

# 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 - %
<b>Available Capital (AC1 +B)</b>	<b>(AC)</b>	<b>2,525,567</b>	<b>2,214,412</b>	<b>12%</b>
Tier 1 Capital	<b>(AC1)</b>	2,120,437	1,784,655	15%
Tier 2 Capital	<b>B</b>	405,130	429,757	-3%
<b>Surplus Allowance and Eligible Deposits</b>	<b>(SA+ED)</b>	<b>1,402,394</b>	<b>1,211,773</b>	<b>8%</b>
<b>Base Solvency Buffer</b>	<b>(BSB)</b>	<b>2,866,335</b>	<b>2,673,000</b>	<b>5%</b>
<b>Total Ratio</b> $([AC+SA+ED] / BSB) \times 100$		<b>137%</b>	<b>128%</b>	<b>6%</b>
<b>Core Ratio</b> $([AC1+70\% SA + 70\% ED] / BSB) \times 100$		<b>108%</b>	<b>98%</b>	<b>8%</b>

The Total Ratio and Core Ratio period changes are primarily attributed to changes in interest rates.