MCT Calculation Review - P and C 1 - Schedule 30.61

Capital Available	
Total Capital Available	Surplus less various types of assets, ie intangible assets, goodwill, some loans.

Risk Margin Calculation	Factor Based On	Factor or Calculation
Insurance Risk:		
Premium liabilities	Class of Insurance	Personal Property 20%, Commercial Property 20% and Liability 30%
Unpaid claims	Class of Insurance	Personal Property 15%, Commercial Property 10% and Liability 25%
Catastrophes		
Margin required for reinsurance ceded to unregistered insurers		
Subtotal: Insurance risk margin		
Market Risk:		
Interest rate risk	Type of Investment	Fair Value of Investment and Effective interest rate
Foreign exchange risk		
Equity risk	Shares - Exposure	30%
Real estate risk	Balance Sheet Value	10% owner occupied or 20% for investment properties
Other market risk exposures	Equipment Assets	10%
Subtotal: Market risk margin		
Credit Risk:		
Counterparty default risk for balance sheet assets	Type of Asset	Cash .25%, Accrued Interest 2.5%, Receivables 0-10%, Reinsurance Recoverable 2.5%, Deferred Taxes 10%
Counterparty default risk for off-balance sheet exposures		
Counterparty default risk for unregistered reinsurance collateral and SIRs		
Subtotal: Credit risk margin		
Operational risk margin	Income Statement Value	Direct written premium in past 12 months 2.5%, Reinsurance ceded in past 12 months 2.5%, Insurance Risk margin above 8.5%, Premium growth > 20% 2.5%
Less: Diversification credit	Above Risk Margins	Calculation based on Insurance Risk, Market Risk and Credit Risk Margins
Total Capital (Margin) Required at Target	Calculation	Sum of Insurance Risk, Market Risk, Credit Risk and Operational Risk Margins less Diversification Credit
Total Minimum Capital (Margin) Required	Calculation	Capital Required at Target/1.5
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	Calculation	Surplus less various types of assets, ie intangible assets, goodwill, some loans.
MCT (BAAT) Ratio	Calculation	Capital Available/Total Minimum Capital Required

MCT Calculation Review - P and C 1 - Schedule 30.61

	31-Dec-20	31-Mar-21	30-Jun-21
Capital Available			
Total Capital Available	37,252	39,506	42,406
Risk Margin Calculation			
Insurance Risk:			
Premium liabilities	2,534	3,196	3,507
Unpaid claims	2,381	2,427	2,416
Catastrophes	0	0	0
Margin required for reinsurance ceded to unregistered insurers	0	0	0
Subtotal: Insurance risk margin	4,915	5,623	5,923
Market Risk:			
Interest rate risk	1,170	1,186	1,177
Foreign exchange risk	0	0	0
Equity risk	4,477	5,732	6,004
Real estate risk	744	712	673
Other market risk exposures	9	33	54
Subtotal: Market risk margin	6,400	7,663	7,908
Credit Risk:			
Counterparty default risk for balance sheet assets	1,015	872	1,539
Counterparty default risk for off-balance sheet exposures	0	0	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	0	0	0
Subtotal: Credit risk margin	1,015	872	928
Operational risk margin	2,015	2,133	2,234
Less: Diversification credit	1,579	1,811	1,895
Total Capital (Margin) Required at Target	12,766	14,480	15,098
Total Minimum Capital (Margin) Required	8,511	9,653	10,065
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	28,741	29,853	32,341
MCT (BAAT) Ratio	**437.69%**	**409.26%**	**421.32%**