

Aetna Life Insurance Company - Canadian Branch

LIMAT Ratio Public Disclosure Summary Template

(thousands of dollars, except percentages)

Branches are required, at minimum, to maintain a Total Ratio of 90%. OSFI has established supervisory target level of 100% for Total margin.

Definition of terms can be found in Guideline A at: LICAT – Life Insurance Capital Adequacy Test

		Current Period 12/31/2023	Prior Period 12/31/2022	
Available Margin (A-B)	C	63,716	58,178	
Assets Available	A	75,647	69,379	
Assets Required	B	11,931	11,201	
Surplus Allowance and Eligible Deposits	D	534	719	
Required Margin	E	14,067	14,896	
LIMAT Total Ratio $[(C+D) / E] \times 100$		457%	395%	

Qualitative Analysis of Solvency Ratio

- The 2023 year-end LIMAT is 457% which saw a year-over-year decrease of 62%. Aetna's capital position continues to be strong although sensitive to interest rates due to large volumes of surplus assets that has no corresponding liability to offset. Continued growth in the group business also requires additional capital support evident from the increase in insurance risk buffer. A positive factor are the mark-to-market gains on vested bonds as market yields have decreased since last year-end. There was also a reduction in required capital with the removal of the 5% capital scalar from the LIMAT formula.
- The total ratio is well in excess of OSFI's supervisory target level.