

## Combined Insurance Company of America (Canada Branch) 2018 LIMAT Ratios Public Disclosure Summary

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

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

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

		Current Period ('000s)
<b>Available Margin (A-B)</b>	C	335,408
Assets Available	A	855,688
Assets Required	B	520,280
<b>Surplus Allowance and Eligible Deposits</b>	D	342,433
<b>Required Margin</b>	E	519,112
<b>LIMAT Total Ratio: (C + D)/E</b>		<b>130.6%</b>

### Qualitative Analysis of Solvency Ratio:

- The LIMAT Total Ratio was 130.6% as of December 31, 2018. It was within the Branch's operational target range.
- The Available Margin (C) of \$335.4 million was the difference between Assets Available (A) of \$855.7 million and Assets Required (B) of \$520.3 million.
- There were no Eligible Deposits as of December 31, 2018. The Surplus Allowance (D) of \$342.4 million included the Provisions for Adverse Deviations (PfADs) relating to Interest Rate (C-3), Mortality, Mortality Improvement, Morbidity, Lapse and Expense assumptions, in accordance with the OSFI Life Insurance Capital Adequacy Test (LICAT) Guideline.
- The Required Margin (E) of \$519.1 million was the sum of the Solvency Buffers for Credit, Market, Insurance, and Operational risk components, net of Diversification Credits, multiplied by a scalar of 1.05 in accordance with the OSFI LICAT Guideline.