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LIPC Risk Margin Taskforce

2024 Survey

Contents

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Introduction

- This presentation summarises the results of the 2024 survey of life insurance companies covering stress margins used to determine regulatory capital requirements, Target Surplus calibration and the AASB 17 risk adjustment.
- The survey was performed over July 2024 to September 2024 with 21 companies participating.
- This survey is conducted on a biennial basis.
- The survey is independently compiled by Institute volunteers from KPMG and EY, and individual information on company responses is not made available to market participants.
- Enquiries can be directed to the following LIPC Risk Margins Taskforce members:
  - Colette Reid (creid10@kpmg.com.au)
  - Shweta Krishna (shweta.krishna@au.ey.com)

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Survey Purpose

- The purpose of this survey is to collect and present information on an aggregated, anonymised basis regarding industry practices relating to setting life insurance stress margins used to determine regulatory capital, Target Surplus, and the AASB 17 risk adjustment.
- The survey is undertaken on behalf of the Actuaries Institute to assist Appointed Actuaries in undertaking their professional responsibilities relating to the development of these key assumptions which support the financial strength and resilience of life insurance companies; in turn providing protection to customers.
- The survey allows Appointed Actuaries to benchmark their assumptions against industry practice and better support recommendations on these assumptions to their Boards.
- The survey questions are limited to historical considerations in setting assumptions and no requests have been made for information relating to companies intentions or future behaviour.

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Survey Approach

- A range of questions were sent to insurers and responses were provided via email.
- Interpretation of the results:
  - We have not provided reasons or sought to understand why insurance stress margins differ between individual companies. Please use care when interpreting results.
  - A total of 21 companies responded to the survey and are listed on page 6.
  - The survey excluded information where there were fewer than 3 responses in a category to preserve anonymity of participants

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Survey Participants

AIA	HCF Life	Resolution Life Australia
Allianz	MetLife	RGA
Challenger	MLC	SCOR
ClearView	Munich Re	St. Andrews
Gen Re	NobleOak	Swiss Re
Hallmark	Pacific Life Re	TAL (including Westpac Life)
Hannover Re	Australian Retirement Trust	Zurich

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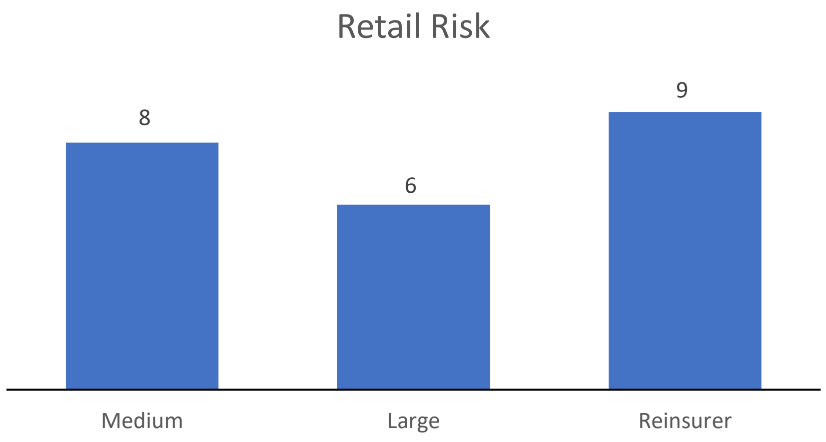
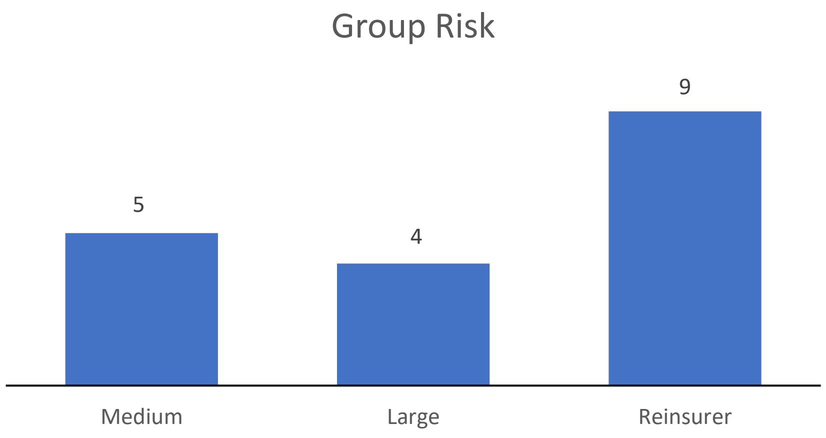
Survey Categorisation
(Premium information Question 1)

- Results are presented for medium and large direct insurers and reinsurers.
- Large direct insurers are defined as:
  - For Retail Risk: those with greater than $500m gross annual premium in-force at 31 December 2023.
  - For Group Risk: those with greater than $500m gross annual premium in-force at 31 December 2023.

Participants in each category





Abbreviations

Below is a definition of the abbreviations that have been adopted in this survey:

- AASB 17: Australian Accounting Standards Board: Insurance Contracts
- CICP: Claims in Course of Payment
- GSC: Group Salary Continuance
- IBNR: Incurred But Not Reported claim reserve
- ICAAP: Internal Capital Adequacy Assessment Process
- IDII: Individual Disability Income Insurance
- IFRS 17: International Financial Reporting Standard: Insurance Contracts
- IP: Income Protection
- IRC: Insurance Risk Charge as defined in APRA LPS 115
- LAGIC: Life And General Insurance Capital framework
- LIWMPC: Life Insurance and Wealth Management Practice Committee
- PCA: Prescribed Capital Amount as defined in APRA LPS 100
- RBNA: Reported But Not Admitted claim reserve
- TPD: Total and Permanent Disability

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Survey Questionnaire and Summarised Answers

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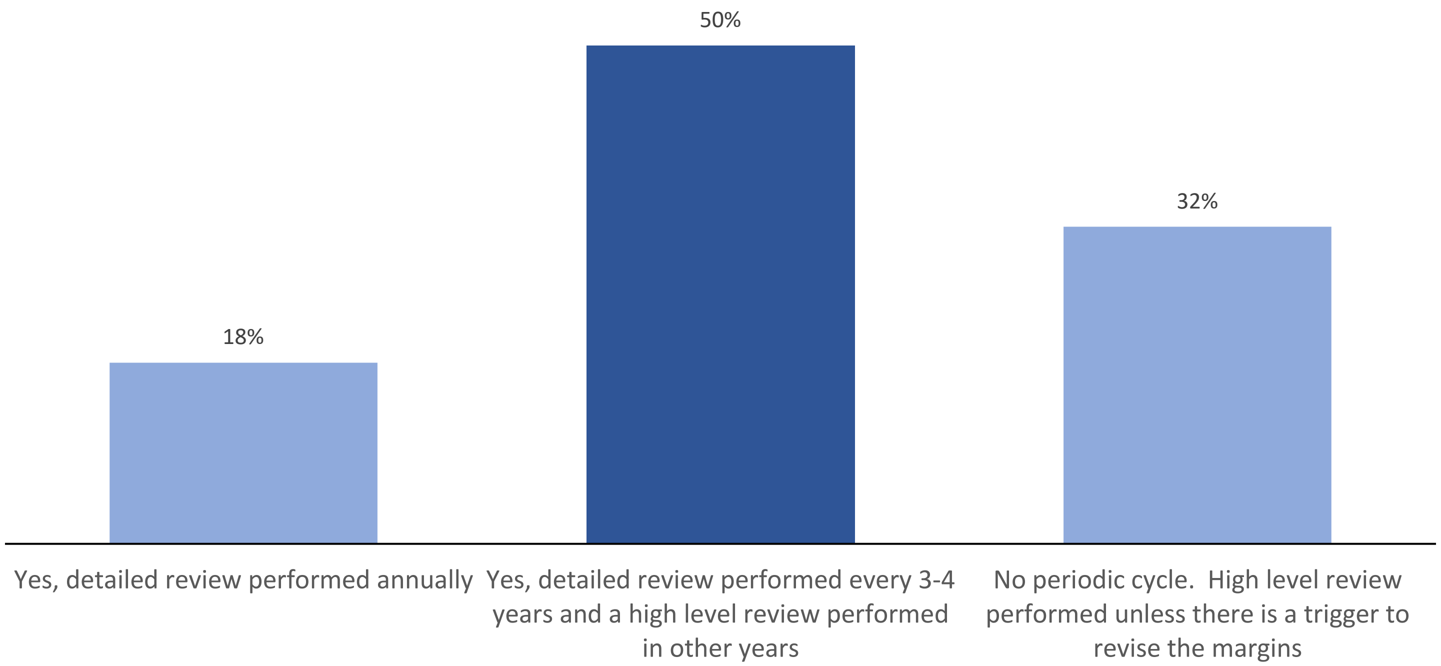
2. Recent changes to insurance Risk Margins

A (i) Is there a periodic cycle agreed with respect to review of future risk margins?



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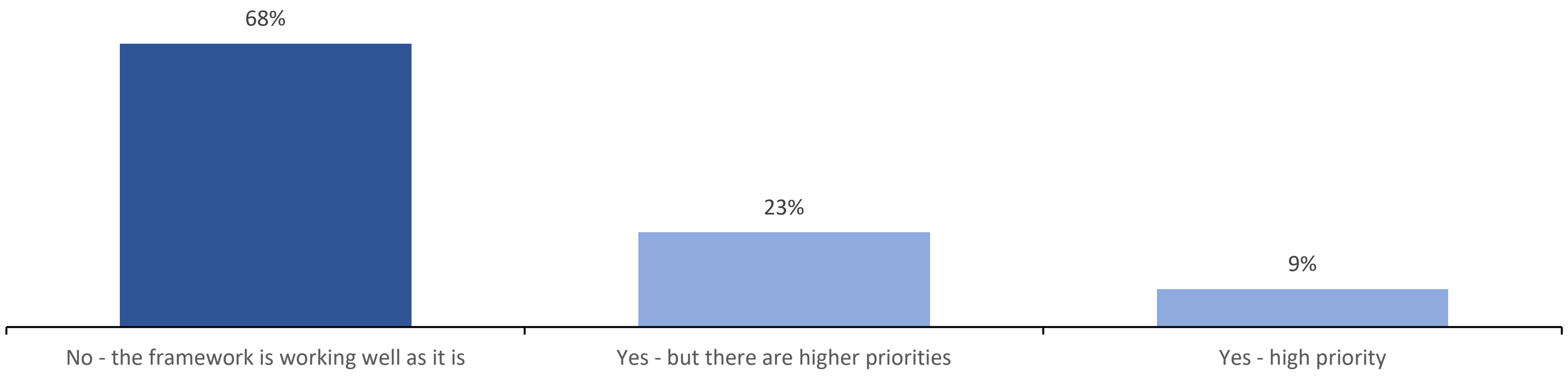
2. Recent changes to insurance Risk Margins

A (ii) It's been 11 years since LAGIC was introduced and 8 years since the Institute issued the LIWMPC Technical Paper*. Should it be a priority to revisit the industry's approach to setting risk margins?



*Technical Paper: TP Framework for Setting Life Insurance Risk Margins for Regulatory Capital (March 2016)

A (iii) If yes, could you comment around what you see as the specific areas where further guidance is required?

Of the companies that indicated that risk margins Information note should be revisited, the insights pointed to a demand within the industry for more nuanced, detailed, and practical guidance to aid companies in meeting regulatory requirements and managing risk more effectively.

Some of the specific areas called out included:

- How Target Surplus stress margins align/interact with PCA margins
- Detailed guidance on risk margin approaches for IBNR, RBNA, Lapses and allowance for diversification
- The consideration of longer-term risks
- Approaches for stochastic modelling

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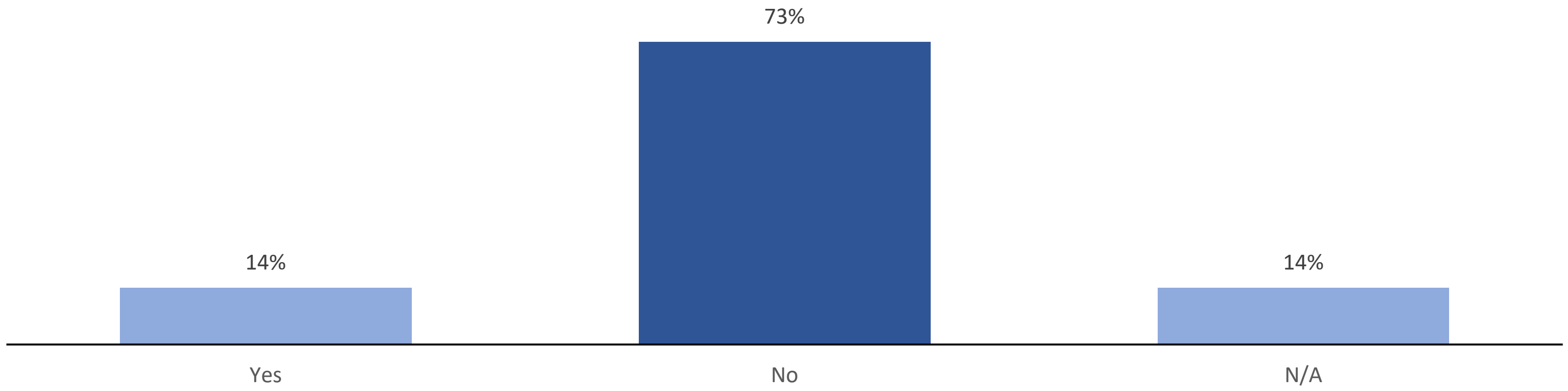
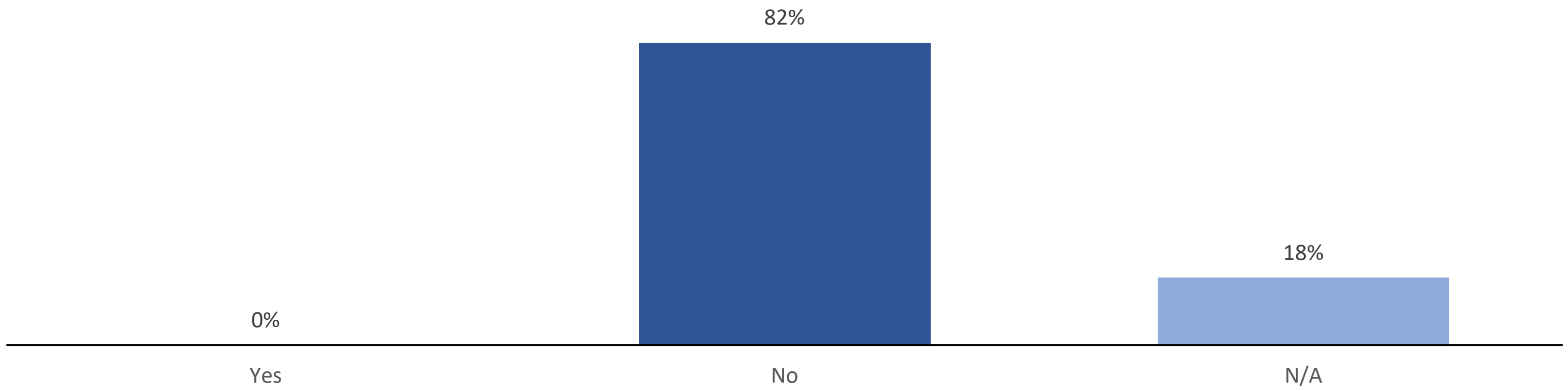
2. Recent changes to insurance Risk Margins

A (iv) Have you recently changed your Risk Margins for: a) changes in TPD experience



* Results are rounded

A (iv) Have you recently changed your Risk Margins for: b) IDII business in light of APRA's supervisory reforms



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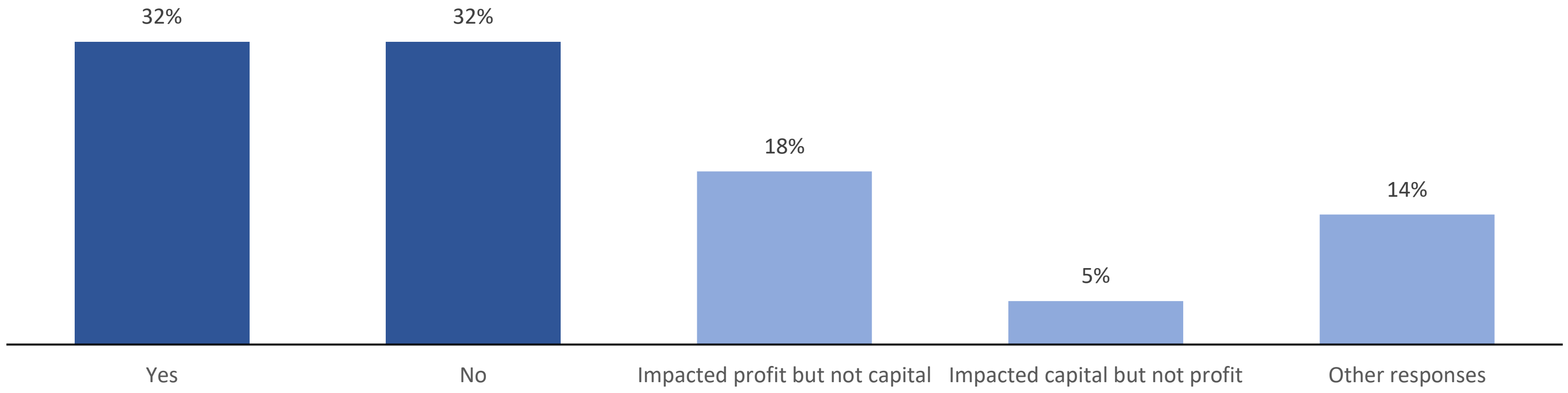
2. Recent changes to insurance Risk Margins

A (v) Do you expect IFRS 17 to impact the volatility of your profit/capital results (less/more volatile)?



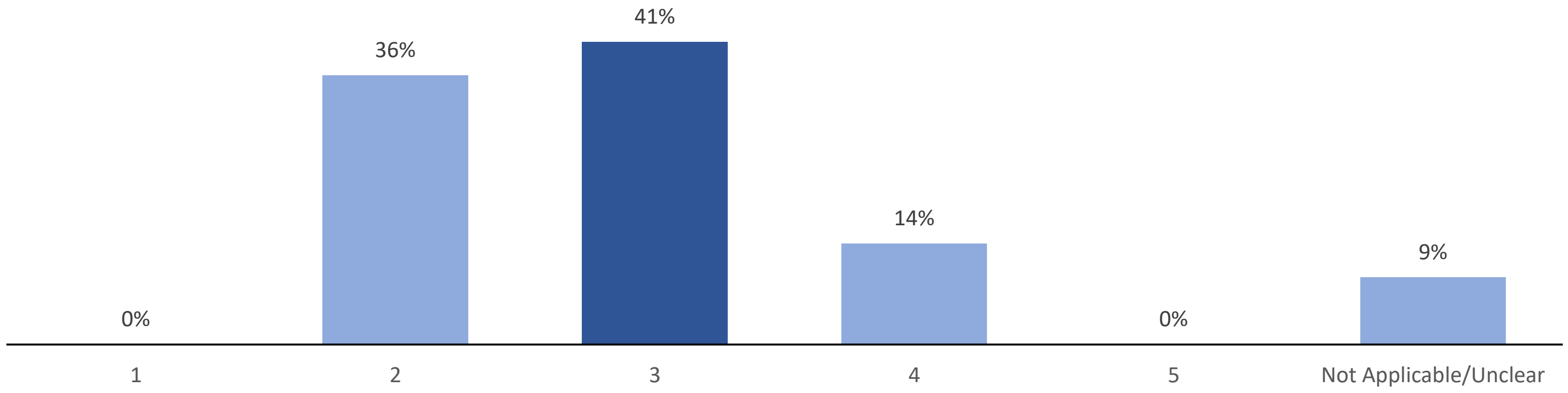
* Results are rounded

A (v) If yes, have you given any consideration to revise your risk margins in light of change to profits/capital volatility?

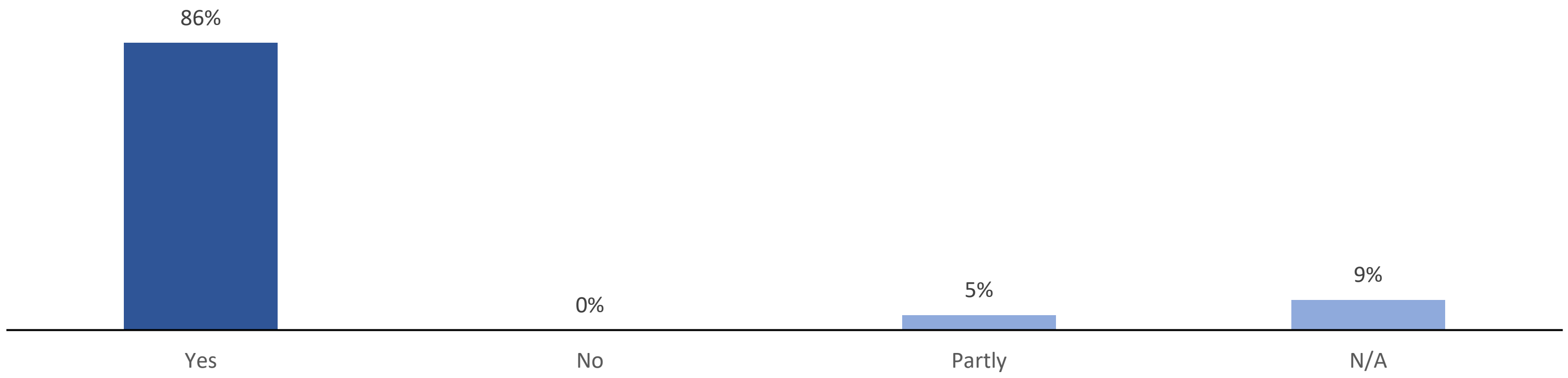
These insights collectively indicate that while IFRS 17 is impacting financial reporting and profit volatility for some companies, the prevailing view is that the changes are largely driven by accounting practices. The volatility due to these accounting treatments has not warranted revisions to risk margins, as it does not necessarily reflect changes in the underlying insurance risk.

3. Methodology and assumptions for determining insurance Risk Margins

A (i) How many years do you assume before you reprice retail business?



A (ii) Do you assume the business is repriced to fully cover the impacts of the stresses?



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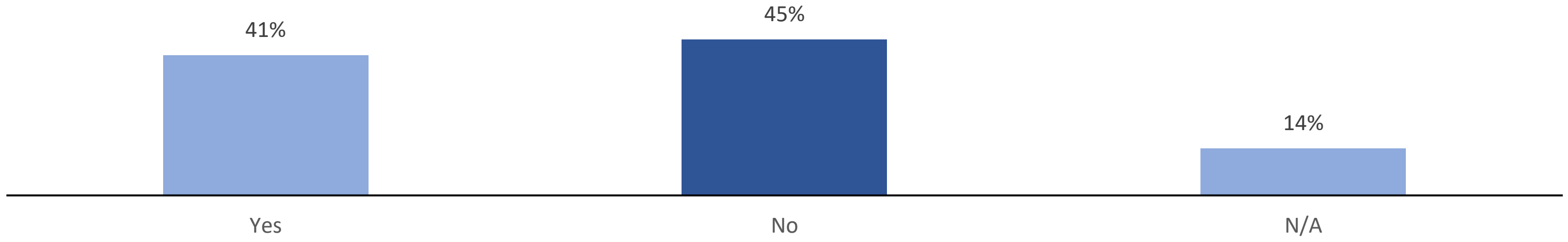
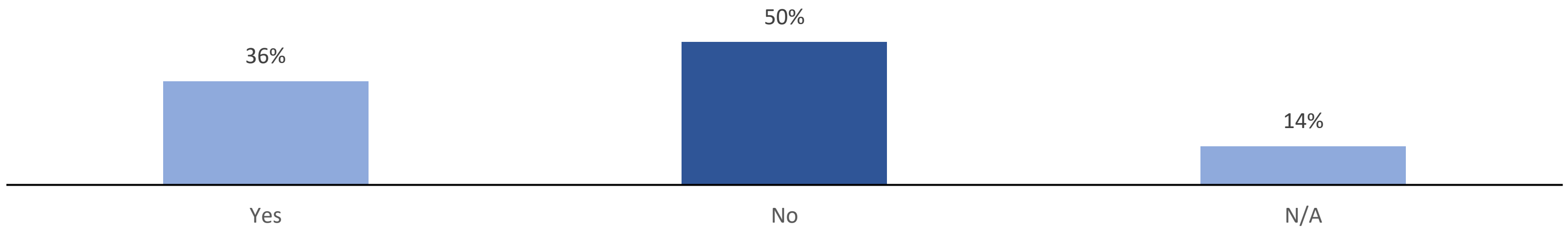
3. Methodology and assumptions for determining insurance Risk Margins

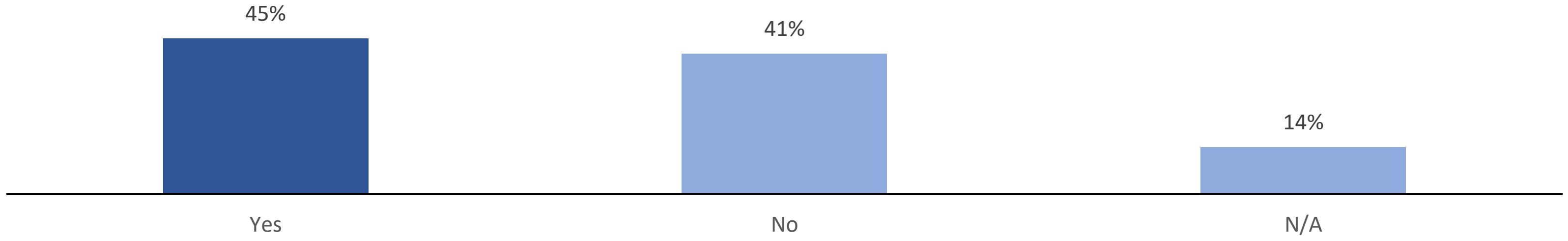
A (iii) a) In reviewing your repricing assumption have you conducted any investigations into the past: (a) delays in implementing price changes in response to experience



A (iii) b) In reviewing your repricing assumption have you conducted any investigations into the past: (b) the effectiveness of the price increases in addressing the changed experience?



A (iv) Do you consider the price changes already baked into your best estimate assumptions when considering further repricing activity as a management action?



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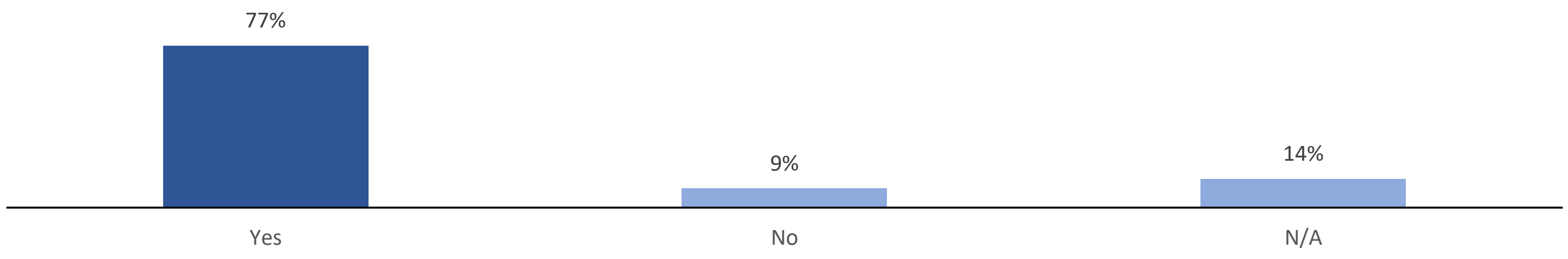
3. Methodology and assumptions for determining insurance Risk Margins

A (v) In setting your margins, to what extent do you consider uncertainty within your best estimate assumptions?

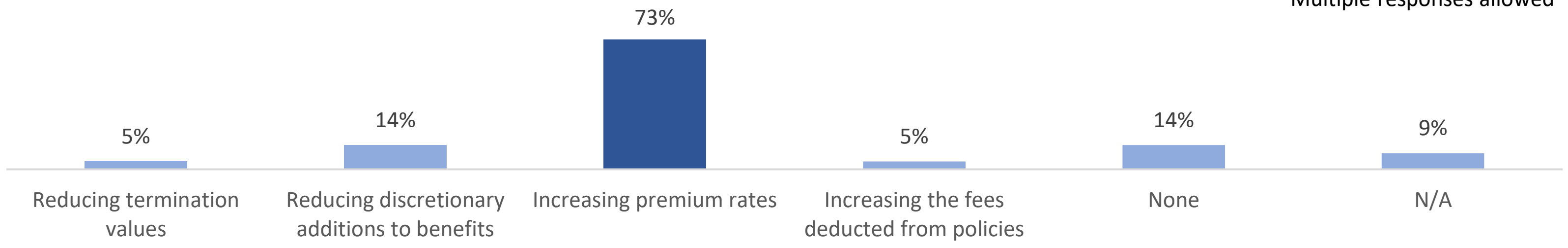


A (v) If yes, how is this reflected in your risk margins?

Majority of respondents consider the level of uncertainty within best estimate assumptions when setting risk margins. Many specifically consider uncertainty when setting future risk margins. The extent of consideration varied from making explicit allowances for certain elements driving the uncertainty to giving limited consideration.

A (vi) Please indicate the management actions that are considered in setting insurance stress margins (e.g. repricing, reducing termination value, others)

* Multiple responses allowed



3. Methodology and assumptions for determining insurance Risk Margins

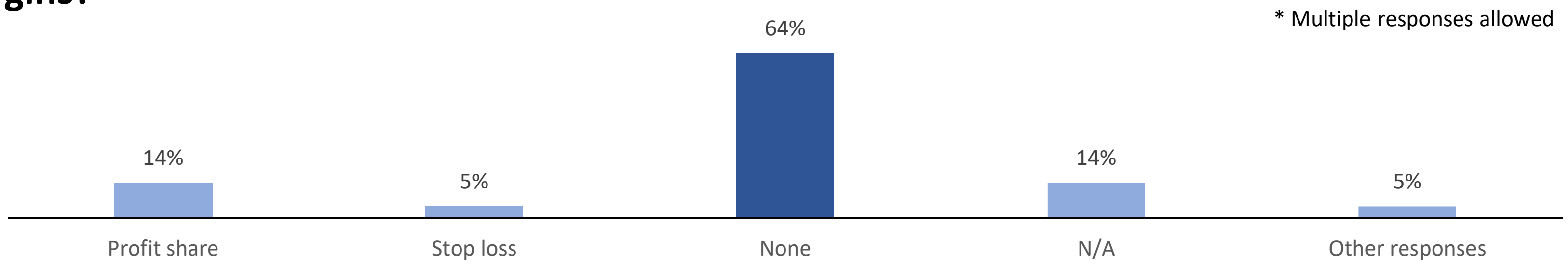
B (i) For group business, do you assume any level of automatic rollover at the current price?

B (ii) If so describe.

The proportion of companies that assume automatic rollover included:

- Allowance for the probability of retention at the current premium rate.
- Full rollover at current price for schemes renewing over the next 12 months.
- Full rollover at the current price for group portfolios of low materiality.
- Full rollover up to 3 years into the projection, at which point the contract is assumed to lapse or it is repriced.

C (i) What consideration do you give to asymmetric risk outcomes e.g. profit share, stop loss reinsurance when setting your Risk Margins?



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3. Methodology and assumptions for determining insurance Risk Margins

D (i) Have you reviewed your methodology for setting Risk Margins since 2022?

D (ii) If so, did the review lead to a change in methodology? and
D (iii) If so, please describe the key changes made to your methodology?

While most companies have not reviewed their risk margin setting methodologies in the last two years, the reviews that did occur tended to lead to changes in methodology. The improvements included:

- Alignment with current data
- To reflect recent claims volatility
- Adoption of updated industry guidance

Of the insurers that indicated changes to their methodology, some indicated moving towards stochastic modelling approaches, including dynamic and responsive risk assessment methods. Others indicated no material changes, only making minor adjustments or changes in weightings.

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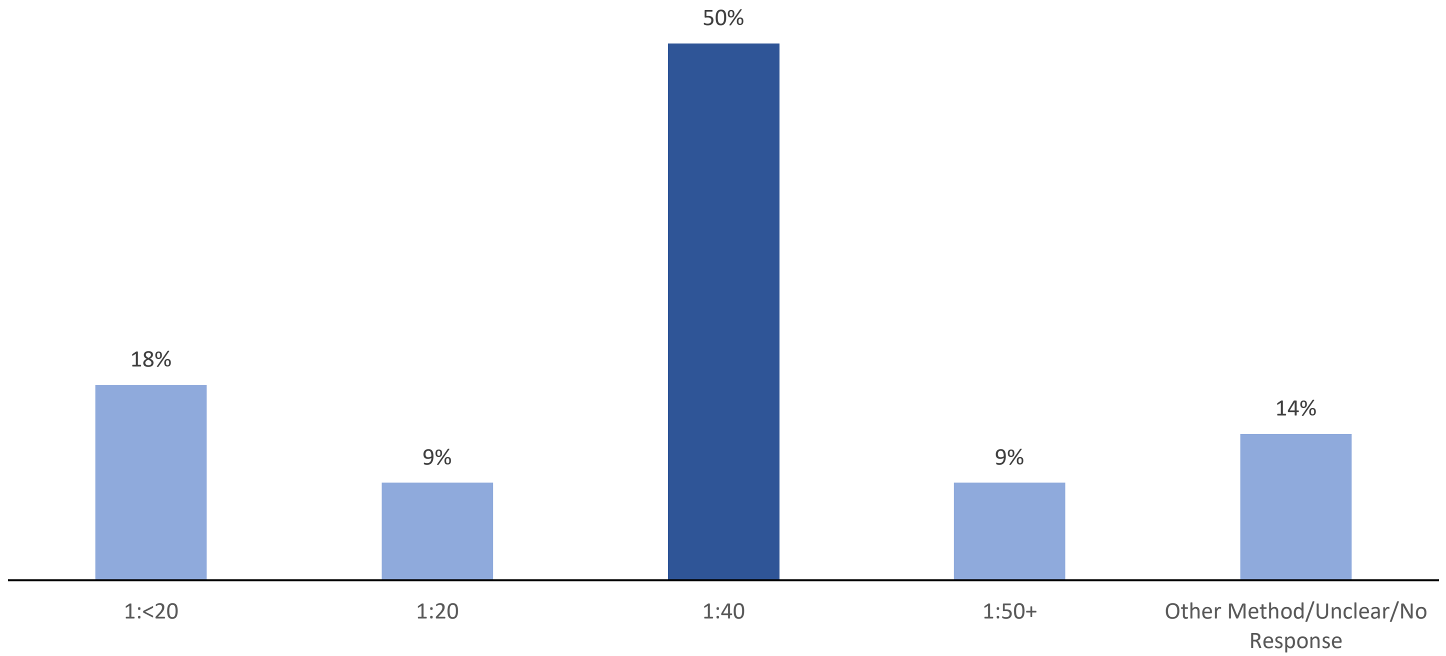
4. Target Surplus Approach

A (i) At what level is your Target Surplus set?



Calibrating target surplus to a 1 in 40 year regulatory capital breach over the next 12 month period remains the most common approach

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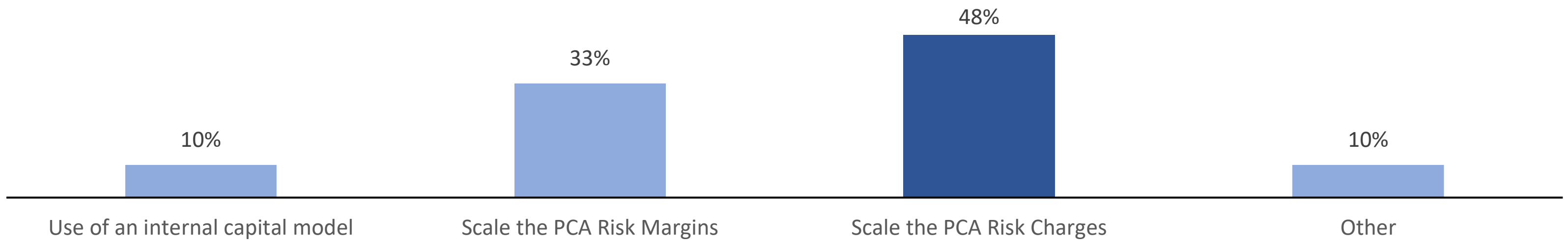
4. Target Surplus Approach

A (ii) Which option best describes your Target Surplus calculation methodology?



* Results are rounded

A (iii) If you scale the PCA Risk Margins or PCA Risk Charges to determine Target Surplus, what statistical distribution do you assume for this calculation?

Scaling using the 'standard normal' distribution remains the most common approach for all risk types. A few companies don't allow for expense and lapse risk in the Target Surplus. The 'other approach' responses were concentrated in operational risk.

A (iv) If you do not scale Risk Margins or Risk Charges, please briefly describe your approach.

The most common alternative method to determine Target Surplus was by stress and scenario testing, followed by internal capital models.

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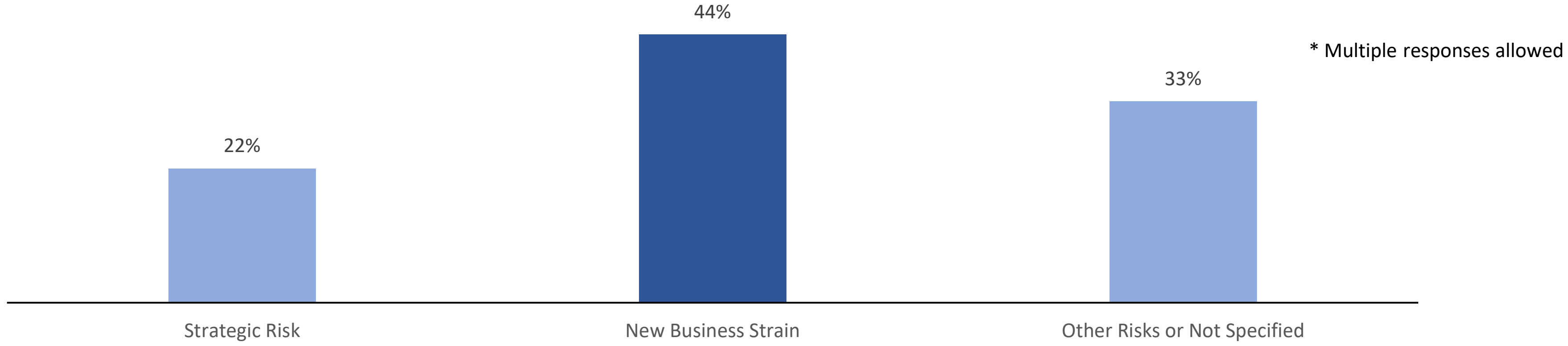
4. Target Surplus Approach

A (v) When setting Target Surplus, do you allow for any additional risks not considered in the PCA calculation?

If so, please state the additional risks e.g. Strategic Risk, Unanticipated New Business Strain



* Results are rounded

Some of the other risks considered by companies include regulatory risks, project expense risks, data risks, reinsurance repricing risks, liquidity risk and climate risk.

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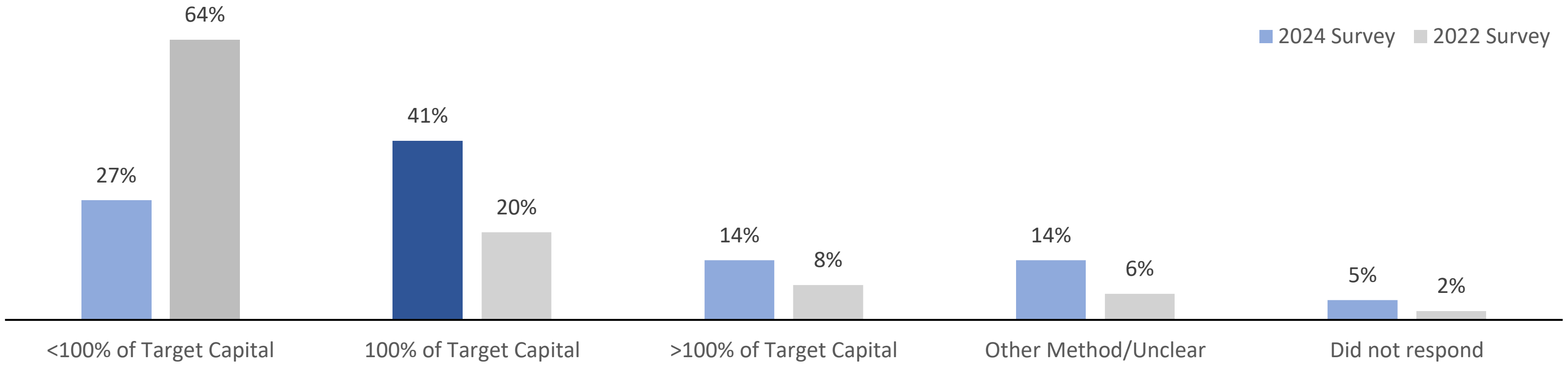
4. Target Surplus Approach

B (i) At what level of Target Surplus is your first action under Internal Capital Adequacy Assessment Process (ICAAP)?

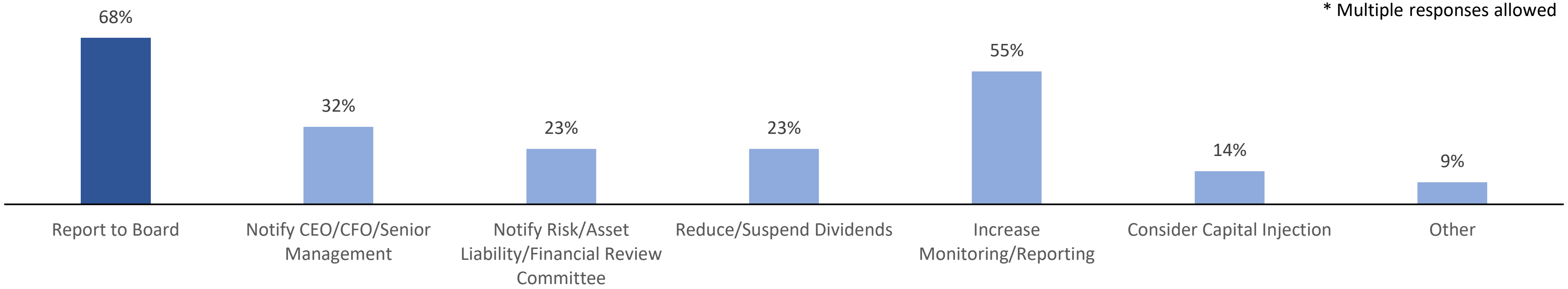


* Results are rounded

On average the first actions under ICAAPs trigger at a higher Target Surplus level.

B (ii) What is that first action?

* Multiple responses allowed



While ‘Report to Board’ remained the most common first action, ‘Increase monitoring/reporting’ saw the largest increase as a first action since the 2022 survey.

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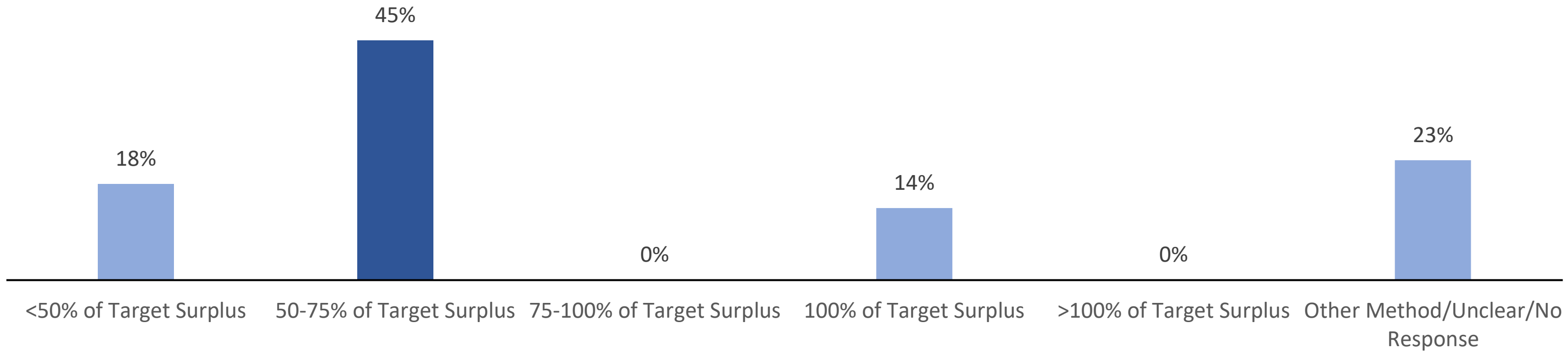
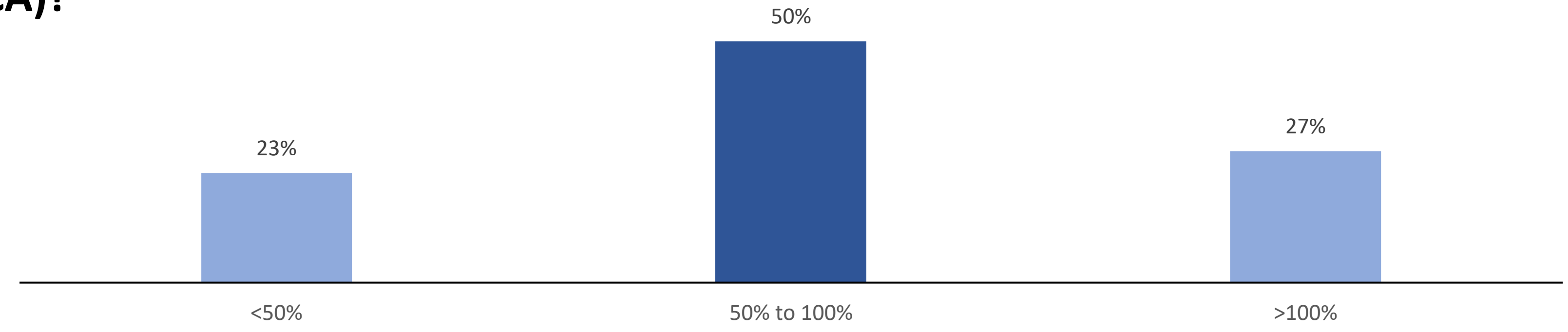
4. Target Surplus Approach

B (iii) At what level of Target Surplus is APRA informed under your ICAAP?



C (i) For the company as a whole, what is your Target Surplus as a proportion of your prescribed capital amount (PCA)?



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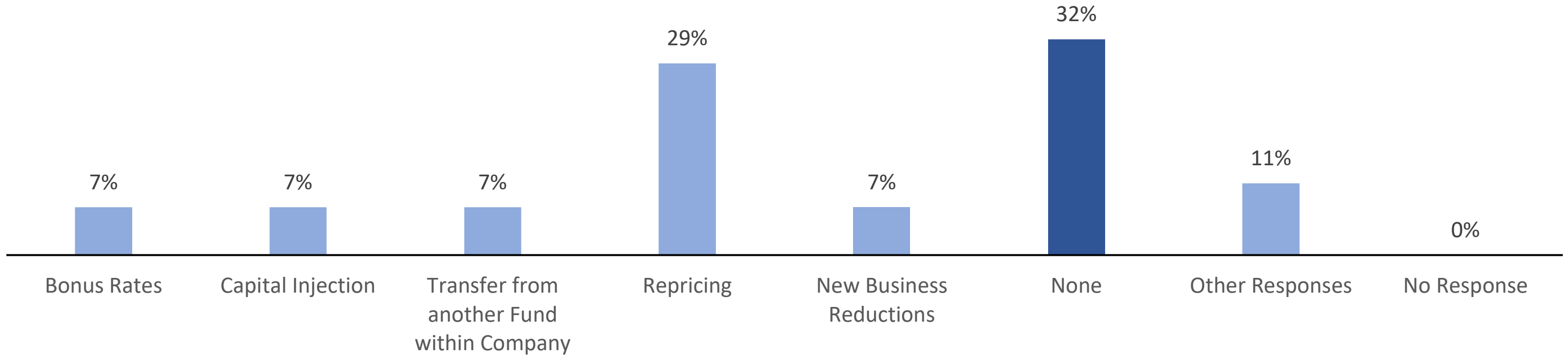
4. Target Surplus Approach

D (i) What management actions are allowed for when setting your Target Surplus level?



None remains the most common response, but the proportion had decreased.

D (ii) What delay is factored in when calculating the impact of management actions?

For repricing (the most common action) companies are factoring in delays of around 2 to 3 years to allow for the observation of adverse experience, decision-making, and implementation processes.

However, there is no one-size-fits-all approach among the surveyed companies regarding delays for management actions. Some companies use conservative assumptions and do not rely on post-stress management actions when considering solvency, while others plan for delays that are aligned with their strategic and operational practices. A common trend observed, however, is the alignment with PCA frameworks and the careful consideration given to the time required for implementing repricing actions as a response to adverse conditions.

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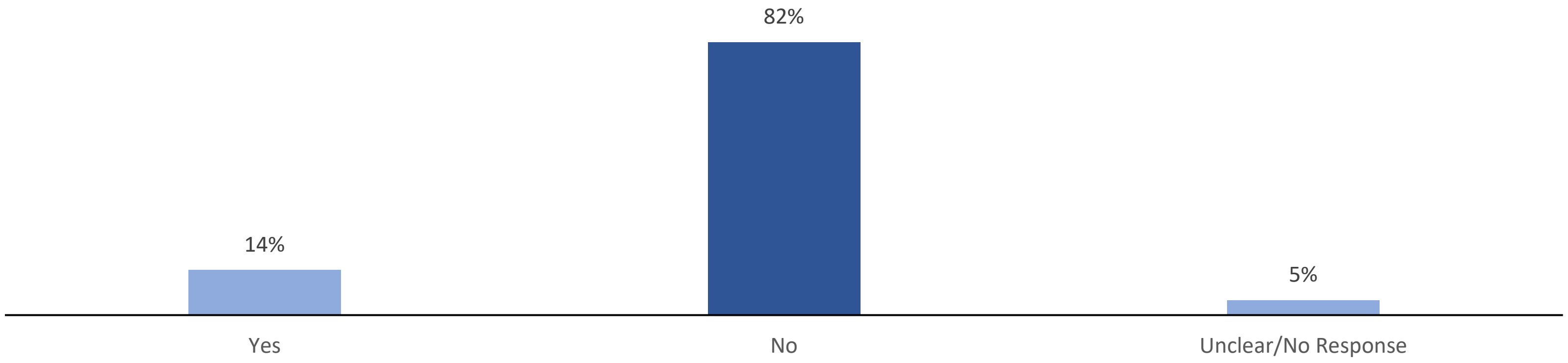
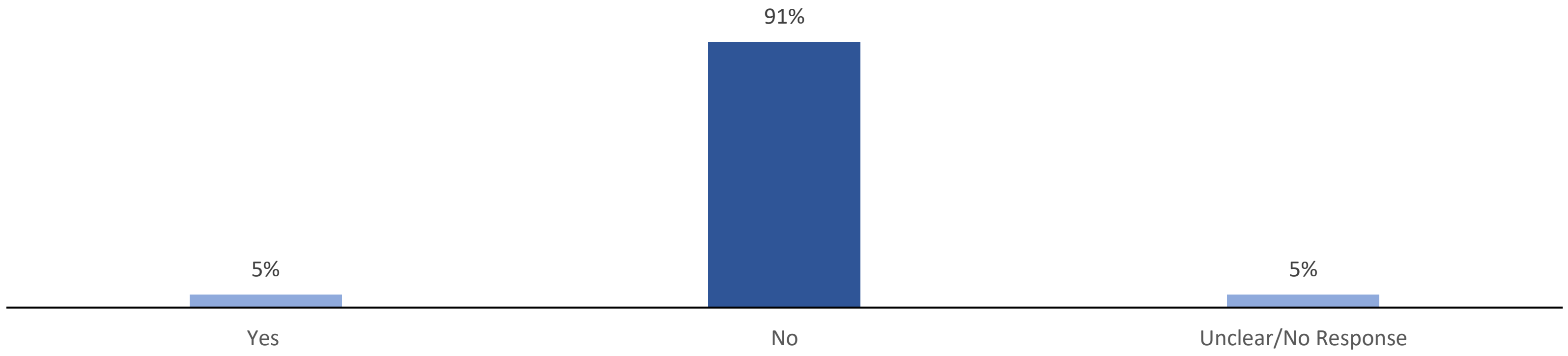
7. Additional stresses

A (i) Do you perform any other Event stress beyond the APRA required Pandemic scenario? If so please describe.



* Results are rounded

A (ii) Do you perform any other Insurance Risk Charge stresses in addition to those listed in paragraph 27 of LPS 115 to calculate the PCA? If so, please describe.



* Results are rounded

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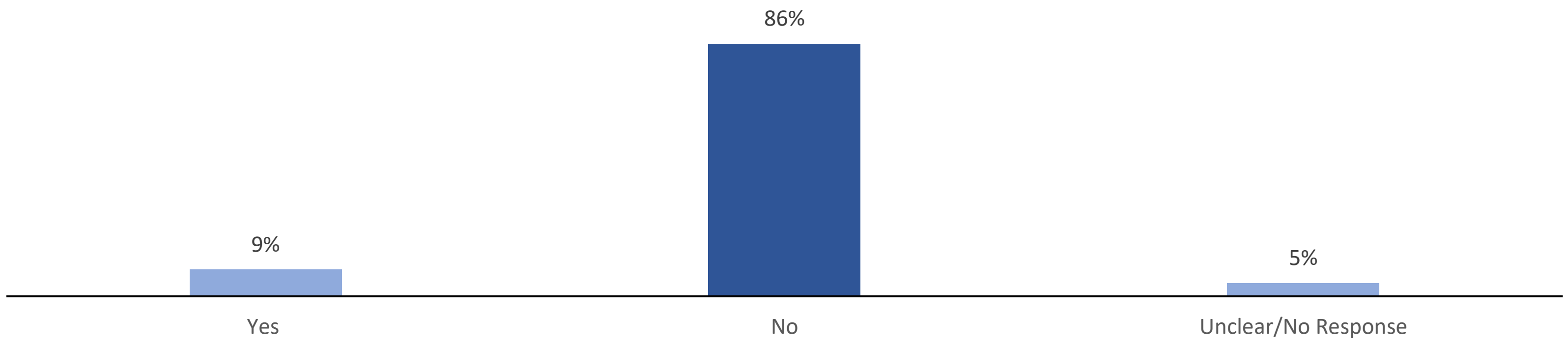
7. Additional stresses

A (iii) Is there any specific allowance for COVID-19 related considerations within your regulatory capital calculations? If yes, please explain how this is factored in.



A (iv) For income-style annuity products (e.g., retirement income products) with a deferral period and a surrender value: a) Should there be a capital stress? b) Do you think this stress should be prescribed?

The majority of companies had a ‘not applicable’ response to this question. All companies that did respond agreed there should be a capital stress and most respondents indicated that the stress should be prescribed.

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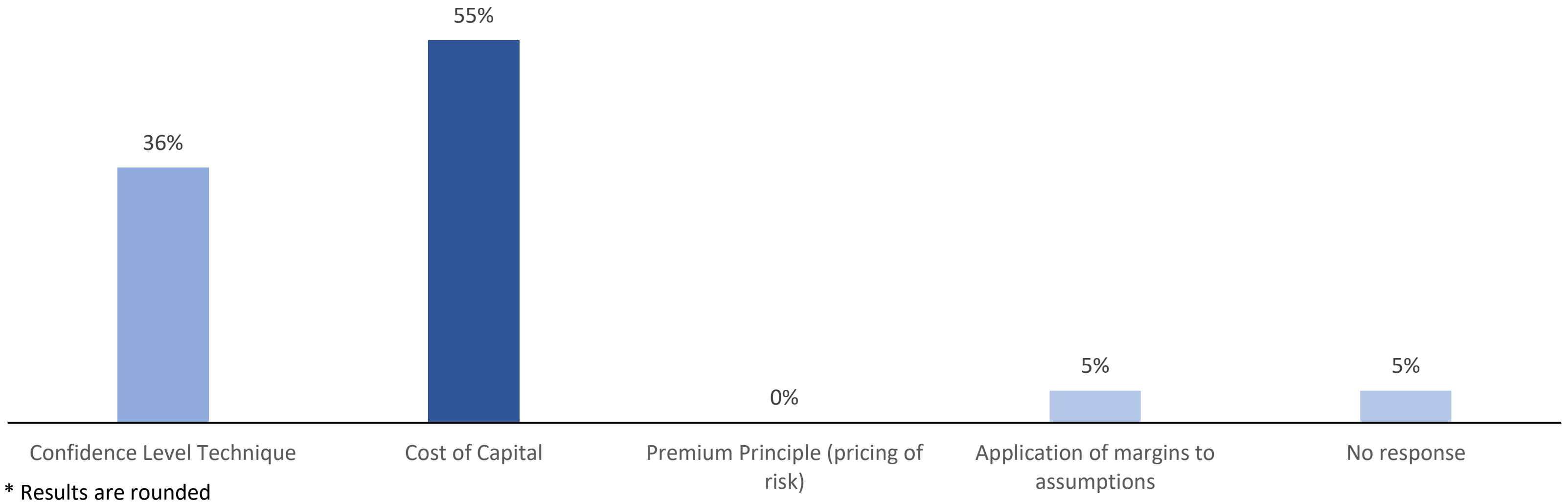
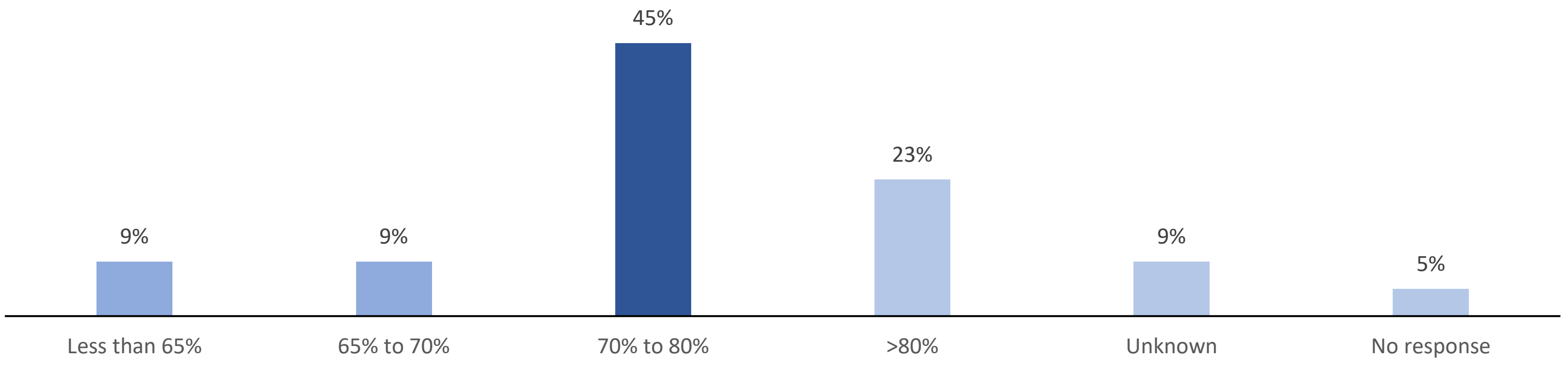
8. AASB 17 Risk Adjustment

A (i) What methodology are you intending to use to calculate the Risk Adjustment for non-financial risk?



* Results are rounded

A (ii) What is the implied confidence level for your Risk Adjustment?



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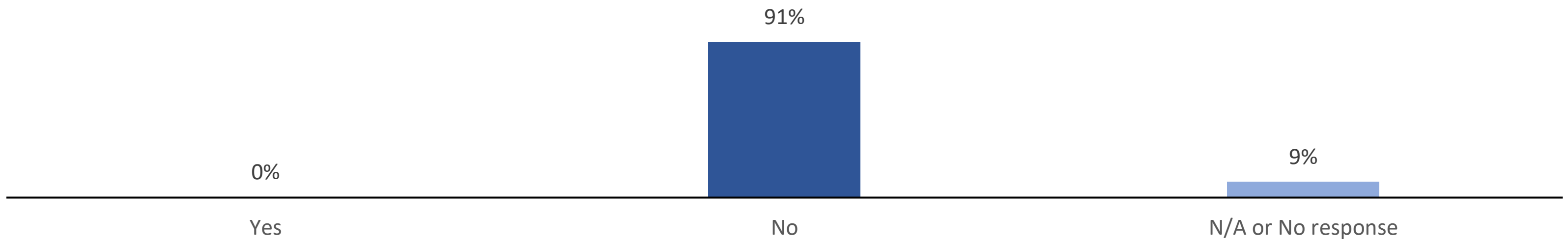
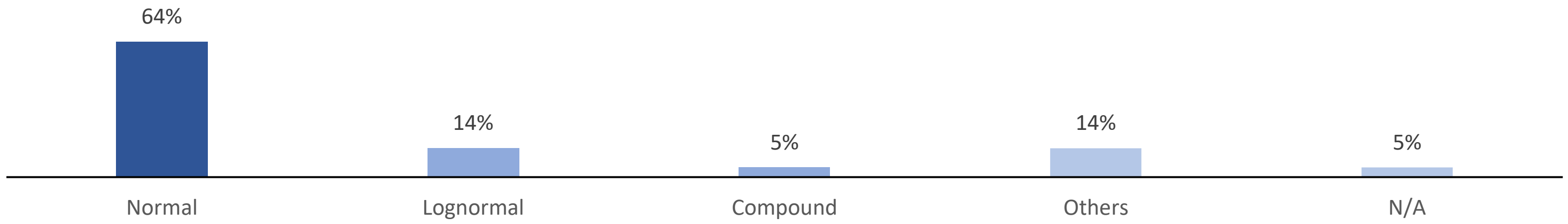
8. AASB 17 Risk Adjustment

A (iii) Have you allowed for any non-financial risks other than insurance risk, lapse risk and expense risk when determining the Risk Adjustment?

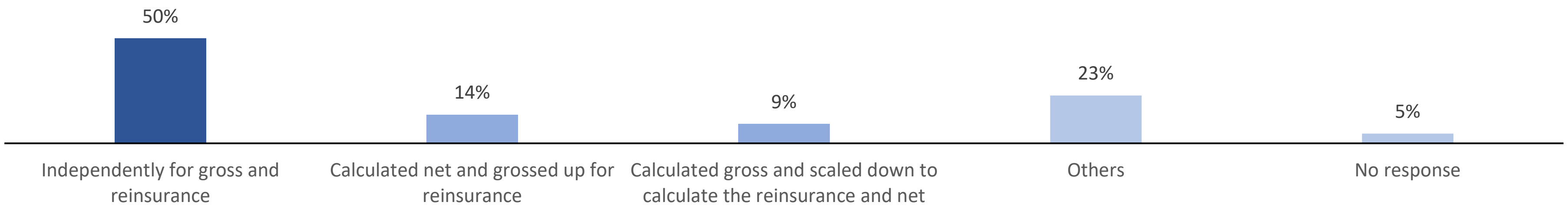


A (iv) In calculating the Risk adjustment (or the implied confidence level), what statistical distribution have you assumed?



* Results are rounded

A (v) How has the gross and reinsurance risk adjustment been calculated:



* Results are rounded

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Stress Margin Results and Key Observations (Questions 5 and 6)

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Introduction

Interpretation of graphs:

- The bars on each chart indicate the average, minimum and maximum for each stress margin and type of company (i.e. medium or large, insurers or reinsurer).

Range of stress margins:

- Generally, the range of stress margins remained consistent with the 2022 survey with the exception of
  - An increase in the range for
    - Reinsurer random retail stress margins for TPD, Trauma and IP Total (somewhat evident in future retail stress margins too).
    - Medium insurer random retail stress margins for IP Termination.
  - A convergence in the range for
    - Reinsurer random group stress margin ranges for Terminations (GSC and CICP).

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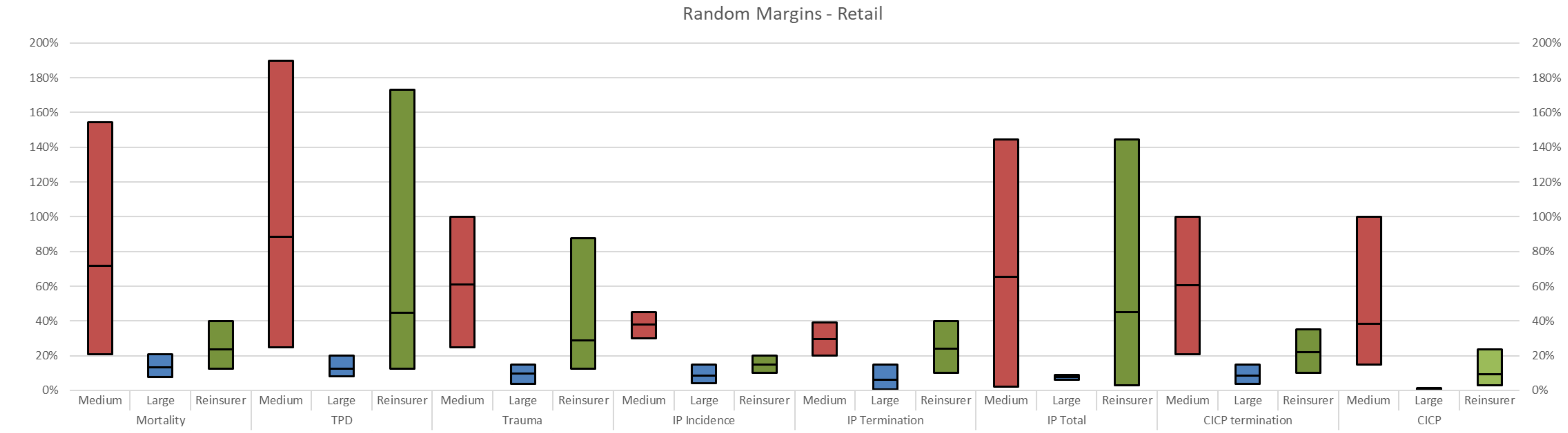
Random Risk Margins

Retail



	Mortality Medium	Mortality Large	Mortality Reinsurer	TPD Medium	TPD Large	TPD Reinsurer	Trauma Medium	Trauma Large	Trauma Reinsurer	IP Incidence Medium	IP Incidence Large	IP Incidence Reinsurer	IP Termination Medium	IP Termination Large	IP Termination Reinsurer	IP Total Medium	IP Total Large	IP Total Reinsurer	CICP termination Medium	CICP termination Large	CICP termination Reinsurer	CICP Medium	CICP Large	CICP Reinsurer
Max	154%	21%	40%	190%	20%	173%	100%	15%	88%	45%	15%	20%	39%	15%	40%	144%	9%	144%	100%	15%	35%	100%	2%	24%
Average	72%	13%	24%	89%	12%	45%	61%	10%	29%	38%	9%	15%	30%	6%	24%	65%	8%	45%	61%	9%	22%	38%	1%	9%
Min	21%	8%	13%	25%	8%	13%	25%	4%	13%	30%	4%	10%	20%	1%	10%	2%	6%	3%	21%	4%	10%	15%	0%	3%

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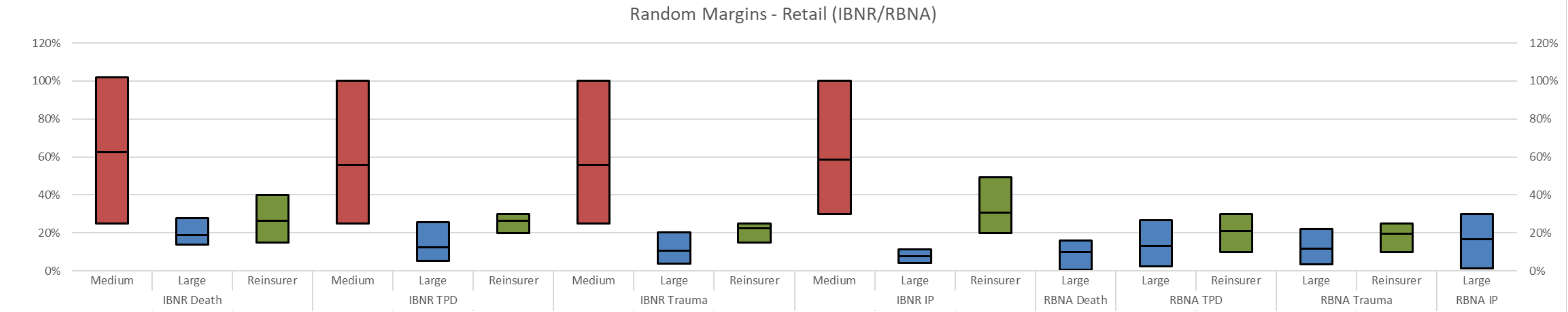
Random Risk Margins

Retail (IBNR/RBNA)



	IBNR Death Medium	IBNR Death Large	IBNR Death Reinsurer	IBNR TPD Medium	IBNR TPD Large	IBNR TPD Reinsurer	IBNR Trauma Medium	IBNR Trauma Large	IBNR Trauma Reinsurer	IBNR IP Medium	IBNR IP Large	IBNR IP Reinsurer	RBNA Death Large	RBNA TPD Large	RBNA TPD Reinsurer	RBNA Trauma Large	RBNA Trauma Reinsurer	RBNA IP Large
Max	102%	28%	40%	100%	26%	30%	100%	20%	25%	100%	11%	49%	16%	27%	30%	22%	25%	30%
Average	63%	19%	26%	56%	12%	26%	56%	11%	22%	59%	8%	31%	10%	13%	21%	12%	20%	17%
Min	25%	14%	15%	25%	5%	20%	25%	4%	15%	30%	4%	20%	0%	2%	10%	4%	10%	1%

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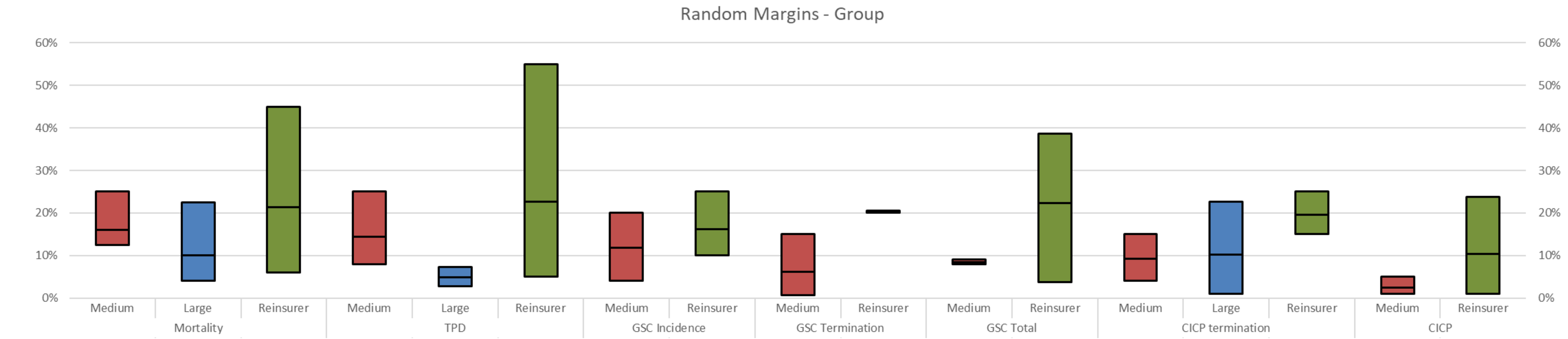
Random Risk Margins

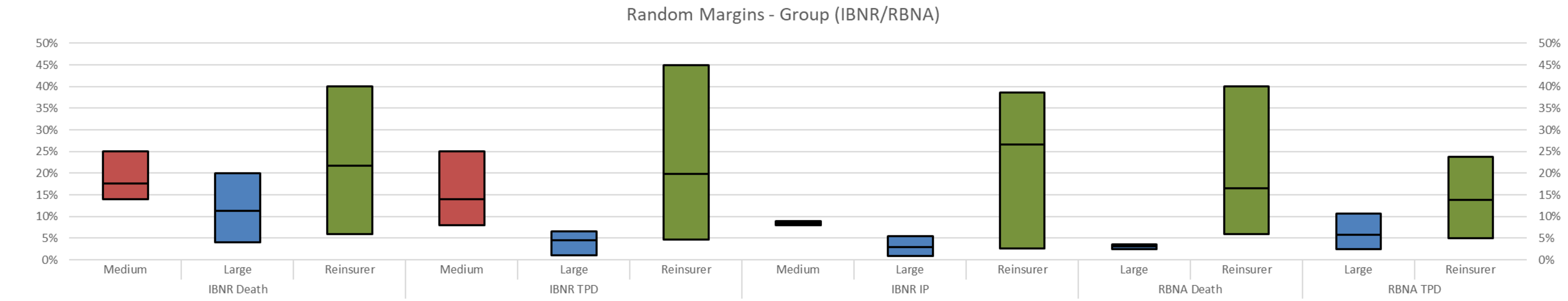
Group



	Mortality Medium	Mortality Large	Mortality Reinsurer	TPD Medium	TPD Large	TPD Reinsurer	GSC Incidence Medium	GSC Incidence Reinsurer	GSC Termination Medium	GSC Termination Reinsurer	GSC Total Medium	GSC Total Reinsurer	CICP termination Medium	CICP termination Large	CICP termination Reinsurer	CICP Medium	CICP Reinsurer
Max	25%	23%	45%	25%	7%	55%	20%	25%	15%	21%	9%	39%	15%	23%	25%	5%	24%
Average	16%	10%	21%	14%	5%	23%	12%	16%	6%	21%	9%	22%	9%	10%	20%	2%	10%
Min	13%	4%	6%	8%	3%	5%	4%	10%	1%	20%	8%	4%	4%	1%	15%	1%	1%

Random Risk Margins

Group (IBNR/RBNA)

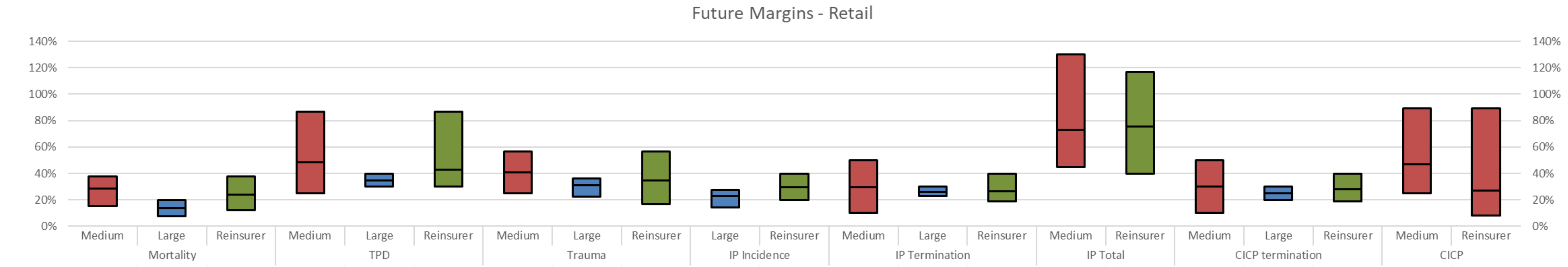


	IBNR Death			IBNR TPD			IBNR IP			RBNA Death		RBNA TPD	
	Medium	Large	Reinsurer	Medium	Large	Reinsurer	Medium	Large	Reinsurer	Large	Reinsurer	Large	Reinsurer
Max	25%	20%	40%	25%	7%	45%	9%	6%	39%	4%	40%	11%	24%
Average	18%	11%	22%	14%	4%	20%	9%	3%	27%	3%	17%	6%	14%
Min	14%	4%	6%	8%	1%	5%	8%	1%	3%	3%	6%	3%	5%

Actuaries Institute.

Future Risk Margins

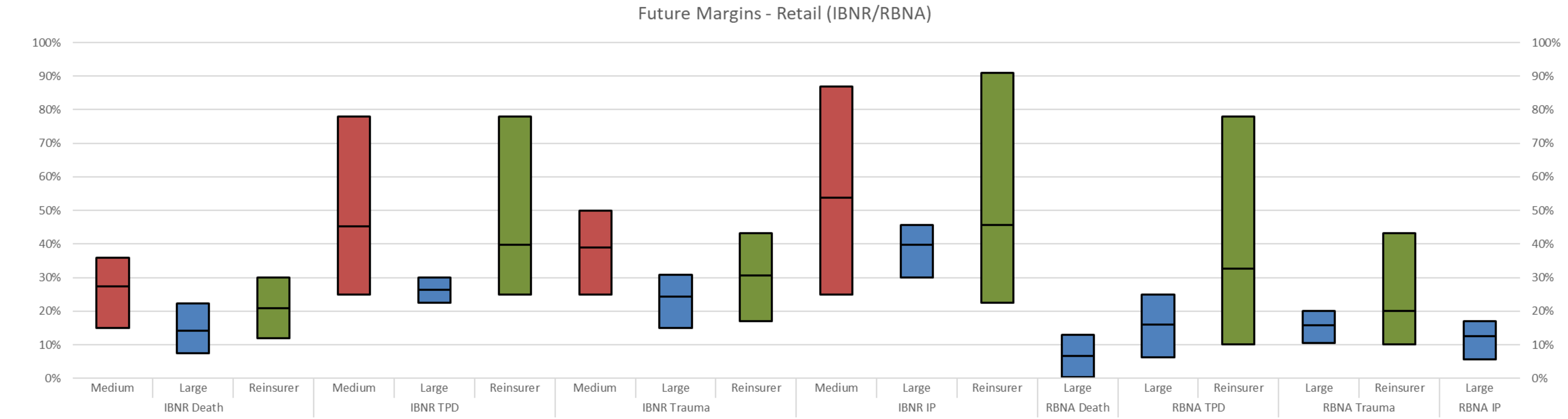
Retail



	Mortality Medium	Mortality Large	Mortality Reinsurer	TPD Medium	TPD Large	TPD Reinsurer	Trauma Medium	Trauma Large	Trauma Reinsurer	IP Incidence Large	IP Incidence Reinsurer	IP Termination Medium	IP Termination Large	IP Termination Reinsurer	IP Total Medium	IP Total Reinsurer	CICP termination Medium	CICP termination Large	CICP termination Reinsurer	CICP Medium	CICP Reinsurer
Max	37%	20%	37%	87%	40%	87%	57%	36%	57%	28%	40%	50%	30%	40%	130%	117%	50%	30%	40%	89%	89%
Average	29%	14%	24%	49%	35%	43%	41%	31%	35%	23%	30%	29%	26%	27%	73%	75%	30%	25%	28%	47%	27%
Min	15%	8%	12%	25%	30%	30%	25%	23%	17%	14%	20%	10%	23%	19%	45%	40%	10%	20%	19%	25%	8%

Future Risk Margins

Retail (IBNR/RBNA)

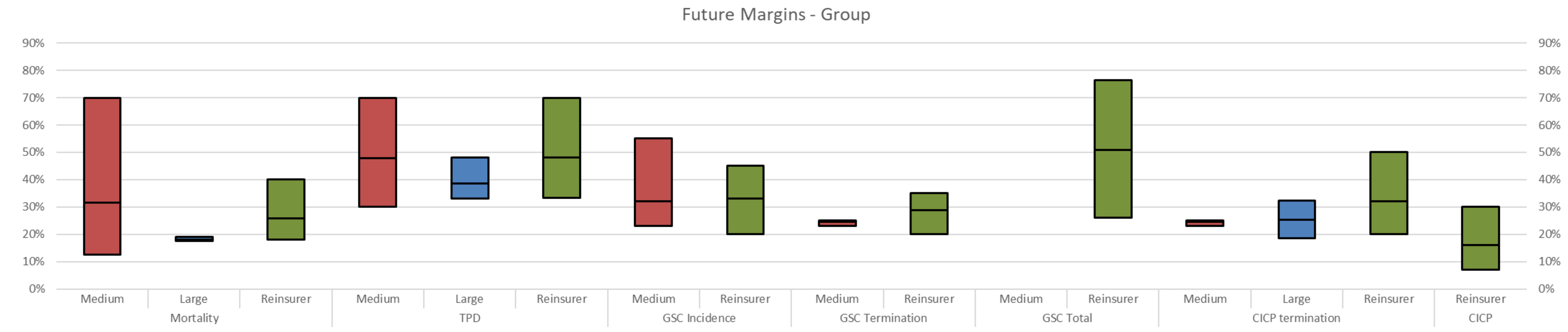


	IBNR Death Medium	IBNR Death Large	IBNR Death Reinsurer	IBNR TPD Medium	IBNR TPD Large	IBNR TPD Reinsurer	IBNR Trauma Medium	IBNR Trauma Large	IBNR Trauma Reinsurer	IBNR IP Medium	IBNR IP Large	IBNR IP Reinsurer	RBNA Death Large	RBNA TPD Large	RBNA TPD Reinsurer	RBNA Trauma Large	RBNA Trauma Reinsurer	RBNA IP Large
Max	36%	22%	30%	78%	30%	78%	50%	31%	43%	87%	46%	91%	13%	25%	78%	20%	43%	17%
Average	27%	14%	21%	45%	26%	40%	39%	24%	31%	54%	40%	46%	7%	16%	33%	16%	20%	13%
Min	15%	8%	12%	25%	23%	25%	25%	15%	17%	25%	30%	23%	0%	6%	10%	10%	10%	6%

Actuaries Institute.

Future Risk Margins

Group



Max	70%	19%	40%	70%	48%	70%	55%	45%	25%	35%	50%	76%	25%	32%	50%	30%
Average	32%	18%	26%	48%	39%	48%	32%	33%	25%	29%	50%	51%	25%	25%	32%	16%
Min	13%	18%	18%	30%	33%	33%	23%	20%	23%	20%	50%	26%	23%	18%	20%	7%

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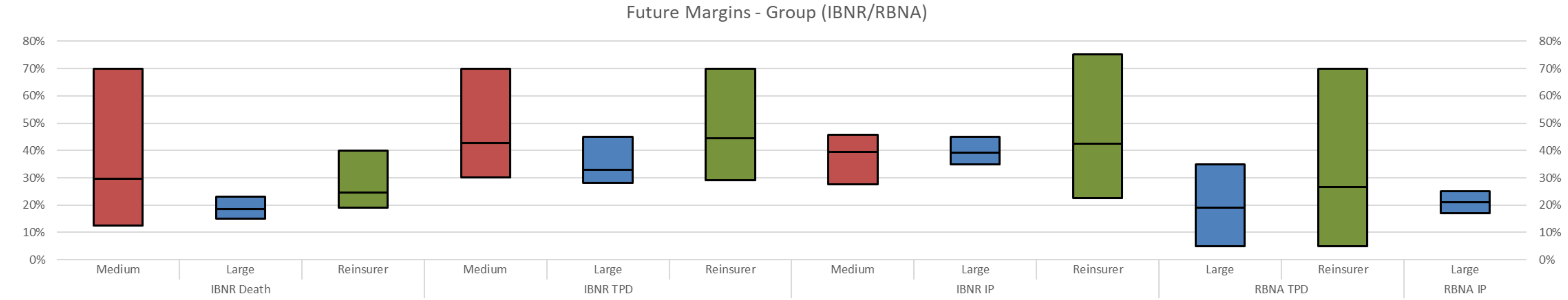
Future Risk Margins

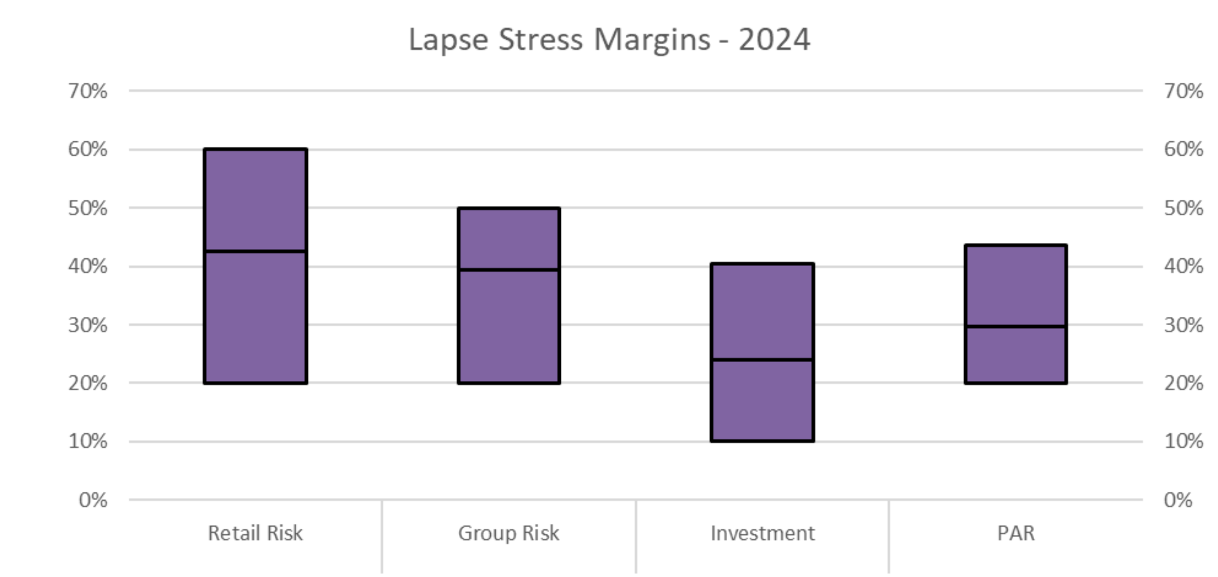
Group (IBNR/RBNA)



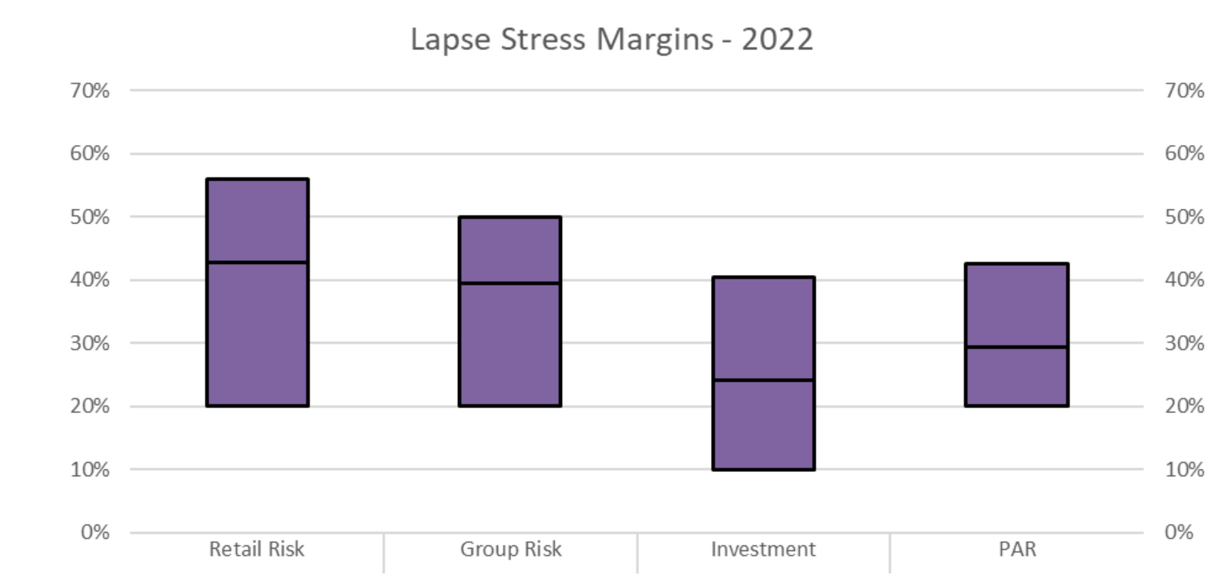
	IBNR Death			IBNR TPD			IBNR IP			RBNA TPD		RBNA IP
	Medium	Large	Reinsurer	Medium	Large	Reinsurer	Medium	Large	Reinsurer	Large	Reinsurer	Large
Max	70%	23%	40%	70%	45%	70%	46%	45%	75%	35%	70%	25%
Average	30%	19%	25%	43%	33%	45%	40%	39%	43%	19%	27%	21%
Min	13%	15%	19%	30%	28%	29%	28%	35%	23%	5%	5%	17%

Actuaries Institute.

Lapse Stress Margins



	Retail Risk	Group Risk	Investment	PAR
Max	60%	50%	40%	44%
Average	42%	39%	24%	30%
Min	20%	20%	10%	20%



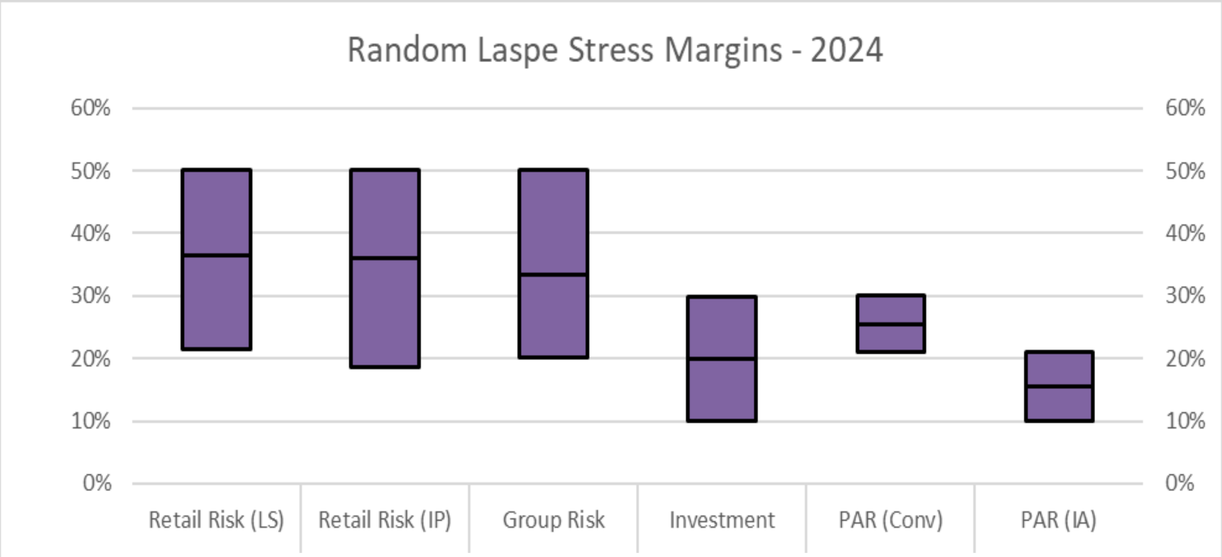
	Retail Risk	Group Risk	Investment	PAR
Max	56%	50%	40%	43%
Average	43%	39%	24%	29%
Min	20%	20%	10%	20%

The margins shown here include:

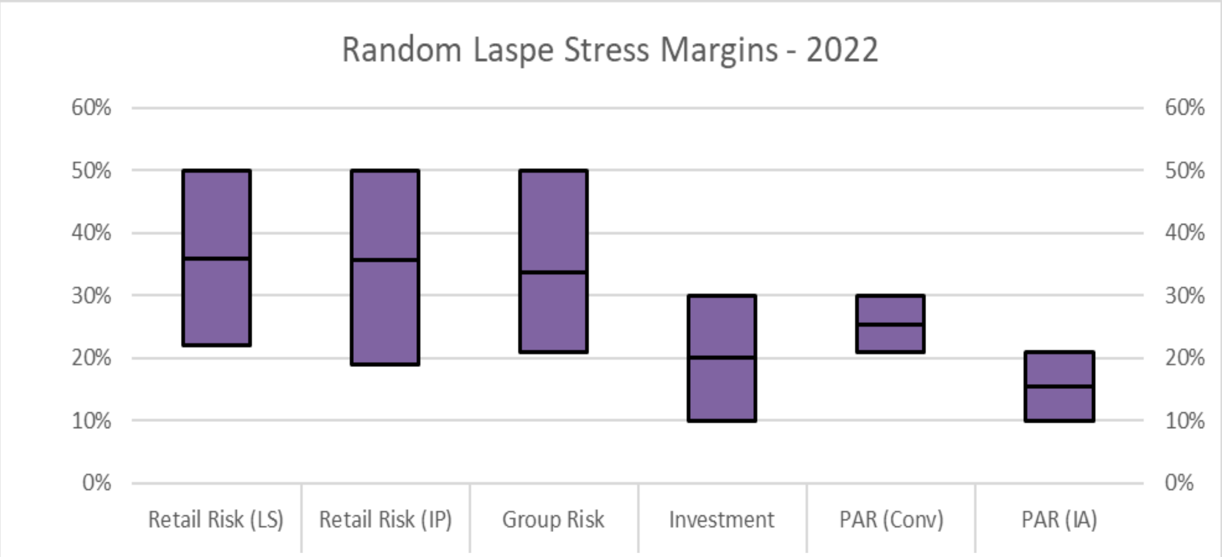
- Companies that model random and future lapse stress margins together.
- The future lapse stress margins of companies that model random and future lapse stresses separately.

Actuaries Institute.

Random Lapse Stress Margins



	Retail Risk (LS)	Retail Risk (IP)	Group Risk	Investment	PAR (Conv)	PAR (IA)
Max	50%	50%	50%	30%	30%	21%
Average	36%	36%	33%	20%	25%	16%
Min	22%	19%	20%	10%	21%	10%



	Retail Risk (LS)	Retail Risk (IP)	Group Risk	Investment	PAR (Conv)	PAR (IA)
Max	50%	50%	50%	30%	30%	21%
Average	36%	36%	34%	20%	25%	16%
Min	22%	19%	21%	10%	21%	10%

Random lapse stress margins are largely unchanged from 2022, and the averages remain generally lower than future lapse stress margins.

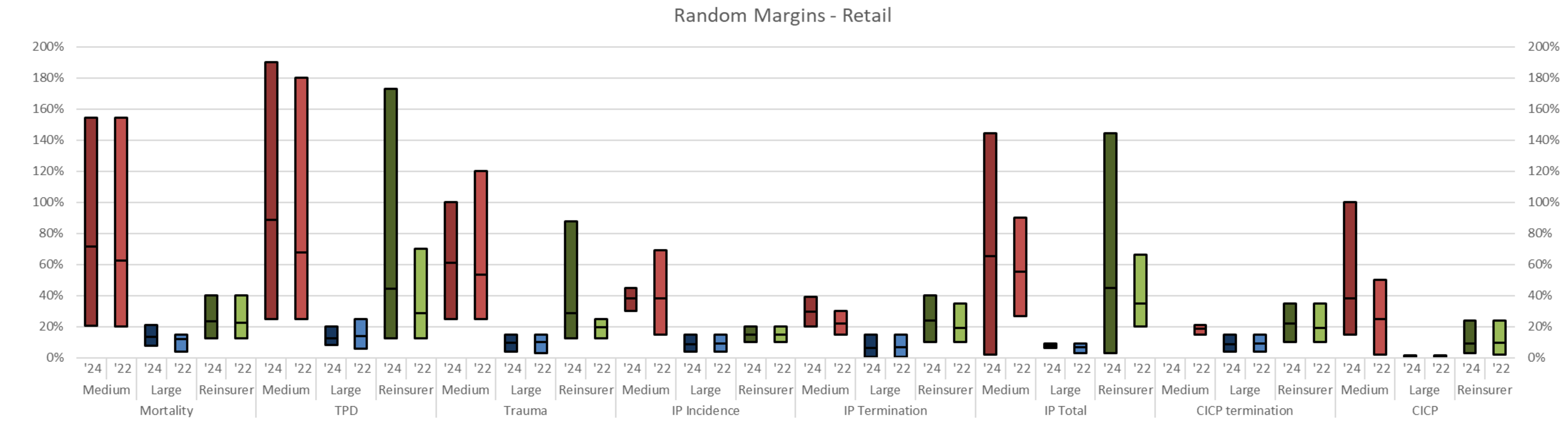
Actuaries Institute.

Appendices
(Comparison to 2022 Survey Results)

Random Stress Margins movement

Retail

* Results for categories with fewer than 3 responses are not shown



	Mortality						TPD					
	Medium		Large		Reinsurer		Medium		Large		Reinsurer	
	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22
Max	154	154	21%	15%	40%	40%	190	180	20%	25%	173	70%
Average	72%	63%	13%	12%	24%	23%	89%	68%	12%	14%	45%	29%
Min	21%	20%	8%	4%	13%	13%	25%	25%	8%	6%	13%	13%

	Trauma						IP Incidence					
	Medium		Large		Reinsurer		Medium		Large		Reinsurer	
	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22
Max	100	120	15%	15%	88%	25%	45%	69%	15%	15%	20%	20%
Average	61%	53%	10%	10%	29%	19%	38%	38%	9%	9%	15%	15%
Min	25%	25%	4%	3%	13%	13%	30%	15%	4%	4%	10%	10%

	IP Termination						IP Total					
	Medium		Large		Reinsurer		Medium		Large		Reinsurer	
	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22
Max	39%	30%	15%	15%	40%	35%	144	90%	9%	9%	144	67%
Average	30%	22%	6%	7%	24%	19%	65%	56%	8%	7%	45%	35%
Min	20%	15%	1%	1%	10%	10%	2%	27%	6%	3%	3%	20%

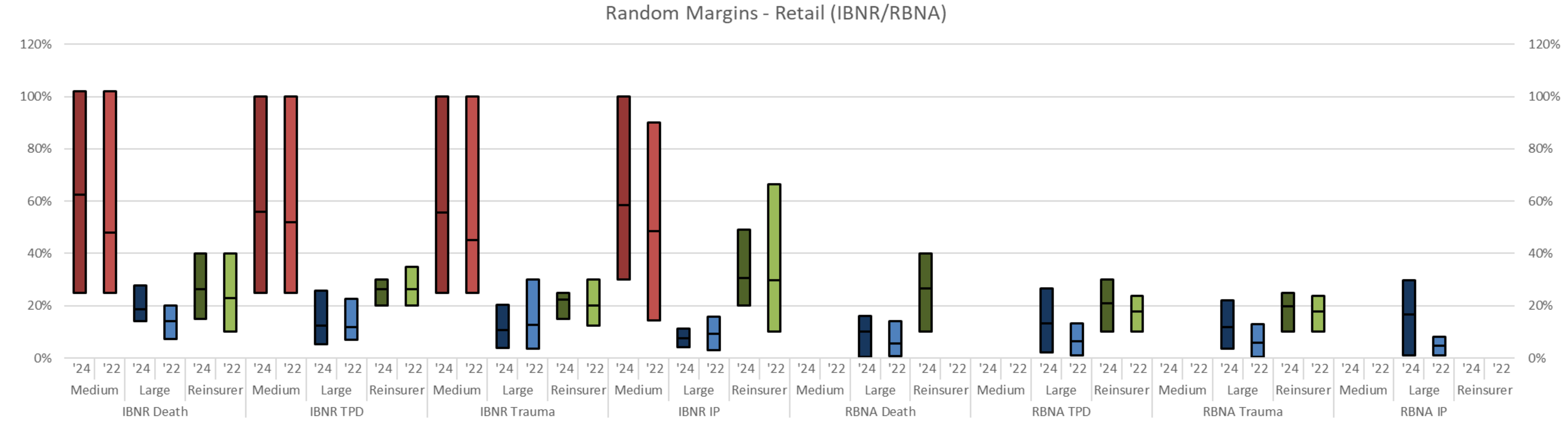
	CICP termination						CICP					
	Medium		Large		Reinsurer		Medium		Large		Reinsurer	
	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22
Max	0%	21%	15%	15%	35%	35%	100	50%	2%	2%	24%	24%
Average	0%	19%	9%	9%	22%	19%	38%	25%	1%	1%	9%	10%
Min	0%	15%	4%	4%	10%	10%	15%	2%	0%	0%	3%	2%

Actuaries Institute.

Random Stress Margins movement

Retail (IBNR/RBNA)

* Results for categories with fewer than 3 responses are not shown



	IBNR Death Medium '24	IBNR Death Medium '22	IBNR Death Large '24	IBNR Death Large '22	IBNR Death Reinsurer '24	IBNR Death Reinsurer '22	IBNR TPD Medium '24	IBNR TPD Medium '22	IBNR TPD Large '24	IBNR TPD Large '22	IBNR TPD Reinsurer '24	IBNR TPD Reinsurer '22
Max	102	102	28%	20%	40%	40%	100	100	26%	23%	30%	35%
Average	63%	48%	19%	14%	26%	23%	56%	52%	12%	12%	26%	26%
Min	25%	25%	14%	7%	15%	10%	25%	25%	5%	7%	20%	20%

	IBNR Trauma Medium '24	IBNR Trauma Medium '22	IBNR Trauma Large '24	IBNR Trauma Large '22	IBNR Trauma Reinsurer '24	IBNR Trauma Reinsurer '22	IBNR IP Medium '24	IBNR IP Medium '22	IBNR IP Large '24	IBNR IP Large '22	IBNR IP Reinsurer '24	IBNR IP Reinsurer '22
Max	100	100	20%	30%	25%	30%	100	90%	11%	16%	49%	67%
Average	56%	45%	11%	13%	22%	20%	59%	49%	8%	9%	31%	30%
Min	25%	25%	4%	4%	15%	13%	30%	15%	4%	3%	20%	10%

	RBNA Death Medium '24	RBNA Death Medium '22	RBNA Death Large '24	RBNA Death Large '22	RBNA Death Reinsurer '24	RBNA Death Reinsurer '22	RBNA TPD Medium '24	RBNA TPD Medium '22	RBNA TPD Large '24	RBNA TPD Large '22	RBNA TPD Reinsurer '24	RBNA TPD Reinsurer '22
Max	0%	0%	16%	14%	40%	0%	0%	0%	27%	13%	30%	24%
Average	0%	0%	10%	5%	27%	0%	0%	0%	13%	6%	21%	18%
Min	0%	0%	0%	1%	10%	0%	0%	0%	2%	1%	10%	10%

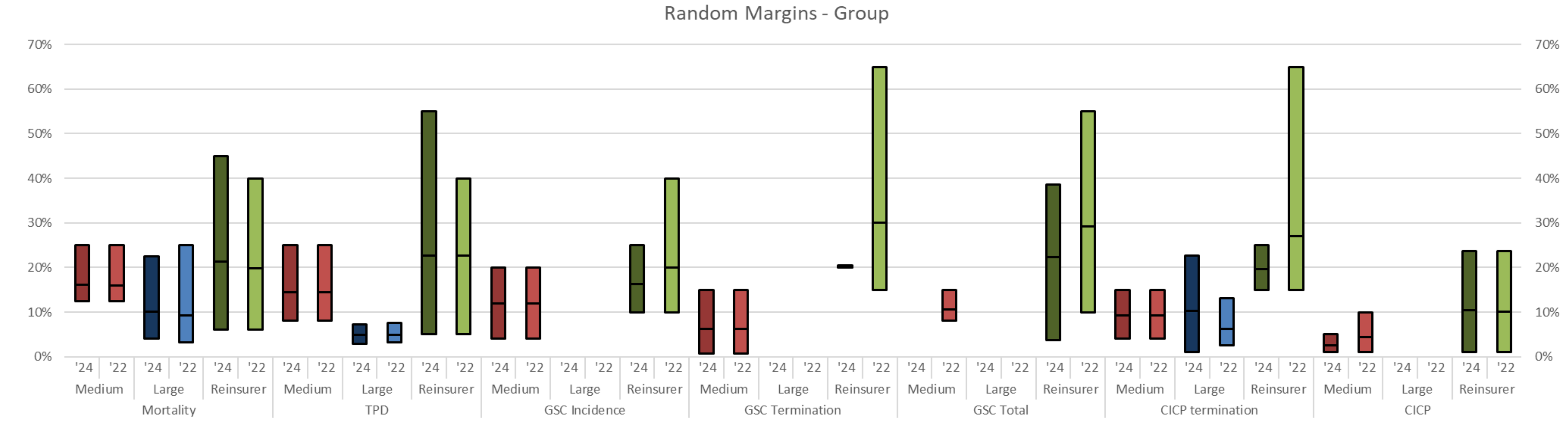
	RBNA Trauma Medium '24	RBNA Trauma Medium '22	RBNA Trauma Large '24	RBNA Trauma Large '22	RBNA Trauma Reinsurer '24	RBNA Trauma Reinsurer '22	RBNA IP Medium '24	RBNA IP Medium '22	RBNA IP Large '24	RBNA IP Large '22	RBNA IP Reinsurer '24	RBNA IP Reinsurer '22
Max	0%	0%	22%	13%	25%	24%	0%	0%	30%	8%	0%	0%
Average	0%	0%	12%	6%	20%	18%	0%	0%	17%	5%	0%	0%
Min	0%	0%	4%	0%	10%	10%	0%	0%	1%	1%	0%	0%

Actuaries Institute.

Random Stress Margins movement

Group

* Results for categories with fewer than 3 responses are not shown



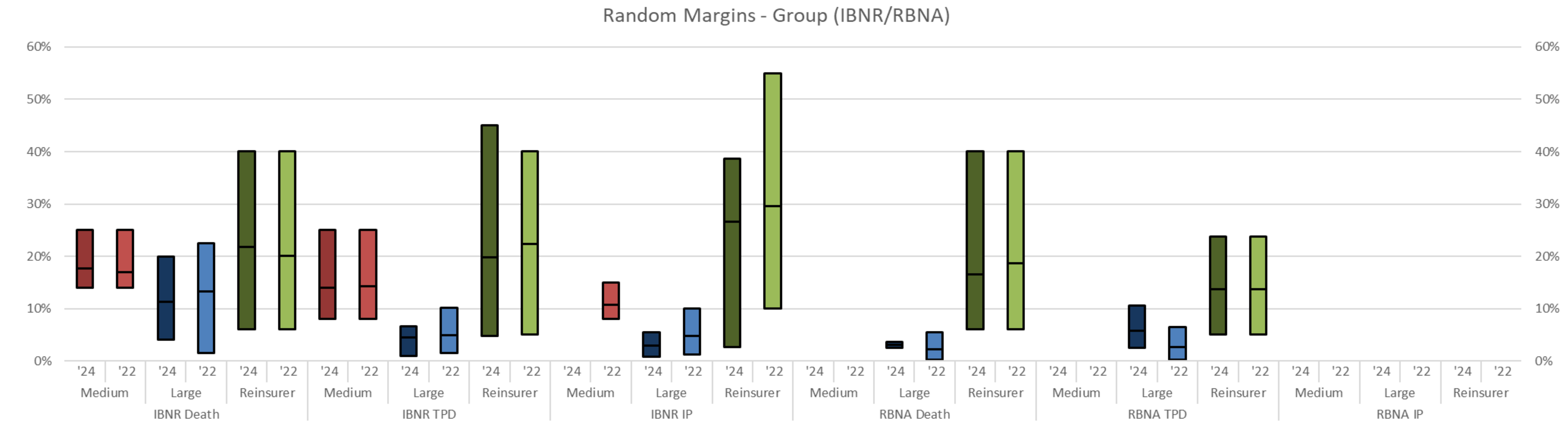
Max	25%	25%	23%	25%	45%	40%	25%	25%	7%	8%	55%	40%	20%	20%	0%	0%	25%	40%	15%	15%	0%	0%	21%	65%	0%	15%	0%	0%	39%	55%	15%	15%	23%	13%	25%	65%	5%	10%	0%	0%	24%	24%
Average	16%	16%	10%	9%	21%	20%	14%	15%	5%	5%	23%	23%	12%	12%	0%	0%	16%	20%	6%	6%	0%	0%	21%	30%	0%	11%	0%	0%	22%	29%	9%	9%	10%	6%	20%	27%	2%	4%	0%	0%	10%	10%
Min	13%	13%	4%	3%	6%	6%	8%	8%	3%	3%	5%	5%	4%	4%	0%	0%	10%	10%	1%	1%	0%	0%	20%	15%	0%	8%	0%	0%	4%	10%	4%	4%	1%	3%	15%	15%	1%	1%	0%	0%	1%	1%

Actuaries Institute.

Random Stress Margins movement

Group (IBNR/RBNA)

* Results for categories with fewer than 3 responses are not shown



	IBNR Death Medium '24	IBNR Death Medium '22	IBNR Death Large '24	IBNR Death Large '22	IBNR Death Reinsurer '24	IBNR Death Reinsurer '22	IBNR TPD Medium '24	IBNR TPD Medium '22	IBNR TPD Large '24	IBNR TPD Large '22	IBNR TPD Reinsurer '24	IBNR TPD Reinsurer '22
Max	25%	25%	20%	23%	40%	40%	25%	25%	7%	10%	45%	40%
Average	18%	17%	11%	13%	22%	20%	14%	14%	4%	5%	20%	22%
Min	14%	14%	4%	2%	6%	6%	8%	8%	1%	2%	5%	5%

	IBNR IP Medium '24	IBNR IP Medium '22	IBNR IP Large '24	IBNR IP Large '22	IBNR IP Reinsurer '24	IBNR IP Reinsurer '22	RBNA Death Medium '24	RBNA Death Medium '22	RBNA Death Large '24	RBNA Death Large '22	RBNA Death Reinsurer '24	RBNA Death Reinsurer '22
Max	0%	15%	6%	10%	39%	55%	0%	0%	4%	6%	40%	40%
Average	0%	11%	3%	5%	27%	30%	0%	0%	3%	2%	17%	19%
Min	0%	8%	1%	1%	3%	10%	0%	0%	3%	0%	6%	6%

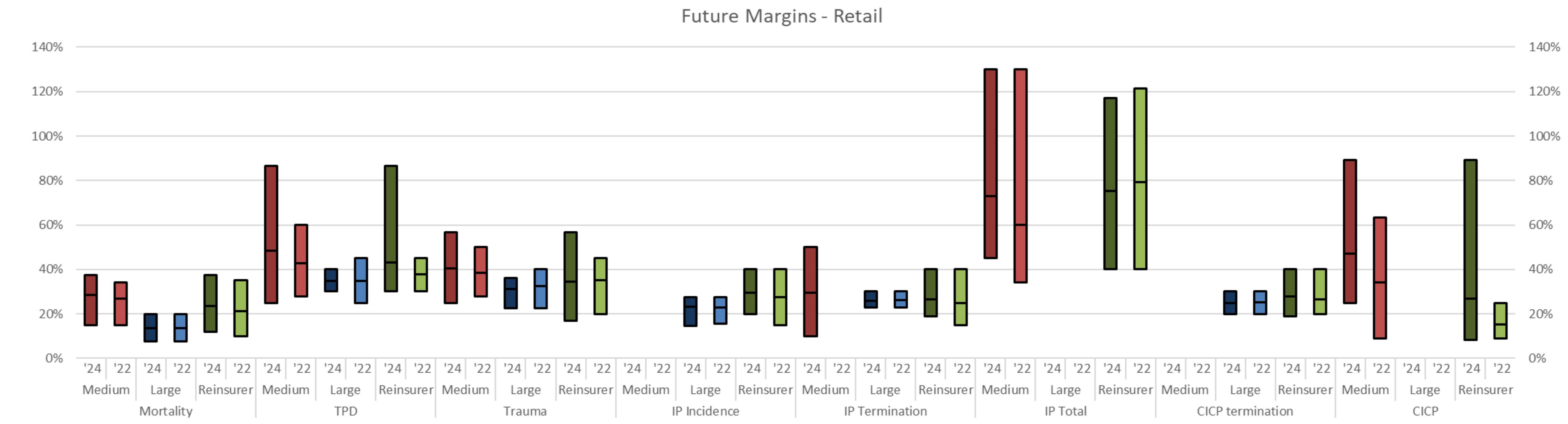
	RBNA TPD Medium '24	RBNA TPD Medium '22	RBNA TPD Large '24	RBNA TPD Large '22	RBNA TPD Reinsurer '24	RBNA TPD Reinsurer '22	RBNA IP Medium '24	RBNA IP Medium '22	RBNA IP Large '24	RBNA IP Large '22	RBNA IP Reinsurer '24	RBNA IP Reinsurer '22
Max	0%	0%	11%	7%	24%	24%	0%	0%	0%	0%	0%	0%
Average	0%	0%	6%	3%	14%	14%	0%	0%	0%	0%	0%	0%
Min	0%	0%	3%	0%	5%	5%	0%	0%	0%	0%	0%	0%

Actuaries Institute.

Future Stress Margins movement

Retail

* Results for categories with fewer than 3 responses are not shown



Mortality	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	37%	34%	20%	20%	37%	35%
Average	29%	27%	14%	14%	24%	21%
Min	15%	15%	8%	8%	12%	10%

TPD	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	87%	60%	40%	45%	87%	45%
Average	49%	43%	35%	35%	43%	38%
Min	25%	28%	30%	25%	30%	30%

Trauma	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	57%	50%	36%	40%	57%	45%
Average	41%	38%	31%	33%	35%	35%
Min	25%	28%	23%	23%	17%	20%

IP Incidence	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	0%	0%	28%	28%	40%	40%
Average	0%	0%	23%	23%	30%	28%
Min	0%	0%	14%	16%	20%	15%

IP Termination	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	50%	0%	30%	30%	40%	40%
Average	29%	0%	26%	26%	27%	25%
Min	10%	0%	23%	23%	19%	15%

IP Total	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	130	130	0%	0%	117	121
Average	73%	60%	0%	0%	75%	79%
Min	45%	34%	0%	0%	40%	40%

CICP termination	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	0%	0%	30%	30%	40%	40%
Average	0%	0%	25%	25%	28%	27%
Min	0%	0%	20%	20%	19%	20%

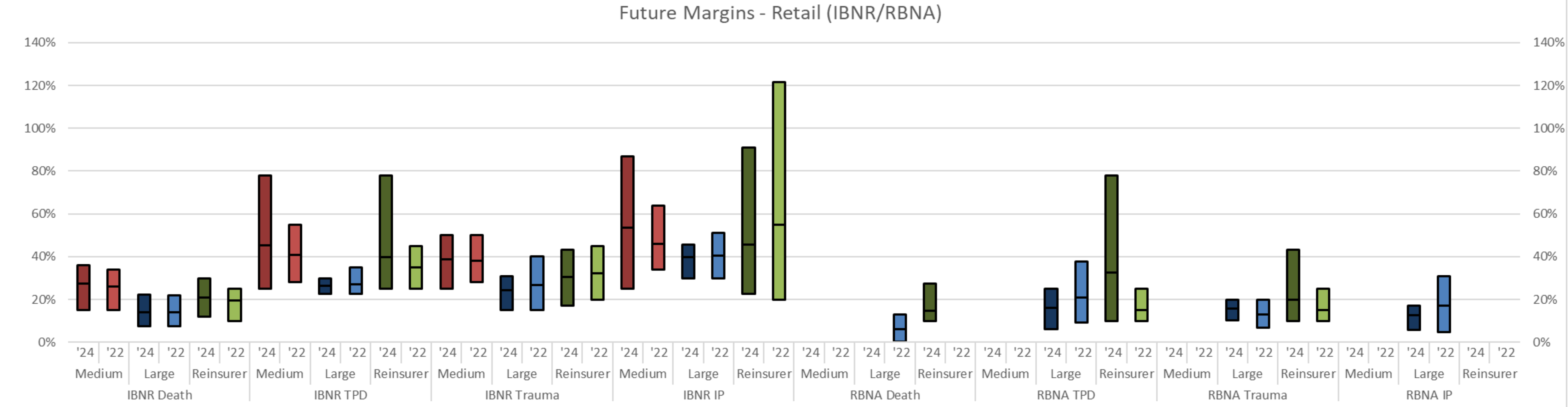
CICP	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	89%	63%	0%	0%	89%	25%
Average	47%	34%	0%	0%	27%	15%
Min	25%	9%	0%	0%	8%	9%

Actuaries Institute.

Future Stress Margins movement

Retail (IBNR/RBNA)

* Results for categories with fewer than 3 responses are not shown



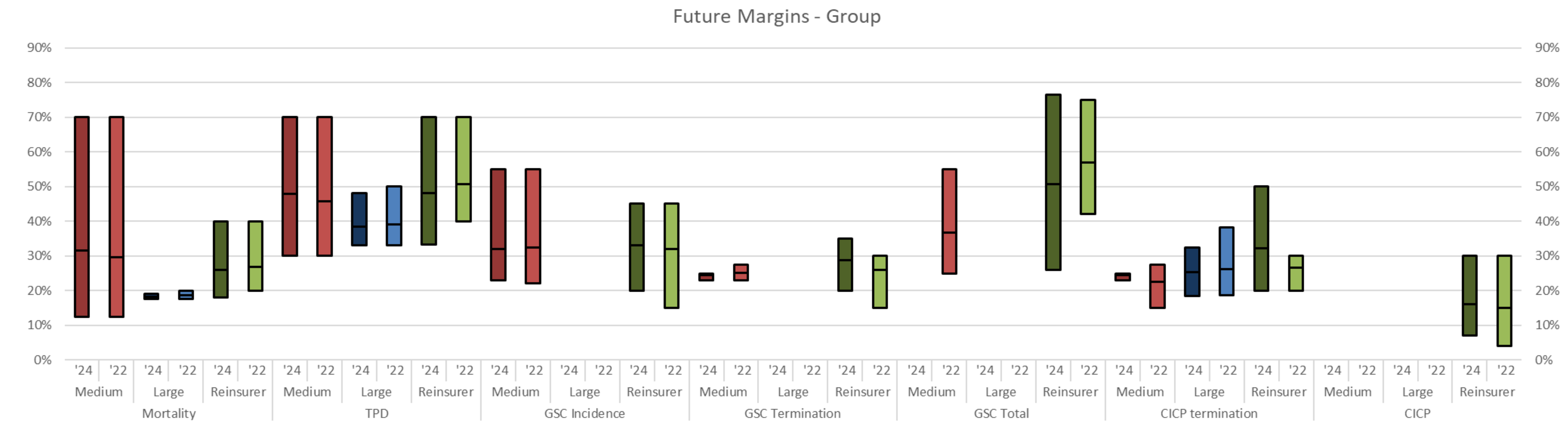
Max	36%	34%	22%	22%	30%	25%	78%	55%	30%	35%	78%	45%	50%	50%	31%	40%	43%	45%	87%	64%	46%	51%	91%	121
Average	27%	26%	14%	14%	21%	20%	45%	41%	26%	27%	40%	35%	39%	38%	24%	27%	31%	32%	54%	46%	40%	40%	46%	55%
Min	15%	15%	8%	8%	12%	10%	25%	28%	23%	23%	25%	25%	25%	28%	15%	15%	17%	20%	25%	34%	30%	30%	23%	20%

Max	0%	0%	0%	13%	27%	0%	0%	0%	25%	38%	78%	25%	0%	0%	20%	20%	43%	25%	0%	0%	17%	31%	0%	0%
Average	0%	0%	0%	6%	15%	0%	0%	0%	16%	21%	33%	15%	0%	0%	16%	13%	20%	15%	0%	0%	13%	17%	0%	0%
Min	0%	0%	0%	0%	10%	0%	0%	0%	6%	9%	10%	10%	0%	0%	10%	7%	10%	10%	0%	0%	6%	5%	0%	0%

Future Stress Margins movement

Group

* Results for categories with fewer than 3 responses are not shown



	Mortality						TPD					
	Medium		Large		Reinsurer		Medium		Large		Reinsurer	
	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22
Max	70%	70%	19%	20%	40%	40%	70%	70%	48%	50%	70%	70%
Average	32%	30%	18%	19%	26%	27%	48%	46%	39%	39%	48%	51%
Min	13%	13%	18%	18%	18%	20%	30%	30%	33%	33%	33%	40%

	GSC Incidence						GSC Termination					
	Medium		Large		Reinsurer		Medium		Large		Reinsurer	
	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22
Max	55%	55%	0%	0%	45%	45%	25%	28%	0%	0%	35%	30%
Average	32%	32%	0%	0%	33%	32%	25%	25%	0%	0%	29%	26%
Min	23%	22%	0%	0%	20%	15%	23%	23%	0%	0%	20%	15%

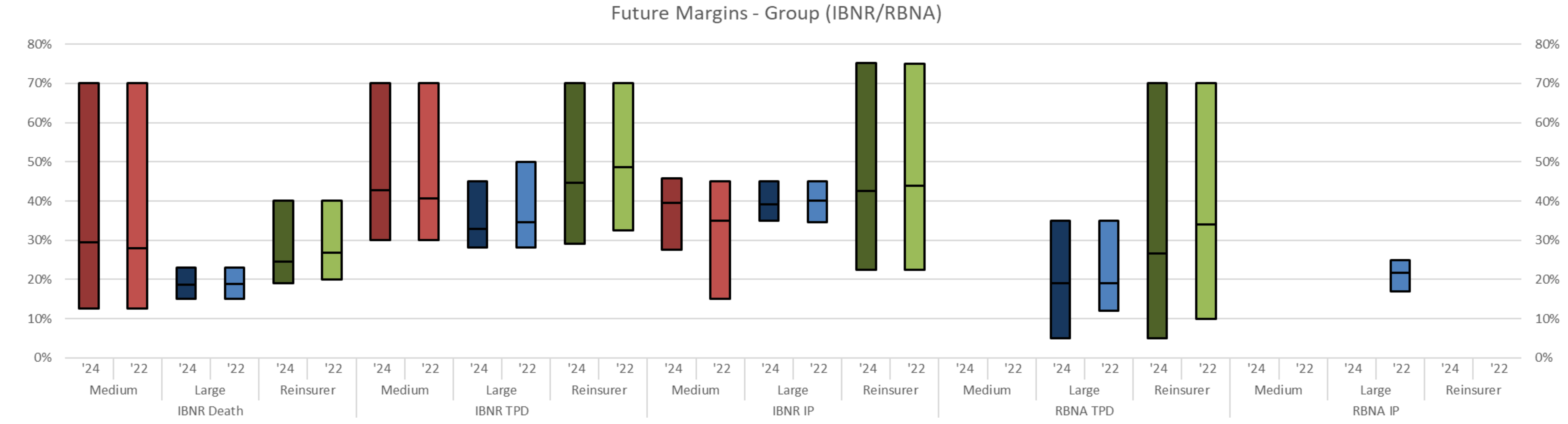
	GSC Total						CICP termination						CICP					
	Medium		Large		Reinsurer		Medium		Large		Reinsurer		Medium		Large		Reinsurer	
	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22	'24	'22
Max	0%	55%	0%	0%	76%	75%	25%	28%	32%	38%	50%	30%	0%	0%	0%	0%	30%	30%
Average	0%	37%	0%	0%	51%	57%	25%	23%	25%	26%	32%	27%	0%	0%	0%	0%	16%	15%
Min	0%	25%	0%	0%	26%	42%	23%	15%	18%	19%	20%	20%	0%	0%	0%	0%	7%	4%

Actuaries Institute.

Future Stress Margins movement

Group (IBNR/RBNA)

* Results for categories with fewer than 3 responses are not shown



IBNR Death	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	70%	70%	23%	23%	40%	40%
Average	30%	28%	19%	19%	25%	27%
Min	13%	13%	15%	15%	19%	20%

IBNR TPD	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	70%	70%	45%	50%	70%	70%
Average	43%	41%	33%	35%	45%	49%
Min	30%	30%	28%	28%	29%	33%

IBNR IP	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	46%	45%	45%	45%	75%	75%
Average	40%	35%	39%	40%	43%	44%
Min	28%	15%	35%	35%	23%	23%

RBNA TPD	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	0%	0%	35%	35%	70%	70%
Average	0%	0%	19%	19%	27%	34%
Min	0%	0%	5%	12%	5%	10%

RBNA IP	Medium '24	Medium '22	Large '24	Large '22	Reinsurer '24	Reinsurer '22
Max	0%	0%	0%	25%	0%	0%
Average	0%	0%	0%	22%	0%	0%
Min	0%	0%	0%	17%	0%	0%

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Thank you

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