularity adjustment, were there any difficulties in identifying the number of connected groups?

	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the difficulties encountered or that may be expected in the future. **Difficulties encountered** Insert text
163	When using an approximation to measure the size of exposure to connected groups, is the current threshold of 0.1% of total insurance assets (excluding real property and obligations of national governments) appropriate?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, what would be an appropriate threshold without a material impact on the risk charge? **Appropriate threshold** Insert text
164	What threshold for the size of exposures to a connected group, as a percentage of total insurance assets, excluding real property and obligations of national governments, was used in the calculation of the granularity adjustment?
	Threshold used Insert text
165	Were any other issues encountered with performing the calculation of the granularity adjustment?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please clarify which other components made the calculation difficult and why. **Component** | **Explanation**

	Insert text	Insert text

(Add additional rows as necessary)

166 Please provide any suggestions for additional data inputs that would enhance the calculation of the granularity adjustment.

Data input	Description and rationale

(Add additional rows as necessary)

167 Were any deviations from the BCBS definition of connected counterparties applied?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the deviations along with an estimate of the impact of those variations.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

168 Are there material differences in the Asset Concentration risk charge between GAAP Plus and MAV?

Provide your response by placing an 'x' in the relevant cell:

	☐ YES ☐ NO ☐ Not Applicable If YES, please identify the differences as reported in the Template or other differences that you foresee and describe the primary drivers of the differences (for example, are differences driven by discounting, differences in the approach to the stress calculation or something else?). Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. | Item name | Description and rationale | | --- | --- | | Insert text | Insert text | | | | | | | *(Add additional rows as necessary)*
169	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact. | Item name | Reference | Description and rationale | | --- | --- | --- | | Insert text | Insert text | | | | | | | | | | *(Add additional rows as necessary)*

13 Credit risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.5 Credit Risk

170	Were any material assumptions or simplifications used when providing data on Credit risk?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe all material assumptions or simplifications made for Credit risk, provide the rationale supporting the assumptions or simplifications, and indicate the impact of adopting the assumptions or simplifications. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

171	Do you have any comments on the haircut approach that is used in 2019 Field Testing to calculate the Credit risk charge for collateralised non-life reinsurance exposures?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please elaborate.

Comments

	Insert text
172	Have you relied on a rating agency that is not listed in the specifications, but that qualifies as an ECAI under the Basel II framework in your jurisdiction?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please provide the name of the rating agency or agencies. **Rating agency** | **Description and rationale** Insert text | Insert text *(Add additional rows as necessary)*
173	Have you relied on a rating agency that is not listed in the Technical Specifications and does not qualify as an ECAI in your jurisdiction?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, for each agency please provide: - the name of the rating agency; - the name of the national authority that regulates or has recognised the rating agency, along with a summary of how the authority regulates, or the criteria that the authority uses for recognising rating agencies; - The rating agency's definition of default, including a link to where the definition is posted; and - The rating agency's average three-year cumulative default rates by rating, the number of years of default data on which this average is based, the number of credits for each rating on which the average is based, and a link to where all of the information is posted. - The ICS rating categories to which you have mapped the agency's ratings **Rating agency** | **Name of regulatory authority and summary of regulation** | **Rating agency definition of default** Insert text | Insert text |

(Add additional rows as necessary)

For each rating agency listed in the table above please complete the table below

Rating agency name

3-year cumulative default rates by rating including years of default data	Number of credits for each rating on which the average is based	ICS Rating Category mapping
Insert text	Insert text	

(Add tables for each rating agency)

174	Are there material differences in the Credit risk charge between GAAP Plus and MAV?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please identify the differences as reported in the Template or other differences that you foresee and describe the primary drivers of the differences (for example, are differences driven by discounting, differences in the approach to the stress calculation or something else?).

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

175	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

13.1 Calibration of Credit risk factors for Commercial Mortgages

With a view to potentially refine the ICS calibration of Credit risk factors for commercial mortgages, the IAIS is seeking to collect information on the commercial mortgage loan portfolios of Volunteer Groups.

176	Portfolio performance: High-level view In order to obtain some insight on loan portfolio performance during the pre-crisis, lead-up to the crisis, and post crisis period, please provide annual loss experience (charge-offs) for the years 2007 through 2018 — or for as many years as are available — using the table below.

Annual Losses

Year	Beginning of Year Loan Count or Balances (million USD)	Defaulted Loans Count or Balance (million USD) each year	Losses in Percentage or million USD each year
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			

177	Portfolio performance: By cohort level – annual defaults

Please create annual cohorts (year-end portfolio slices) by mapping the loans to ICS CM class (CM1 through CM5). Loans outstanding and defaults for each year should be measured by number of loans; however, if this information is not available then data may be submitted by exposure amounts. If information by annual cohort is not available, please provide annual data on a loan-by-loan basis.

If mapping to ICS CM class is performed, please include the components illustrated in the table below for each ICS CM class (CM1 through CM5).

The figures provided in the table below for CM1 is for illustration purposes only. Please replace with your company's figures.

CM1 Portfolio Holdings by Year

Year	Number of loans outstanding at the end of the year	Avg. LTV	Avg. DSCR	Number of defaults during the year	PD	Avg. LGD for defaults during the year
1998	5,000	51%	2.25	10	0.2%	26%
1999	5,000	51%	2.25	10	0.2%	21%
2000	5,000	51%	2.25	10	0.2%	20%
2001	5,100	51%	2.25	10	0.2%	5%
2002	5,200	51%	2.25	10	0.2%	10%
2003	5,300	51%	2.24	11	0.2%	5%
2004	5,300	51%	2.23	11	0.2%	10%
2005	5,300	51%	2.22	11	0.2%	18%
2006	5,400	51%	2.21	11	0.2%	12%
2007	5,400	51%	2.21	11	0.2%	45%
2008	5,500	53%	2.21	11	0.2%	55%
2009	4,700	53%	1.95	12	0.3%	30%
2010	4,900	53%	1.69	13	0.3%	26%
2011	5,100	53%	1.43	14	0.3%	6%
2012	5,300	53%	1.17	15	0.3%	30%
2013	5,500	53%	0.91	16	0.3%	26%
2014	5,700	53%	0.65	17	0.3%	6%
2015	5,900	53%	0.39	18	0.3%	30%
2016	6,100	53%	0.13	19	0.3%	30%
2017	6,300	47%	2.40	20	0.3%	15%
2018	6,500	47%	2.50	21	0.3%	30%

CM2 Portfolio Holdings by Year

Year	Number of loans outstanding at the end of the year	Avg. LTV	Avg. DSCR	Number of defaults during the year	PD	Avg. LGD for defaults during the year
1998						
1999						
2000						
2001						
2002						
2003						
2004						
2005						
2006						
2007						
2008						
2009						
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						

Please replicate the above table as necessary for additional CM classes.

178 Portfolio performance: By cohort level – annual defaults

For average LTV, please clarify how LTV is measured (eg on the basis of LTV at underwriting or a recent property/collateral appraisal, etc.)

Description
Insert text

179	Portfolio performance: By cohort level – annual defaults For average DSCR, please clarify whether DSCR is at loan underwriting or the reported DSCR.
	Description Insert text
180	Portfolio performance: By cohort level – annual defaults Please describe how LGD is measured, and indicate whether the average is weighted by loan or by exposure.
	Description Insert text
181	Portfolio performance: By cohort level – annual defaults Please describe how default is measured.
	Description Insert text
182	Portfolio performance: By cohort level – annual defaults In an effort to better understand the loss experience of your commercial loan portfolio compared to that of the bond market, please specify average coupon rates along with the related average LTVs and average DSCRs, by year of loss incidence and ICS CM class, or in aggregate by year. a) If average coupon rates are unavailable, please provide average 5-year and 10-year rates of return. b) Please provide any commentary that would help the IAIS to understand your portfolio performance.

CM1 Portfolio Holdings by Year of Incidence

Year of Incidence	Average coupon rate	Average LTV	Average DSCR
Insert text			

(Add additional rows as necessary for additional years of incidence)

CM2 Portfolio Holdings by Year of Incidence			
Year of Incidence	Average coupon rate	Average LTV	Average DSCR
Insert text			

(Add additional rows as necessary for additional years of incidence)

Please replicate the above table as necessary for additional CM classes.

Additional commentary
Insert text

183 Portfolio performance: By cohort level – 10-year defaults

Please create annual cohorts of loan originations by year by mapping the loans to ICS CM class (CM1 through CM5). Loans originated and defaults for each year should be measured by number of loans; however, if this information is not available then data may be submitted by exposure amounts. If information by annual cohort is not available, please provide annual data on a loan-by-loan basis.

If mapping to ICS CM class is performed, please include the components illustrated in the table below for each ICS CM class (CM1 through CM5).

The figures provided in the table below for CM1 is for illustration purposes only. Please replace with your company's figures.

CM1 Originations by Year			
Year	Number of loans originated during the year	Number of defaults that occurred within 10 years of origination	10-year PD
1998	5,000	100	2.0%
1999	5,500	110	2.0%
2000	4,700	120	2.6%

2001	4,900	130	2.7%
2002	5,100	140	2.7%
2003	5,300	150	2.8%
2004	5,500	160	2.9%
2005	5,700	170	3.0%
2006	5,900	180	3.1%
2007	6,100	190	3.1%
2008	6,300	200	3.2%
2009	6,500	210	3.2%

CM2 Originations by Year

Year	Number of loans originated during the year	Number of defaults that occurred within 10 years of origination	10-year PD
1998			
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			

Please replicate the above table as necessary for additional CM classes.

184 Location of risk: As a percentage of your loan portfolio, please describe the current geographical composition of your commercial mortgage loan portfolio, by country, for the top five largest property/loan locations.

	Top five largest property/loan locations	Percentage of loan portfolio

	1	Insert text	Insert text
	2		
	3		
	4		
	5		

185 Location of risk: Please elaborate on any risk-sharing arrangements in place.

Description
Insert text

186 Business model: Please describe your business model, sharing insight on the following:

- Underwriting practices
- Loan objectives
- Risk mitigation measures
- Other features

Item	Description
Underwriting practices	Insert text
Loan objectives	Insert text
Risk mitigation measures	Insert text
Other features	Insert text

187 Transparency of data inputs: As the IAIS looks to the monitoring period and further refinement of the ICS, it is necessary that any data underlying ICS risk calibrations be readily available for review and analysis.

Please indicate whether the data underlying your commercial mortgage loan portfolio would be accessible to the IAIS and whether it can be included in aggregate anonymised results that are publicly disclosed in future IAIS papers, describing the calibration methodologies employed within the ICS.

Would the underlying data be accessible to the IAIS? Provide your response by placing an 'x' in the relevant cell:

	YES		NO		Not Applicable

If NO, please explain.

Explanation
Insert text

Can the underlying data be included in aggregate anonymised results that are publicly disclosed in future IAIS papers? Provide your response by placing an 'x' in the relevant cell:

	YES		NO		Not Applicable

If NO, please explain.

Explanation
Insert text

14 Operational risk

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.6 Operational Risk

188	Would it be appropriate to cap the Operational risk charge relative to another metric (eg total ICS risk charge excluding Operational risk charge)?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please suggest and explain the cap and how it should be applied.

Item name	Description of rationale
Insert text	Insert text

(Add additional rows as necessary)

189	Do you have further comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

15 ICS Risk Charges

FT Template Sheets referred to in this section:	FT19.ICS.Risk Charges.MAV FT19.ICS.Risk Charges.GAAP+
Key FT Technical Specification sections relevant to this section	12.3 – 12.6 All ICS risk charge sections

190	Would there be material differences in any of the risk charges reported if a different discounting method was applied rather than the MAV Three-Bucket Approach (central scenario) and the GAAP Plus approach with GAAP rates?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please quantify the differences and describe the primary drivers of the differences. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

ICS risk	Difference compared to the reported risk charge and primary drivers of the difference.
Insert text	Insert text

(Add additional rows as necessary)

16 Aggregation / Diversification of ICS Risk Charges

FT Template Sheets referred to in this section:	FT19.ICS Summary
Key FT Technical Specification sections relevant to this section	12.7 Aggregation / Diversification

191	Do you have any comments regarding this section? Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

17 ICS Tax Treatment

FT Template Sheets referred to in this section:	FT19.ICS Summary FT19.Future Taxable Income
Key FT Technical Specification sections relevant to this section	13 ICS Tax Treatment

192	Were there any practical difficulties in calculating the group effective tax rate?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the difficulties encountered and provide proposals for how they could be addressed in order to make the calculation more practical.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

193	Were any material assumptions or simplifications used to calculate the group effective tax rate?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe material assumptions or simplifications, provide the rationale supporting your assumptions or simplifications, and indicate the impact of adopting your assumptions or simplifications.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

194	Is the approach used for the calculation of the group effective tax rate appropriate?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If NO, please describe the difficulties encountered.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

195	Were there any practical difficulties to offset related DTAs and DTLs?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the difficulties encountered and provide proposals for how they could be addressed in order to make the utilisation assessment more practical.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

196	Were any material assumptions or simplifications used to offset related DTAs and DTLs?

<table>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe material assumptions or simplifications, provide the rationale supporting your assumptions or simplifications, and indicate the impact of adopting your assumptions or simplifications.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>197</td><td>Were there any practical difficulties in performing the utilisation assessment of the tax effect on the capital requirement?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the difficulties encountered and provide proposals for how they could be addressed in order to make the utilisation assessment more practical.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>198</td><td>Were any material assumptions or simplifications used for the utilisation assessment of the tax effect on the capital requirement?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

<table>
<tr><td></td><td>If YES, please describe material assumptions or simplifications, provide the rationale supporting your assumptions or simplifications, and indicate the impact of adopting your assumptions or simplifications.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>199</td><td>Was the cumulative historical five-year earnings before tax on the group consolidated financial statement adjusted for significant M&As, and/or dispositions?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the adjustments and impacts.
<table><tr><th rowspan="2">Item name</th><th rowspan="2">Description</th><th colspan="2">Impact</th></tr><tr><th></th><th>Currency Unit</th></tr><tr><td>Insert text</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>200</td><td>Does the historical consolidated five-year GAAP earnings before tax include activities that are not insurance related?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

<table>
<tr><td></td><td>If YES, please provide the historical consolidated five-year GAAP earnings before tax separately for insurance activities (as defined in Annex 3) and other activities.

<table><tr><th></th><th>Historical consolidated five-year GAAP earnings before tax for insurance activities</th><th>Historical consolidated five-year GAAP earnings before tax for other activities</th></tr><tr><td>FY2018</td><td></td><td></td></tr><tr><td>FY2017</td><td></td><td></td></tr><tr><td>FY2016</td><td></td><td></td></tr><tr><td>FY2015</td><td></td><td></td></tr><tr><td>FY2014</td><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>201</td><td>Is the approach for the utilisation assessment of the tax effect on the capital requirement appropriate?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If NO, please describe the difficulties encountered.

<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>
(Add additional rows as necessary)</td></tr>
<tr><td>202</td><td>Do jurisdictions in which your group operates allow for tax loss carry backs?</td></tr>
</table>

	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please provide the total group tax loss carry back capacity for the past five years and the number of years that tax loss carry backs are allowed by jurisdiction.

	Total tax loss carry back capacity	Currency unit
FY2018		
FY2017		
FY2016		
FY2015		
FY2014		

Jurisdiction Name	Number of Years Allowed

(Add additional rows as necessary)

203	Were there any practical difficulties with providing data in the supplemental data collection on post-stress future taxable income projections?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the difficulties encountered and provide proposals for how they could be addressed in order to make the data collection more practical.

Item name	Description and rationale

	Insert text	Insert text

(Add additional rows as necessary)

204	Were any material assumptions or simplifications used for the supplemental data collection on post-stress future taxable income projections?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe material assumptions or simplifications, provide the rationale supporting your assumptions or simplifications, and indicate the impact of adopting your assumptions or simplifications.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

205	Was the business of insurance isolated in future taxable income projections and GAAP earnings before tax projections?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If simplifying assumptions were used, please describe the method used to isolate the insurance portion.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

206	Were there any practical difficulties in applying the guardrail on new business assumptions to the projections for future taxable income and/or GAAP earnings before tax?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the difficulties and how the guardrail was incorporated on new business assumptions.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

207	Were there any practical difficulties in applying the guardrail for the investment returns on excess asset assumptions to the projections for future taxable income and/or GAAP earnings before tax?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe the difficulties and how the guardrail for the investment returns on excess asset assumptions was incorporated.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

208	Was the investment return on excess assets over insurance liabilities projected as defined using the guardrail that it should not exceed the most recent three-year historical average?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If NO, how was the investment return on excess assets over insurance liabilities defined? **Item name** | **Description and rationale** Insert text | Insert text *(Add additional rows as necessary)*
209	Was any projected taxable income from other sources reported in column [5] of the Template in *the FT19.Future Taxable Income* worksheet?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe the projected taxable income items included in the column and the rationale for inclusion. **Item name** | **Description and rationale** Insert text | Insert text *(Add additional rows as necessary)*
210	Were there any significant tax planning strategies/management actions incorporated into the tax income projections?

<table>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please provide a description and impact (if practical) for significant tax planning strategies/management actions.<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>211</td><td>Was there a need to aggregate the solo future taxable income projections?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe how solo future taxable income projections were aggregated with/without the guardrails. If any simplifying assumptions were applied to aggregate the solo tax projections, please describe the simplification method.<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>212</td><td>Were there any practical difficulties aggregating the solo future taxable income projections with/without the guardrails?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

<table>
<tr><td></td><td>If YES, please describe the difficulties.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>213</td><td>Do you have any suggestions to improve the approach for the future taxable income projection with guardrails used in the supplemental data collection?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable

If YES, please describe material assumptions or simplifications, provide the rationale supporting your assumptions or simplifications, and indicate the impact of adopting your assumptions or simplifications.
<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>214</td><td>Do you have further comments regarding this section?

Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

18 Baseline Jurisdictional Legal-Entity Capital Requirements

FT Template Sheets referred to in this section:	FT19.Baseline.Jurisdictional
Key FT Technical Specification sections relevant to this section	14 Baseline Jurisdictional Legal-Entity Capital Requirements

215	Were any material assumptions or simplifications applied (for any entity) in filling in *FT19.Baseline.Jurisdictional*?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe, for each relevant entity, each material simplification or adjustment made, including an assessment of their materiality, and the rationale for making the assumption or simplification. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Entity	Item name	Description and rationale
Insert text	Insert text	Insert text

(Add additional rows as necessary)

216	Were any immaterial subsidiaries (across all jurisdictions) accumulated in the consolidation into a single line in *FT19.Baseline.Jurisdictional*?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify how many subsidiaries are counted in that accumulation.

Insert count of subsidiaries

<table>
<tr><td></td><td></td></tr>
<tr><td>217</td><td>Do you have further comments regarding this section?

Where appropriate, this includes comments on data, additional relevant data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

<table>
<tr><th>Item name</th><th>Reference</th><th>Description and rationale</th></tr>
<tr><td>Insert text</td><td>Insert text</td><td></td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td></tr>
</table>

(Add additional rows as necessary)</td></tr>
</table>

19 Baseline Supplementary Internal Model Data

FT Template Sheets referred to in this section:	FT19.Baseline.Internal Model
Key FT Technical Specification sections relevant to this section	15 Baseline Supplementary Internal Model Data

The purpose of this section is to enable Volunteer Groups to provide supplementary qualitative information (with respect to the quantitative data submission) to support the assessment of the appropriateness of calibrations of risk charges covered by the standard method. This will facilitate a better understanding of:

a. The reasons for differences in outcomes between the ICS standard method and risk charges determined by internal models at the same calibration level; and

b. The nature and scope of application of internal models used by Volunteer Groups

218	Does the Economic Balance Sheet reported have the same scope as the Insurance-related column on the worksheet *FT19.ICS.Balance Sheet*?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If No, please describe the differences Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Difference in scope	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

219	Are there any material differences between the valuation of insurance liabilities in the Economic Balance Sheet and the MAV and GAAP Plus approaches?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

<table>
<tr><td></td><td>If Yes, please describe those differences.
Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.<table><tr><th>Valuation approach</th><th>Differences, Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>220</td><td>Are there any material differences between the valuation of assets in the Economic Balance Sheet and the MAV and GAAP Plus approaches?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable
If YES, please describe those differences.
Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.<table><tr><th>Valuation approach</th><th>Differences, Description and rationale</th></tr><tr><td>MAV</td><td>Insert text</td></tr><tr><td>GAAP Plus</td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>221</td><td>Do any of the required capital amounts reported on the basis of VaR 99.5% and a one-year time horizon in FT.19.Baseline.Internal Model differ materially from the equivalent ICS risk charges determined according to the ICS standard method?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:
☐ YES ☐ NO ☐ Not Applicable</td></tr>
</table>

If YES, please outline the key drivers of any material differences for each risk. Please also outline any material differences in your definition of each risk compared to that used by the IAIS.

Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Risk	Key drivers of differences between Volunteer Group reported capital amounts for regulatory purposes and ICS standard method risk charges. Please also include outline of any material differences in the definitions of risks.
Mortality risk	
Longevity risk	
Morbidity/Disability risk	
Lapse risk	
Expense risk	
Premium risk	
Claims reserve risk	
Catastrophe risk	
Interest Rate risk	
Non-default Spread risk	
Equity risk	
Real Estate risk	
Currency risk	
Credit risk	
Asset Concentration risk	
Operational risk	

222	Did you report other risks not captured by the ICS?

	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe those risks and the materiality of each risk if more than one risk is reported in that cell. Please provide the rationale for modelling these risks. **Risk name** | **Description and rationale** Insert text | Insert text | | *(Add additional rows as necessary)*
223	Does the ICS standard method cover risks that are not included in your internal economic capital model(s)?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please explain why those risks are not modelled in your Group Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. **Risk name** | **Description and rationale of why the risk is not modelled** Insert text | Insert text | | *(Add additional rows as necessary)*
224	For the actual internal modelling result where the risk measure and confidence interval differ from 99.5% VaR and the time horizon differs from one year, please detail the reasons why a different target calibration is used and outline any adjustments used when entering data on at 99.5% VaR over a one-year time horizon.

	Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. | Item where different from ICS calibration | Reasons and adjustments when entering data on same calibration as ICS | | --- | --- | | Insert text | Insert text | | | | | | | *(Add additional rows as necessary)*
225	Where the ICS and internal model risk charges for a certain risk category differ, additional information may be provided. If you wish to provide details regarding the differences, supplementary files (maximum size of all supplementary documents is 10MB) may be submitted with following naming convention: IAIS2019_FT(IM)_<countryID>_<companyID>_ v<versionNumber>_<short descriptive name>.pdf
	| Risk category | Reasons for a difference | | --- | --- | | Insert text | Insert text | | | | | | | *(Add additional rows as necessary)*
226	Where you have indicated the results come from a model whose use has been approved by a supervisory authority, please provide details of the approval – has the approval been granted by the group-wide supervisor, a single legal entity supervisor or a college of supervisors?
	| Model approved | Details of the approval | | --- | --- | | Insert text | Insert text | | | | | | | *(Add additional rows as necessary)*

227	Is a single correlation matrix (like that in the worksheet *FT19.Baseline.Internal Model*) used for the aggregation of risk charges?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If NO, please explain how risk charges of different risk categories are aggregated and how it differs from the correlation matrix described in the worksheet *FT19.Baseline.Internal Model*.

Difference	Description of difference
Insert text	Insert text

(Add additional rows as necessary)

228	Considering the risk profile of your group, is there any area for which the ICS standard method does not appropriately capture the risk profile of your group and for which an internal economic capital modelling approach would be more appropriate?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe why an internal economic capital modelling approach would capture your risk profile more appropriately in the context of a consistent assessment of risk needed for the ICS.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

20 Supplementary Data Collection (Segmentation of Investments)

FT Template Sheets referred to in this section:	FT19.Investment segmentation
Key FT Technical Specification sections relevant to this section	16 Supplementary Data Collection (Segmentation of investments)

229	Were there any significant issues in applying the Technical Specifications for this section?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe any significant issues in applying the Technical Specifications for this section. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

230	Did you utilise any specific definitions, concrete measures, and/ or other considerations for purposes of applying the criteria prescribed for strategic equity (for example, joint activity thresholds for determining 'durable link')?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary below.

Item name	Description and rationale
Insert text	Insert text

	(Add additional rows as necessary)	
231	Did you utilise any specific definitions, concrete measures, and/ or other considerations for purposes of applying the specific criteria prescribed for private equity (for example, determining correlation of returns between the equity investment and other assets)?	
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary below.	
	Item name	Description and rationale
	Insert text	Insert text
	(Add additional rows as necessary)	
232	Did you utilise any specific definitions, concrete measures, and/ or other considerations for purposes of applying the specific criteria prescribed for privately placed debt (for example, applying key ratio thresholds for determining if the financial state of the debtor is sufficiently strong)?	
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary below.	
	Item name	Description and rationale
	Insert text	Insert text
	(Add additional rows as necessary)	

233	Did you have any significant issues in providing the data requested for the fixed-income investments qualifying as regulatory capital for a financial institution issuer?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary below.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

234	Did you utilise any specific definitions, concrete measures, and/ or other considerations for purposes of applying the specific criteria prescribed for infrastructure corporates (for example, analysing the volatility of revenues generated by the infrastructure assets to assess predictability)?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary below.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

235	Did you utilise any specific definitions, concrete measures, and/ or other considerations for purposes of applying the specific criteria prescribed for infrastructure projects (for example, testing if the infrastructure project can meet its financial obligations under sustained stressed conditions)?
	Provide your response by placing an 'x' in the relevant cell:

<table>
<tr><td></td><td>☐ YES ☐ NO ☐ Not Applicable

If YES, please describe in summary below.<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>236</td><td>Does the definition of infrastructure that is used in your credit risk assessment for internal/ management/economic capital reporting purposes deviate from the definition used for 2019 Field Testing?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe qualitatively and/or through concrete examples how your definition differs from the definition in the Technical Specifications.

Also, in case your internal definition materially differs from the Technical Specifications, please provide an assessment of the impact it would have on the exposures reported for infrastructure assets in the FT19.Investment segmentation worksheet.<table><tr><th>Item name</th><th>Description and rationale</th></tr><tr><td>Insert text</td><td>Insert text</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>(Add additional rows as necessary)</td></tr>
<tr><td>237</td><td>In your economic capital model and/or regulatory internal model, are you using a calibration for investments in infrastructure that is different from the calibration used for non-infrastructure investments?</td></tr>
<tr><td></td><td>Provide your response by placing an ‘x’ in the relevant cell:</td></tr>
</table>

	☐ YES ☐ NO ☐ Not Applicable If YES, all other things being equal, is the calibration used for infrastructure investments higher, equivalent or lower than the calibration used for equivalent investments in non-infrastructure instruments? More specifically, for the modelling of debt instruments in the economic capital model / regulatory internal model, how do the probability of default (PD) and loss given default (LGD) assumptions used for infrastructure compare to PD and LGD assumptions used for other corporate investments? Please provide any qualitative or quantitative information that may help comparing the capital intensity of infrastructure investments in your own economic / internal model with the capital intensity of other asset classes.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

238	Are there any data sources that may be useful for possibly developing appropriate risk charge calibrations for any of the proposed investment segments for ICS Version 2.0?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary below.

Item name	Description and rationale
Insert text	Insert text

(Add additional rows as necessary)

239	Do you have further comments regarding this section?

	Where appropriate, this includes comments on data, additional relevant data, and/or calculations you consider relevant to the field testing analysis (that is, have the potential to have a material impact on any conclusions reached based on the data and/or its analysis).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

21 Supplementary Data Collection (Dynamic Hedging)

FT Template Sheets referred to in this section:	FT19.Dynamic Hedging
Key FT Technical Specification sections relevant to this section	17 Supplementary Data Collection (Dynamic Hedging)

During 2019 Field Testing, data is being collected on the different methods currently used to model and measure risks associated with products where dynamic hedging programmes are employed. This could be an internal model used to produce regulatory capital or economic capital measures, a supervisor defined methodology or some other approach.

240	Do you currently have a dynamic hedging programme in place? These are hedging programmes where market and credit risk mitigation instruments are rebalanced dynamically to manage complex exposures that arise from insurance products, and their associated assets, with exposure to market risks and containing significant levels of options and guarantees.
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please explain the approaches that are employed and the impact of applying these compared to the ICS standard method. The information provided below should correspond to the same models(s) that were used to generate the quantitative numbers reported in the Template. Please describe in summary, but with sufficient detail to allow an assessment of materiality and direction of impact. In particular where possible please provide information on the following: **Question 1.** The types of products for which it is being employed; **Question 2.** Which risk(s) are being hedged; **Question 3.** The mechanisms used to execute the dynamic hedging programmes; **Question 4.** For internal economic capital models, how the post-hedge requirement is assessed; and **Question 5.** How these models are currently being assessed and the capital requirement calibrated within local supervisory regimes.

Question Number	Response
Insert text	Insert text

(Add additional rows as necessary)

241	Some risks, such as, Basis Risk, comprise a blend of different risk components. Are such risks captured in your model?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please identify and provide an explanation on how they are reflected and quantify in the model.

Comment	Description
Insert text	Insert text

(Add additional rows as necessary)

242	Do you have further comments regarding this section? Where appropriate, please provide additional data, and/or calculations that you consider relevant to the field testing analysis (that is, have the potential to aid the IAIS in their analysis and refinement of the ICS).
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please specify the item or issue, including a reference to the Technical Specifications or Template, and provide a description as well as rationale for its relevance to the field testing analysis. Please describe in summary, but with sufficient detail to allow an assessment of materiality and potential impact.

Item name	Reference	Description and rationale
Insert text	Insert text	

(Add additional rows as necessary)

22 Self-assessment Template for Internal Models

The IAIS introduced the concept of internal models as part of other methods in the 2014 ICS CD. Feedback received showed that some stakeholders supported the use of internal models to enable IAIGs to better reflect their risk profiles. The IAIS agreed in November 2017 that the use of internal models is a viable option for calculating the ICS capital requirement and would be considered for inclusion in the ICS by the end of the monitoring period. Subsequently, the IAIS clarified that:

1. The reporting by IAIGs of results obtained from the use of internal models is at the option of the GWS.
2. The IAIS intends to develop a set of prerequisites in the form of tests and standards to be used by IAIGs and other interested Volunteer Groups to support the reporting of internal model results during the monitoring period.
3. The monitoring period will provide an opportunity to inform the IAIS on which tests and standards should be developed if internal models were to be accepted as part of the implementation of the ICS as a PCR.

The IAIS published a set of prerequisites in the ICS Version 2.0 consultation document of July 2018 and asked stakeholders to share their views on how these prerequisites can be used to assess internal models. The list of prerequisites can be found in the Appendix IM SAT. In 2019 Field Testing, Volunteer Groups should complete and submit the self-assessment template, which assesses the degree of compliance with the list of prerequisites.

The purpose of the self-assessment template at this stage is twofold. It aims to collect feedback on the content of the self-assessment template before the start of the monitoring period, and it aims to evaluate the effectiveness of the self-assessment template in assessing the degree of compliance of existing internal models with prerequisites.

The scope of application of internal models is limited to the calculation of the ICS capital requirement and not to other areas of the ICS such as capital resources or valuation (eg MAV). Therefore, the development of internal models is meant to introduce only an alternative calculation of the ICS capital requirement, while the valuation of the assets and liabilities of the IAIG would continue to be calculated according to the methods set out by the IAIS. However, the IAIS expects convergence between the valuation basis embedded in the internal model and the valuation basis for the ICS during the monitoring period.

Prerequisite 1: Description of the scope of application of internal models

IM1	Prerequisite 1 – Description of the scope of application of internal models *Volunteer Groups must describe the scope of application of their internal model (ie the perimeter of the internal model's calculation).* Is Prerequisite 1 met?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

If Yes, please describe the scope of application of the internal model.

Description item	Description rationale
Insert text	Insert text

(Add additional rows as necessary)

IM2	If Prerequisite 1 is met, two possible approaches are considered for the additional reporting of internal model results during the monitoring period. Do you use a full internal model?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If No, please describe which partial model you use.

Please describe in summary, but with sufficient detail to allow an assessment of the perimeter of the internal model.

Partial model type	Description
Partial – One or more risk charges of the ICS standard method capital requirement	Insert text if this partial model type is used
Partial – One or more sub-risk charges of the ICS standard method capital requirement	Insert text if this partial model type is used
Partial – One or more risk charges or sub-risk charges not captured by the ICS standard method capital requirement	Insert text if this partial model type is used

	Partial –Only one or more major business units or legal entities	Insert text if this partial model type is used
	Other model structure	Insert text if this partial model type is used

(Add additional rows as necessary)

IM3 Do you use the partial internal model for calculation of risk charges in any of the below mentioned risk categories?

Provide your response by placing an 'x' in the relevant cell:

☐ YES ☐ NO ☐ Not Applicable

If YES, please describe in summary, how the internal model is used to calculate risk charges in below mentioned risk categories.

Risk category	Description of the usage
Mortality risk	
Longevity risk	
Morbidity/Disability risk	
Lapse risk	
Expense risk	
Premium risk	
Claims reserve risk	
Catastrophe risk	
Interest Rate risk	
Non-default Spread risk	
Equity risk	
Real Estate risk	
Currency risk	

	Credit risk	
	Asset Concentration risk	
	Operational risk	

(Add additional rows as necessary)

Prerequisite 2: Validation

IM4	Prerequisite 2: Validation *Describe the validation process detailing the process and the scope at different stages, segment of the model, detailing the departments involved and the periodicity of the validation and the tools used (eg benchmarking).* *Explain how the validation process ensures that the model remains fit for capital purposes in changing circumstances against the criteria of the statistical quality test, calibration test and use test.* *Demonstrate that the model has been independently validated (externally or internally) from those who develop, change, update, run and use the model.* Is Prerequisite 2 met?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If Yes, please describe the validation process of the internal model.

Description item	Description rationale
Insert text	Insert text

(Add additional rows as necessary)

IM5	If Prerequisite 2 is met, does your validation process include quantitative and also qualitative elements?

Provide your response by placing an 'x' in the relevant cell:

	YES	NO	Not Applicable

Please provide more details regarding the validation process (delete irrelevant responses)

Item	Is the validation policy formalised in the following areas?	Is the validation is done?	What is the periodicity of the validation? (Monthly/ Quarterly/ Biannually/ Annually/ Ad hoc/ Other)
Development	Yes/No	Internally/Externally	
Parameterisation	Yes/No	Internally/Externally	
Results	Yes/No	Internally/Externally	
Model change	Yes/No	Internally/Externally	
Expert judgement	Yes/No	Internally/Externally	
Auditing	Yes/No	Internally/Externally	

(Add additional rows as necessary)

IM6 If Prerequisite 2 is met, please explain how you gain comfort with the outstanding validation findings.

Validation finding	Description of the finding
Insert text	Insert text

	(Add additional rows as necessary)

Prerequisite 3: Sign-off of the Board of Directors of the IAIG

IM7	Prerequisite 3: Sign-off of the Board of Directors of the IAIG *This prerequisite aims to ensure that there is ownership of the internal model by the Board of Directors and that the model is compliant with the validation process inscribed in the governance of the internal model. Moreover, ICP 17 recommends a certain level of engagement by the Board of Directors concerning the internal models as part of the use test, which will be further detailed in the section of prerequisite 6 of the Appendix IM SAT.* Is Prerequisite 3 met?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If NO, please explain whether a change is planned, and the expected timeline.

Comment name	Comment description
Insert text	Insert text

(Add additional rows as necessary)

Prerequisite 4: Statistical quality test

IM8	Prerequisite 4: Statistical quality test *Building on ICP 17.4 IAIGs need:* *"… to conduct a 'statistical quality test' which assesses the base quantitative methodology of the internal model, to demonstrate the appropriateness of this methodology, including the choice of model inputs and parameters, and to justify the assumptions underlying the model"; and provide evidence* *"… that the determination of the regulatory capital requirement using an internal model addresses the overall risk position of the insurer and that the underlying data used in the model is accurate and complete".*

	Is Prerequisite 4 met?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary on how statistical quality tests are used in the internal model. **Statistical quality test** | **Description of the test** Insert text | Insert text *(Add additional rows as necessary)*
IM9	Do you use expert judgement in the statistical quality tests?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable Please describe in summary the areas where expert judgement is predominantly used. **Model area** | **How the expert judgement is used** Insert text | Insert text *(Add additional rows as necessary)*
IM10	Do you use external data in the statistical quality tests?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

	Please describe in summary the areas where external data is predominantly used. | Model part	Which external data is used and how
Insert text	Insert text
	| *(Add additional rows as necessary)*
IM11	Do you use external/vendor model in the statistical quality tests?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable Please describe in summary the areas /risk categories where external/ vendor model is predominantly used. | Risk category	Details of the external/ vendor model and how it is integrated into the internal model
Insert text	Insert text
	| *(Add additional rows as necessary)*
IM12	Were there any major model changes in the previous 5 years?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable Please describe in summary of the model changes in the previous 5 years | Model change	Description of the change and process related to the change
Insert text	Insert text

	(Add additional rows as necessary)
IM13	Do you use statistical methods (deterministic or stochastic) to aggregate risks?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable Please describe how risks are aggregated at different levels and explain the diversification benefits

Aggregation / diversification	Description
Insert text	Insert text

(Add additional rows as necessary)

Prerequisite 5: Calibration test

IM14	Prerequisite 5: Calibration test *Building on ICP 17.15 the IAIG should "… conduct a 'calibration test' to demonstrate that the regulatory capital requirement determined by the internal model satisfies the specified modelling criteria".* Does the existing model have a specific calibration test?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary, but with sufficient detail how you calculate the calibration test

Calibration test	Description of the test
Insert text	Insert text

	(Add additional rows as necessary)
IM15	Can the existing model be calibrated at a 99.5% VaR over a one-year time horizon?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If NO, please describe in summary the differences between your internal model and a 99.5% VaR over a one-year time horizon

Comment	Description
Insert text	Insert text

(Add additional rows as necessary)

IM16	Some risks, such as basis risk, comprise a blend of different risk components. Are such risks captured in your model?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please identify and provide an explanation on how they are reflected and quantified in the model.

Comment	Description

Insert text	Insert text

(Add additional rows as necessary)

IM17 How is the model organised and what are its main components?

Please provide detailed setting of the internal model and it components. If your internal model has more granular or different types of risk categories, you can add additional rows and comments into the table below.

Model type	Statistical model (Yes/No)	Metric used (VaR/ TVaR/ stochastic models, other)	Confidence level (0-100%)	Time horizon (1 year/ ultimate/ other)
Full internal model if used				
Mortality risk				
Longevity risk				
Morbidity/Disability risk				
Lapse risk				
Expense risk				
Premium risk				
Claims reserve risk				
Catastrophe risk				
Interest Rate risk				
Non-default Spread risk				
Equity risk				
Real Estate risk				
Currency risk				
Credit risk				

Asset Concentration risk					
Operational risk					

(Add additional rows as necessary)

Prerequisite 6: Use test and governance

IM18	Prerequisite 6: Use test and governance *Building on ICP 17.16, IAIGs need:* *"… to fully embed the internal model, its methodologies and results, into the insurer's risk strategy and operational processes (the 'use test')";* *their "Board and Senior management to have overall control of and responsibility for the construction and use of the internal model for risk management purposes, and ensure sufficient understanding of the model's construction at appropriate levels within the insurer's organisational structure". In particular, they would need to provide evidence that the insurer's Board and Senior management understand the consequences of the internal model's outputs and limitations for risk and capital management decisions; and* *"… to have adequate governance and internal controls in place with respect to the internal model"* Is Prerequisite 6 met?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary, how you carry out the use test

Use test	Description
Insert text	Insert text

(Add additional rows as necessary)

IM19	Please describe the model governance and internal controls at different stages of the model

Model stage	Description
Model development	Insert text
Model deployment	
Model implementation	
Model usage	
Model validation	
Model changes	
Data quality	
Use test checking	
Roles and relationships of different governance bodies at model stages	

(Add additional rows as necessary)

Prerequisite 7: Documentation standards

IM20	Prerequisite 7: Documentation standards *Building on ICP 17.17 the IAIG should "… document the design, construction and governance of the internal model, including an outline of the rationale and assumptions underlying its methodology". The documentation should be sufficient to demonstrate compliance with the regulatory validation requirements for internal models, including the statistical quality test, calibration test and use test..* Is Prerequisite 7 met?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable

If YES, please describe in summary, how you meet Prerequisite 7

Documentation type	Description
Insert text	Insert text

(Add additional rows as necessary)

IM21 Please describe the model documentation process at different stages of the model

Model stage	Description
Model development	Insert text
Model deployment	
Model implementation	
Model usage	
Model validation	
Model changes	
Data quality	
Use test checking	

	Roles and relationships of units responsible for documentation	

(Add additional rows as necessary)

Prerequisite 8: Absence of cherry-picking (for partial models)

IM22	Prerequisite 8: Absence of cherry-picking *According to ICP 17.12.4 Guidance, "The IAIS supports the use of internal models where appropriate as they can be a more realistic, risk-responsive method of calculating capital requirements, but discourages any 'cherry-picking' practices by insurers".* Is Prerequisite 8 met?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary, how you meet Prerequisite 8

Comment	Description
Insert text	Insert text

(Add additional rows as necessary)

Prerequisite 9: The resulting ICS capital requirement more appropriately reflects the risk profile of the insurer (for partial models)

IM23	Prerequisite 9: The resulting ICS capital requirement more appropriately reflects the risk profile of the insurer *According to ICP 17.12.15, "an insurer should be required to justify the limited scope of the model and why it considers that using partial internal modelling for determining regulatory capital requirements is more consistent with the risk profile of the business than the standardised approach or why it sufficiently matches regulatory capital requirements".* Is Prerequisite 9 met?

	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary, how you meet Prerequisite 9 | Comment	Description
Insert text	Insert text
	| *(Add additional rows as necessary)*

Prerequisite 10: Explain how the partial internal model and standard method's results can be integrated (for partial models)

IM24	<u>Prerequisite 10: Explain how the partial internal model and standard method's results can be integrated</u> *It is essential that the integration of the partial internal model and the standard method results is being carried out prudently and consistently to derive the overall ICS capital requirement. To this end, the IAIG should provide evidence that the partial internal model and standard method results can be integrated. This prerequisite is particularly relevant for IAIGs whose internal model construction does not follow a similar design to the standard method (eg risks have not been defined or split along similar lines to the standard method, the target criteria are different, etc.).* Is Prerequisite 10 met?
	Provide your response by placing an 'x' in the relevant cell: ☐ YES ☐ NO ☐ Not Applicable If YES, please describe in summary how you can integrate your internal model results within the standard method. | Comment	Description
Insert text	Insert text

(Add additional rows as necessary)

Monitoring period: Suggestion for template refinement

IM25	Do you any have suggestion how IAIS can improve/refine this template for the monitoring period?
	Please describe in summary your suggestions (refinement of questions, new questions) and their description.

Suggestion	Description
Insert text	Insert text

(Add additional rows as necessary)

Annex IM SAT

Prerequisite 1 – Description of the scope of application of internal models

1. IAIG's must describe the scope of application of their internal model (ie the perimeter of the internal model's calculation). Two possible approaches are considered for the additional reporting of internal model results during the monitoring period:

   a. **Partial internal model** – which involves the replacement of some parts of the standard method calculation. For example:

      i. One or more risk charges of the ICS standard method capital requirement (eg Market risk);

      ii. One or more sub-risk charges of the ICS standard method capital requirement (eg Equity risk);

      iii. One or more risk charges or sub-risk charges not captured by the the ICS standard method capital requirement;

      iv. The whole business of the IAIG, or only to one or more major business units or legal entities.

   b. **Full internal model** – which involves the replacement of the entire standard method calculation.

Prerequisite 2: Validation

2. Internal model validation requires IAIGs to demonstrate that a rigorous process is in place by which they can establish whether their internal model framework is sound or whether improvements are needed. Validation should enable them to understand the internal model's capabilities and limitations better and confirm that the internal model and the supporting processes are adequate and appropriate for the purpose. Validation should be an iterative process by which an IAIG using an internal model periodically refines validation tools in response to changing market and operating conditions. There is no universal validation method, and the structure of the validation approach depends on the technical specifications of the internal model, its purpose and its intended use.

3. According to ICP 17.13.6 Guidance, "*the insurer should review its own internal model and validate it so as to satisfy itself of the appropriateness of the model for use as part of its risk and capital management processes. As well as internal review, the insurer may wish to consider a regular independent, external review of its internal model by appropriate specialists*".

4. Building on ICP 17.18 when an IAIG uses an internal model to determine regulatory capital requirements, it should:

- "*… monitor the performance of its internal model and regularly review and validate the ongoing appropriateness of the model's specifications*"
- "*… demonstrate that the model remains fit for regulatory capital purposes in changing circumstances against the criteria of the statistical quality test, calibration test and use test*";
- "*… notify the supervisor of material changes to the internal model made by it*";

- "*… properly document internal model changes*"; and
- "*… report information necessary for supervisory review*".

5. Validation should encompass both quantitative and qualitative elements. While it might be possible to think of validation as a purely technical/mathematical exercise in which outcomes are compared to estimates using statistical techniques, it is insufficient to focus solely on comparing predictions to outcomes. In assessing the overall performance of an internal model, it is important to assess the overall model and each of its building blocks regarding the structure, governance, data and processes.

6. Finally, to achieve an effective validation, an objective challenge is essential. Independent model validation helps IAIGs to evaluate and verify the overall performance of their internal models. Proper independence of the validation function is therefore important, whether the validation is internal or external, individuals performing the validation must possess the necessary skills, knowledge, expertise and experience.

Prerequisite 3: Sign-off of the Board of Directors of the IAIG

7. This prerequisite aims to ensure that there is ownership of the internal model by the Board of Directors and that the model is compliant with the validation process inscribed in the governance of the internal model.

8. Moreover, ICP 17 recommends a certain level of engagement by the Board of Directors concerning the internal models as part of the use test, which will be further detailed in the section of prerequisite 6.

Prerequisite 4: Statistical quality test

9. Building on ICP 17.4 IAIGs need:

- "*… to conduct a 'statistical quality test' which assesses the base quantitative methodology of the internal model, to demonstrate the appropriateness of this methodology, including the choice of model inputs and parameters, and to justify the assumptions underlying the model*"; and provide evidence
- "*… that the determination of the regulatory capital requirement using an internal model addresses the overall risk position of the insurer and that the underlying data used in the model is accurate and complete*".

10. The statistical quality test addresses issues related to the internal model in the narrow mathematical sense, ie:

- methodology and assumptions;
- coverage of material risks;
- data (including external data) and expert judgment;
- aggregation of risks and diversification effects;
- consistency with the method used for the calculation of technical provisions;
- allowance for risk mitigation techniques and future management actions; and

- financial guarantees and contractual options

11. The statistical quality test concentrates on the individual building blocks of an internal model. The different elements making up the internal model and the inputs used must pass this test.

12. The statistical quality test set out in ICP 17 allows considerable modelling freedom to insurers. For example, ICP 17.14.1 Guidance states that *"A range of approaches could constitute an effective internal model for risk and capital management purposes, and supervisors should encourage the use of a range of different approaches appropriate to the nature, scale and complexity of different insurers and different risk exposures. There are several different techniques to quantify risk which could be used by an insurer to construct its internal model. In broad terms, these could range from basic deterministic scenarios to complex stochastic models. Deterministic scenarios would typically involve the use of stress and scenario testing reflecting an event, or a change in conditions, with a set probability to model the effect of certain events (such as a drop in equity prices) on the insurer's capital position, in which the underlying assumptions would be fixed. In contrast, stochastic modelling often involves simulating very large numbers of scenarios to reflect the likely distributions of the capital required by, and the different risk exposures of, the insurer"*. IAIGs should be at the high end regarding the nature, scale and complexity of the risks borne and the business models and structure and thus it is expected that the modelling approach is commensurate with such risk and business profile.

13. The statistical quality test also sets the boundaries within which IAIGs should take responsibility for specifying their approach to assess and aggregate risks. In conjunction with internal model validation requirements, they promote a well-structured, documented and controlled process of model development and refinement which should be consistently applied across the IAIG and to the different modelling areas. For example, ICP 17.14.3 Guidance states that *"The IAIS considers that an insurer would generally be expected to decide how best to aggregate and account for the risks to the whole of its business. The determination of overall regulatory capital requirements by the internal model should consider dependencies within, as well as across, risk categories. Where the internal model allows for diversification effects, the insurer should be able to justify its allowance for diversification effects and demonstrate that it has considered how dependencies may increase under stressed circumstances"*.

14. Data used to build the internal model are one of the main drivers of its performance. As stated in ICP 17.14.4 Guidance *"Internal models need high-quality data in order to produce sufficiently reliable results. The data used for an internal model should be current and sufficiently credible, accurate, complete and appropriate. Hence, a 'statistical quality test' should examine the appropriateness of the underlying data used in the construction of the internal model"*. ICP 17.14.6 Guidance also deals with the use of external data specifying that *"… any data not specific to the insurer would need to be carefully considered before deciding it was appropriate for use as the basis for an insurer's 'statistical quality test'. Even where deemed appropriate, it may still be necessary to adjust the data to allow for differences in features between the data source and the insurer"*.

15. There is always a certain amount of expert judgement involved when selecting data for an internal model. To this end, ICP 17.14.7 Guidance states *that "In assessing suitability of data and of other inputs, eg assumptions, to the internal model, expert judgment should be applied and supported by proper justification, documentation and validation".*

16. ICP 17.14.8 Guidance stresses the importance that *"The methodology should also be consistent with the methods used to calculate technical provisions"*.

17. Moreover, as stated in ICP 17.14.9 the *"statistical quality test should also include a review of the internal model to determine whether the assets and products as represented in the model truly reflect the insurer's actual assets and products. This should include an analysis of whether all reasonably foreseeable and relevant material risks have been incorporated, including any financial guarantees and embedded options. Insurers should also consider whether the algorithms used are able to take into account the action of management and the reasonable expectation of policyholders. Testing should include future projections within the model and to the extent practicable 'back-testing' (the process of comparing the predictions from the model with actual experience)"*.

Prerequisite 5: Calibration test

18. Building on ICP 17.15 the IAIG should *"… conduct a 'calibration test' to demonstrate that the regulatory capital requirement determined by the internal model satisfies the specified modelling criteria"*.

19. The ICP definition of calibration is different from the general definition of calibration used in statistics and actuarial science. For example, model calibration is often defined in statistics as the process of adjustment of the model parameters to obtain a model representation of the processes of interest that satisfies pre-agreed criteria (eg Goodness-of-Fit). As indicated in the ICP 17.15.2 Guidance the "calibration test" should be used by the IAIG to demonstrate that the internal model is calibrated appropriately to allow a fair, unbiased estimate of the capital required for the particular risk measure, level of confidence and time horizon specified by the supervisor. In the case of the ICS standard method, the calibration target is VaR 99.5% over a one-year time horizon.

20. Where an IAIG uses a different confidence interval (eg 99.7% in order to maintain a certain investment grade rating), risk measure (eg TVaR for Cat Risk) or time horizon (eg to ultimate) than the one set out for the ICS standard method capital requirement calculations, it may need to recalibrate its model to the ICS capital requirement target criterion (ie VaR 99.5% over a one year time horizon). Alternatively, the IAIG can provide quantitative evidence on how this outcome compares to the ICS target criterion.

Prerequisite 6: Use test and governance

21. Building on ICP 17.16, IAIGs need:

- "*… to fully embed the internal model, its methodologies and results, into the insurer's risk strategy and operational processes (the 'use test')*";
- their "*Board and Senior management to have overall control of and responsibility for the construction and use of the internal model for risk management purposes, and ensure sufficient understanding of the model's construction at appropriate levels within the insurer's organisational structure*". In particular, they would need to provide evidence that the insurer's Board and Senior management understand the consequences of the internal model's outputs and limitations for risk and capital management decisions; and
- "*… to have adequate governance and internal controls in place with respect to the internal model*".

22. The use test is, in effect, the evidence that should support the relationship of trust between the supervisor and the regulated group. This trust is needed for the supervisor to gain assurance that

the internal model reflects the IAIG's view of its risks and is used in decision making, and not developed with the purpose of reducing regulatory capital.

23. Consistent with ICP 17.16.1 Guidance, the IAIG should demonstrate that its internal model is widely used and plays an important role in risk management and decision-making, at different levels of management in the organisation, and the assessment of the economic and solvency capital.

24. Moreover, as stated in ICP 17.16.5 Guidance *"The 'use test' is a key method by which the insurer can demonstrate that its internal model is integrated within its risk and capital management and system of governance processes and procedures"*. In other words, the IAIG must provide evidence that the internal model is fully embedded in the operational and organisational structure of the insurer and demonstrate that the model remains useful and is applied consistently over time.

25. Furthermore, an IAIG *"… should demonstrate to the supervisor that an internal model used for regulatory capital purposes remains useful and is applied consistently over time and that it has the full support of and ownership by the Board and Senior management"*.

26. Another key aspect of the use test is that according to ICP 17.16.6 Guidance the IAIG's Senior management is responsible for the design and implementation of the internal model and for ensuring the ongoing appropriateness of the model.

27. ICP 17.16.7 Guidance also notes that *"For a model to pass the 'use test' it would be expected that an insurer would have a framework for the model's application across business units. This framework should define lines of responsibility for the production and use of information derived from the model*".

28. ICP 17.16.8 Guidance stresses the importance of the governance, communication, challenge and understanding of the model *"An internal model should be subject to appropriate review and challenge so that it is relevant and reliable when used by the insurer. The key elements and results from the internal model should be understood by the key personnel within the insurer, including the Board, and not only by those who have constructed it. This understanding should ensure that the internal model remains a useful decision-making tool. If the internal model is not widely understood, it will not be achieving its purpose and adding value to the business. The 'use test' is key to ensuring the relevance of the internal model to the insurer's business"*.

Prerequisite 7: Documentation standards

29. Building on ICP 17.17 the IAIG should *"… document the design, construction and governance of the internal model, including an outline of the rationale and assumptions underlying its methodology"*. The documentation should be sufficient to demonstrate compliance with the regulatory validation requirements for internal models, including the statistical quality test, calibration test and use test.

30. The main aims of the documentation are:

- reduce key person risk;
- facilitate the supervisory review and approval of the model;
- facilitate Senior Management understanding;
- recognise the weaknesses of the model.

31. As stated in the ICP 17.17.1 Guidance, documentation should be thorough, detailed and complete enough to allow *"… a knowledgeable professional in the field to be able to understand its design and construction. This documentation should include justifications for and details of the underlying methodology, assumptions and quantitative and financial bases, as well as information on the modelling criteria used to assess the level of capital needed"*.

32. Moreover, according to ICP 17.17.2 Guidance, *"The insurer should also document, on an ongoing basis, the development of the model and any major changes, as well as instances where the model is shown to not perform effectively. Where there is reliance on an external vendor/supplier, the reliance should be documented along with an explanation of the appropriateness of the use of the external vendor/supplier"*.

Prerequisite 8: Absence of cherry-picking

33. According to ICP 17.12.4 Guidance, *"The IAIS supports the use of internal models where appropriate as they can be a more realistic, risk-responsive method of calculating capital requirements, but discourages any 'cherry-picking' practices by insurers"*.

34. From a supervisor's perspective, the possibility of mixing and matching internal models for some risks and businesses while using the standard method for the rest of the risks or businesses raises potential concerns about cherry picking. To help mitigate these concerns, consistent with ICP 17.12.14 Guidance, the IAIG should *"… justify why it has chosen to only use internal models for certain risks or business lines"*. To this end, the IAIG should provide in its self-assessment the rationale for the limited scope of the internal model.

Prerequisite 9: The resulting ICS capital requirement more appropriately reflects the risk profile of the insurer

35. According to ICP 17.12.15, *"an insurer should be required to justify the limited scope of the model and why it considers that using partial internal modelling for determining regulatory capital requirements is more consistent with the risk profile of the business than the standardised approach or why it sufficiently matches regulatory capital requirements"*.

Prerequisite 10: Explain how the partial internal model and standard method's results can be integrated

36. It is essential that the integration of the partial internal model and the standard method results is being carried out prudently and consistently to derive the overall ICS capital requirement. To this end, the IAIG should provide evidence that the partial internal model and standard method results can be integrated. This prerequisite is particularly relevant for IAIGs whose internal model construction does not follow a similar design to the standard method (eg risks have not been defined or split along similar lines to the standard method, the target criteria are different, etc.).