

# 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 2020 Report

		October 31, 2020	October 31, 2019	Change - %
<b>Available Capital (AC1 +B)</b>	<b>(AC)</b>	<b>2,832,163</b>	<b>2,525,567</b>	<b>12%</b>
Tier 1 Capital	(AC1)	2,395,663	2,120,437	13%
Tier 2 Capital	B	436,500	405,130	8%
<b>Surplus Allowance and Eligible Deposits</b>	<b>(SA+ED)</b>	<b>1,529,756</b>	<b>1,402,394</b>	<b>9%</b>
<b>Base Solvency Buffer</b>	<b>(BSB)</b>	<b>2,999,315</b>	<b>2,866,335</b>	<b>5%</b>
<b>Total Ratio</b> $([AC+SA+ED] / BSB) \times 100$		<b>145%</b>	<b>137%</b>	<b>6%</b>
<b>Core Ratio</b> $([AC1+70\% SA + 70\% ED] / BSB) \times 100$		<b>116%</b>	<b>108%</b>	<b>7%</b>
The Total Ratio and Core Ratio period changes are primarily attributed to investment gains from various Asset and Liability Matching activities.				