

LICAT Ratios Summary

(Thousands of dollars, except percentages)



Insurance

Life Insurers are required, at minimum, to maintain a Core Ratio of 55% and a Total Ratio of 90%. OSFI has established supervisory target levels of 70% for Core and 100% for Total capital.

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

Q4 2019 Report

		October 31, 2019	October 31, 2018	Change - %
Available Capital (AC1 +B)	(AC)	2,525,567	2,214,412	12%
Tier 1 Capital	(AC1)	2,120,437	1,784,655	15%
Tier 2 Capital	B	405,130	429,757	-3%
Surplus Allowance and Eligible Deposits	(SA+ED)	1,402,394	1,211,773	8%
Base Solvency Buffer	(BSB)	2,866,335	2,673,000	5%
Total Ratio $([AC+SA+ED] / BSB) \times 100$		137%	128%	6%
Core Ratio $([AC1+70\% SA + 70\% ED] / BSB) \times 100$		108%	98%	8%
The Total Ratio and Core Ratio period changes are primarily attributed to changes in interest rates.				