

# APPENDICES



## 2007 global reinsurance market statistical tables

The figures included in the tables below represent the aggregated results of the reporting reinsurers listed in Appendix III. Except where indicated otherwise below the relevant table, the data in tables 1.1 – 2.3 relates to the reporting entities' reinsurance business only; in tables 3.1 – 5.4 data relates to reporting entities' reinsurance and direct business.

Due to variations in jurisdictions' reporting requirements, most of the reporting entities do not compile data in the format or using the categorisations of the tables in this report, nor are they required to do so by their supervisors. In certain circumstances reporting entities have submitted estimates, or the Reinsurance Transparency Group has itself made estimates in order to produce the tables. In some cases, not even estimates could be made so that there are some omissions from some of the tables.

Comments and explanatory notes relevant to specific tables have been included below each table. The main general assumptions and qualifications are included in Appendix IV.

**Table 1.1**

Table 1.1 analyses gross reinsurance premiums by class of business (life/non-life, with non-life analysed into property, liability and financial lines). The table also shows how much of these premiums are retained and how much is retroceded both to other reporting reinsurers and to non-reporting reinsurers.

| Table 1.1: Gross reinsurance premiums assumed by class of business and retrocessions by class of business and reporting status of retrocessionaire |  |   |   |                                  |  |
|--|--|---|---|----------------------------------|--|
| Gross reinsurance premiums assumed by class of business and retrocessions by class of business and reporting status of retrocessionaire (US\$m)    |  |   |   |                                  |  |
| Class of business  | Gross reinsurance premiums assumed <sup>1)</sup> | Of which retroceded to reporting entities | Of which retroceded to non-reporting entities | Net reinsurance premiums assumed |  |
| Life insurance (all) <sup>2)</sup>   | 66'718   | 4'978                                     | 14'287  | 47'394                           |  |
| Non-life insurance   | 123'107  | 9'802                                     | 20'580  | 91'091                           |  |
| of which Property <sup>3)</sup>  | 70'048   |   |   | 48'705                           |  |
| Liability <sup>4)</sup>  | 47'182   |   |   | 33'894                           |  |
| Financial lines <sup>5)</sup>  | 5'390  |   |   | 5'106                            |  |
| <b>Total Life and Non-Life</b>   | <b>189'824</b>                                   | <b>14'780</b>                             | <b>34'867</b>                                 | <b>138'485</b>                   |  |

- For the United States, the annual statements do not collect information in a manner which enables the retrocession of reinsurance business assumed to be distinguished from the reinsurance of direct business assumed. This table therefore includes an element of reinsurance of direct business within the figures relating to retrocessions, with a corresponding understatement of 'net reinsurance premiums assumed'.
- Because of the above, conclusions on the levels of retrocession and net premiums assumed have not been drawn from this data.

**Table 1.2**

Table 1.2 analyses gross reinsurance premiums assumed according to the regions of ceding insurers. Aggregated results indicate the origination of ceded risks at a global level. Further analysis of jurisdiction level information also enables information on net cross-regional transfer of reinsurance premiums to be produced.

| Table 1.2: Gross Reinsurance premiums assumed by region of ceding insurer                    |  |  |
|--|--|--|
| Gross Reinsurance premiums assumed by reporting entities by region of ceding insurer (US\$m) |  |  |
| Region of ceding insurer <sup>6)</sup>   | Gross reinsurance premiums assumed <sup>1)</sup> |  |
| Europe   | 69'372   |  |
| North America  | 97'809   |  |
| Asia and Australia   | 14'474   |  |
| Africa, Near and Middle East   | 3'081  |  |
| Latin America  | 5'087  |  |
| Total  | 189'824  |  |

**Table 2.1**

Table 2.1 shows gross reinsurance premiums assumed by class of business, and according to whether the business relates to proportional or non-proportional contracts.

| Table 2.1: Reinsurance premiums assumed by class of business and type of contract                           |                            |                                |  |
|---|----------------------------|--------------------------------|--|
| Gross reinsurance premiums assumed <sup>1)</sup> proportional/non-proportional by class of business (US\$m) |                            |                                |  |
| Class of business   | Proportional <sup>7)</sup> | Non-proportional <sup>8)</sup> |  |
| Life insurance (all) <sup>2)</sup>  | 66'849                     | 327                            |  |
| Non-life insurance  | 94'473                     | 28'119                         |  |
| of which Property <sup>3)</sup>   | 51'175                     | 18'905                         |  |
| Liability <sup>4)</sup>   | 38'510                     | 8'670                          |  |
| Financial lines <sup>5)</sup>   | 4'843                      | 544                            |  |
| Total Life and Non-Life   | 161'378                    | 28'446                         |  |

- For the US, the annual statements do not collect information in a manner which enables analysis of 'life' business to be split between 'proportional' and 'non-proportional' types of contract. All has been included as 'proportional'.

**Table 2.2**

Table 2.2 is a high level overview of technical performance, showing 'net premiums earned' and 'net claims incurred' by class of business.

| Table 2.2: Technical performance by class of business   |                                   |                                    |
|---|-----------------------------------|------------------------------------|
| Net premiums earned and net claims incurred by class of business in respect of reinsurance business assumed (US\$m) |                                   |                                    |
| Class of business   | Net premiums earned <sup>9)</sup> | Net claims incurred <sup>10)</sup> |
| Life insurance (all) <sup>2)</sup>  | 58'140                            | 15'078                             |
| Non-life insurance  | 101'176                           | 37'911                             |
| of which  |                                   |                                    |
| Property <sup>3)</sup>  | 55'755                            | 21'284                             |
| Liability <sup>4)</sup>   | 39'907                            | 15'192                             |
| Financial lines <sup>5)</sup>   | 5'199                             | 1'292                              |
| Total Life and Non-Life   | 159'316                           | 52'989                             |

- US data included in this table is in respect of both reinsurance and direct business. The annual statements do not collect information in a manner which distinguishes between direct and reinsurance business for 'net premiums earned'. The US data for 'net claims incurred' is included on a similar basis for purposes of comparability. For all other jurisdictions the data relates to just the reinsurance business of the reporting entities.

**Table 2.3**

Table 2.3 gives a profile of claims exposures in respect of retained reinsurance risk ('net claims provision') by class of business and, where possible, making a distinction between reported claims and incurred claims which have not yet been reported to the reinsurer, for which the degree of uncertainty may be higher.

| Table 2.3: Claims provision for reinsurance assumed by class of business                                 |   |  |                            |   |   |
|--|---|--|----------------------------|---|---|
| Net claims provision for reinsurance assumed, by class of business and reporting status of claim (US\$m) |   |  |                            |   |   |
| Class of business  | Net claims provision for reported claims <sup>11) &amp; 12)</sup> | Net claims provision incurred but not reported (IBNR) <sup>11) &amp; 12)</sup> | Total net claims provision | Net life assurance provision <sup>12)</sup> | Total net claims provision and net life assurance provision |
| Life insurance (all)   |   |  |                            | 175'258                                     | 175'318   |
| Non-life insurance   | 141'901   | 115'876  | 256'951                    |   | 257'777   |
| of which   |   |  |                            |   |   |
| Property <sup>3)</sup>   | 47'621  | 30'577   | 77'626                     |   | 78'199  |
| Liability <sup>4)</sup>  | 89'666  | 81'951   | 171'405                    |   | 171'617   |
| Financial lines <sup>5)</sup>  | 4'334   | 3'155  | 7'447                      |   | 7'488   |
| Total Life and Non-Life  |   |  |                            |   | 433'096   |

**Table 3.1**

Table 3.1 analyses derivative financial instruments held by reinsurers, by type of contract. Additional analysis indicates whether the contracts relate to hedging activity or not. The information includes both notional amounts and fair values.

| Table 3.1: Reporting entities' use of derivative financial instruments                    |  |                                 |                                |                                 |                                |                                 |
|---|--|---------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Derivative financial instruments by type of instrument (notional and fair values) (US\$m) |  |                                 |                                |                                 |                                |                                 |
| Type of contract  | Held for hedging <sup>14)</sup> purposes |                                 | Held for non-hedging purposes  |                                 | Total                          |                                 |
|   | Notional amount <sup>13)</sup>           | Fair value (+/-) <sup>13)</sup> | Notional amount <sup>13)</sup> | Fair value (+/-) <sup>13)</sup> | Notional amount <sup>13)</sup> | Fair value (+/-) <sup>13)</sup> |
| Interest rate contracts <sup>13)</sup>  | 85'912                                   | -65                             | 60'319                         | 307                             | 146'231                        | 242                             |
| Equity and index contracts <sup>13)</sup>   | 16'057                                   | 1'480                           | 18'447                         | 158                             | 34'504                         | 1'639                           |
| Foreign currency contracts <sup>13)</sup>   | 9'975                                    | 161                             | 4'953                          | 95                              | 14'928                         | 256                             |
| Credit derivatives <sup>13)</sup>   | 498                                      | -1                              | 11'419                         | -99                             | 11'917                         | -100                            |
| Other   | 22'298                                   | -5                              | 11'710                         | -38                             | 34'008                         | -34                             |
| <b>Total</b>  | <b>134'739</b>                           | <b>1'569</b>                    | <b>106'850</b>                 | <b>425</b>                      | <b>241'589</b>                 | <b>2'004</b>                    |

**Table 3.2**

Table 3.2 records information on CDS and CDO investments, in respect of both protection bought and protection sold positions, including both notional amounts and fair values.

| Table 3.2: Reporting entities' participation in credit risk transfer (CRT) activity |  |                           |
|---|--|---------------------------|
| Participation in credit default-swaps and CDOs by notional and fair value (US\$m)   |  |                           |
| Type of contract  | Total (notional amount) <sup>13)</sup> | Fair value <sup>13)</sup> |
| Credit default swaps <sup>15)</sup>   |  |                           |
| of which Protection bought  | 3'303                                  | 11                        |
| Protection sold   | 8'836                                  | -112                      |
| CDO investments <sup>16)</sup>  |  |                           |
| of which Protection bought (i.e. CDOs sold)   | 66                                     | 73                        |
| Protection sold (i.e. CDOs bought)  | 1'473                                  | 531                       |
| <b>Total protection bought</b>  | <b>3'369</b>                           | <b>84</b>                 |
| <b>Total protection sold</b>  | <b>10'310</b>                          | <b>418</b>                |

## Tables 4.1/4.2

Tables 4.1 and 4.2 deal with exposures of reinsurers to counterparties, the former by sector of counterparty (insurers, financial institutions, split where possible between banks and investment institutions, sovereigns and others) and the latter according to whether the counterparty is affiliated. These tables record information on selected assets covering the major asset categories as well as the extent to which recoverables from ceded reinsurance and retrocessions, as well as derivatives, are covered by collateral.

Table 4.1

| Table 4.1: Key counterparty exposures (selected assets) by sector of counterparty |           |                         |                        |                      |                         |                           |         |
|---|-----------|-------------------------|------------------------|----------------------|-------------------------|---------------------------|---------|
| Key counterparty exposures (selected assets) by sector of counterparty (US\$m)    |           |                         |                        |                      |                         |                           |         |
| Selected assets <sup>17)</sup>  | Total     | Insurers <sup>19)</sup> | Financial institutions | Of which             |                         | Sovereigns <sup>21)</sup> | Other   |
|   |           |                         |                        | Banks <sup>20)</sup> | investment institutions |                           |         |
| Recoverables from ceded reinsurance and retrocessions <sup>18)</sup>              | 202'416   | 202'416                 |                        |                      |                         |                           |         |
| of which covered by collateral  | 74'835    | 74'835                  |                        |                      |                         |                           |         |
| Debt securities <sup>22)</sup>  | 422'857   | 175'920                 | 37'716                 | 16'017               | 14'895                  | 120'840                   | 88'468  |
| Cash and cash equivalents deposited <sup>23)</sup>                                | 106'215   | 81'661                  | 22'146                 | 22'171               | 320                     | 88                        | 1'975   |
| Shares and other equity investments <sup>24)</sup>                                | 214'927   | 120'777                 | 28'494                 | 3'751                | 19'209                  | 4                         | 65'650  |
| Derivative financial instruments with positive fair value <sup>25)</sup>          | 5'718     | 1'611                   | 4'102                  | 2'616                | 123                     | 0                         | 5       |
| of which covered by collateral  | 1'199     | 0                       | 1'199                  | 701                  | 0                       | 0                         | 0       |
| Receivables arising from insurance and assumed reinsurance business               | 56'719    | 56'397                  | 0                      | 0                    | 0                       | 0                         | 115     |
| Other loans and receivables   | 42'111    | 22'871                  | 2'258                  | 384                  | 637                     | 746                       | 16'233  |
| Total <sup>17)</sup>  | 1'050'964 | 664'279                 | 93'691                 | 40'113               | 34'809                  | 120'802                   | 172'074 |

\* 'Total' represents the total of selected assets allocated by sector in (1) to (4), plus those which could not be allocated by sector.

- Figures relating to 'financial institutions' have been analysed, where possible, according to whether they relate to banks or to investment institutions.

Table 4.2

| Table 4.2: Reporting entities' counterparty exposure (selected assets) by affiliation of counterparty |           |                                   |                        |
|---|-----------|-----------------------------------|------------------------|
| Key counterparty exposures (assets) by affiliation of counterparty (US\$m)                            |           |                                   |                        |
| Selected assets <sup>17)</sup>  | Total     | Affiliate entities <sup>26)</sup> | Non-affiliate entities |
| Recoverables from ceded reinsurance and retrocessions <sup>18)</sup>                                  | 202'416   | 133'660                           | 68'754                 |
| of which covered by collateral  | 74'835    | 54'963                            | 19'874                 |
| Debt securities <sup>22)</sup>  | 422'856   | 2'152                             | 420'703                |
| Cash and cash equivalents deposited <sup>23)</sup>  | 106'215   | 37'114                            | 69'100                 |
| Shares and other equity investments <sup>24)</sup>  | 214'928   | 92'429                            | 122'497                |
| Derivative financial instruments with positive fair value <sup>25)</sup>                              | 5'718     | 367                               | 5'350                  |
| of which covered by collateral  | 1'199     | 222                               | 977                    |
| Receivables arising from insurance and assumed reinsurance business                                   | 56'719    | 14'427                            | 42'292                 |
| Other loans and receivables   | 42'111    | 20'724                            | 21'385                 |
| Total <sup>17)</sup>  | 1'050'964 | 296'009                           | 744'810                |

### Tables 4.3/4.4

Tables 4.3 and 4.4 deal with exposures of counterparties to reinsurers, the former by sector of counterparty and the latter according to whether the counterparty is affiliated. The tables record information on selected liabilities and capital items covering the following major categories as well as the extent to which reinsurers have provided collateral in respect of liabilities.

**Table 4.3**

| Table 4.3: Counterparties exposed (selected liabilities and paid up capital) by sector of counterparty         |         |                         |                        |                         |                           |        |
|--|---------|-------------------------|------------------------|-------------------------|---------------------------|--------|
| Counterparties exposed (key liabilities and paid up capital) by sector of counterparty (US\$m) - balance sheet |         |                         |                        |                         |                           |        |
| Selected liabilities and paid up capital <sup>27)</sup>  | Total   | Insurers <sup>19)</sup> | Financial institutions |                         | Sovereigns <sup>21)</sup> | Other  |
|  |         |                         | Banks <sup>20)</sup>   | Investment institutions |                           |        |
| Gross claims provision <sup>28)</sup> and gross life assurance provision - primary business                    | 201'638 |                         |                        |                         |                           |        |
| Gross claims provision <sup>28)</sup> and gross life assurance provision - assumed reinsurance business        | 316'880 | 316'880                 |                        |                         |                           |        |
| of which covered by collateral <sup>29)</sup>  | 53'335  | 53'320                  |                        |                         |                           |        |
| Derivative financial instruments with negative fair value <sup>30)</sup>                                       | 5'931   | 620                     | 2'638                  | 67                      | 0                         | 1'560  |
| of which covered by collateral <sup>29)</sup>  | 2'426   | 0                       | 2'028                  | 0                       | 0                         | 0      |
| Debt - lender identifiable   | 31'562  | 15'831                  | 4'903                  | 2'813                   | 79                        | 7'936  |
| of which subordinated debt <sup>31)</sup>  | 9'387   | 27                      | 2'301                  | 1'339                   | 0                         | 5'632  |
| Debt - lender unidentifiable   | 7'483   |                         |                        |                         |                           |        |
| of which subordinated debt <sup>31)</sup>  | 7'483   |                         |                        |                         |                           |        |
| Paid up capital <sup>48)</sup>   | 65'478  |                         |                        |                         |                           |        |
| of which shareholder identifiable  | 31'076  | 10'756                  | 46                     | 1'392                   | 89                        | 16'351 |
| Total <sup>27)</sup>   | 485'755 |                         |                        |                         |                           |        |

\* 'Total' represents the total of selected liabilities and paid up capital allocated by sector in (1) to (4), where relevant, plus those which could not be allocated by sector.

- Figures relating to 'financial institutions' have been analysed, where possible, according to whether they relate to banks or to investment institutions.
- Lloyd's central assets and members' funds, whilst providing its capital base, are not included in 'paid up capital' in tables 4.3 and 4.4 as, for the purposes of these tables, doing so would not be valid.



Table 4.4

| Table 4.4: Counterparties exposed (selected liabilities and paid up capital) by affiliation of counterparty         |         |                                   |                        |
|---|---------|-----------------------------------|------------------------|
| Counterparties exposed (key liabilities and paid up capital) by affiliation of counterparty (US\$m) - balance sheet |         |                                   |                        |
| Selected liability and paid up capital <sup>27)</sup>   | Total   | Affiliate entities <sup>26)</sup> | Non-affiliate entities |
| Gross claims provision <sup>28)</sup> and gross life assurance provision - primary business                         | 201'638 | 2'857                             | 191'383                |
| Gross claims provision <sup>28)</sup> and gross life assurance provision - assumed reinsurance business             | 315'401 | 103'254                           | 212'413                |
| of which covered by collateral <sup>29)</sup>   | 59'856  | 21'957                            | 37'899                 |
| Derivative financial instruments with negative fair value <sup>30)</sup>  | 5'891   | 325                               | 5'566                  |
| of which covered by collateral <sup>29)</sup>   | 2'426   | 0                                 | 2'426                  |
| Debt - lender identifiable  | 31'563  | 7'094                             | 24'468                 |
| of which subordinated debt <sup>31)</sup>   | 9'387   | 1'392                             | 7'994                  |
| Debt - lender unidentifiable  | 7'483   | 0                                 | 7'483                  |
| of which subordinated debt <sup>31)</sup>   | 7'483   | 0                                 | 7'483                  |
| Paid up capital <sup>48)</sup>  | 64'776  | 24'813                            | 39'961                 |
| of which shareholder identifiable   | 30'285  | 12'664                            | 17'620                 |
| Total <sup>27)</sup>  | 485'755 | 116'997                           | 307'327                |

**Table 5.1**

Table 5.1 looks at reinsurers' invested assets. It records financial instruments held by reinsurers at balance sheet value and at market value, by major type of financial instrument held. It also records the unrealised gains and losses on investments where there is a difference between balance sheet value and market value. Also included is the extent to which financial instruments are represented by investment in the affiliates or in the company's own shares.

| Table 5.1: Reporting entities' investments                         |                              |                                |   |
|--|------------------------------|--------------------------------|---|
| Investments <sup>34)</sup> by type of financial instrument (US\$m) |                              |                                |   |
| Financial instrument   | At book value <sup>32)</sup> | At market value <sup>32)</sup> | Unrealised gains/losses on potential sale |
| Debt securities <sup>22)</sup>                                     | 415'111                      | 419'458                        | 4'346                                     |
| of which issued by affiliates <sup>26)</sup>                       | 1'141                        | 3'109                          | 16  |
| Shares and other equity investments <sup>24)</sup>                 | 188'290                      | 243'250                        | 54'958                                    |
| of which Own and affiliate shares                                  | 88'849                       | 107'428                        | 18'250                                    |
| Non-negotiable loans (including non mortgage loans)                | 16'499                       | 16'556                         | 58  |
| Mortgage loans <sup>33)</sup> and real estate                      | 27'252                       | 33'205                         | 5'951                                     |
| Other  | 139'904                      | 136'901                        | -3'001                                    |
| Total invested assets  | 787'060                      | 849'372                        | 62'312                                    |

- Where jurisdictions account for investments at market value, the market value has been used in both columns.
- For investments where no market value was available book value has been included as a proxy for market value.

**Table 5.2**

Table 5.2 gives a high level overview of reinsurers' profitability, both in overall terms and for 'life' and 'non-life' business.

| Table 5.2: Reporting entities' profitability indicators and ratios |          |         |          |
|--|----------|---------|----------|
| Reporting entities' profitability indicators and ratios (US\$m)    |          |         |          |
| Revenue account items  | Non-life | Life    | Total    |
| Net premiums earned  | 139,343  | 57,875  | 197,218  |
| Net claims incurred  | -82,289  | -31,706 | -113,995 |
| Net operating expenses   | -39,461  | -11,509 | -50,970  |
| Non-technical operating expenses*                                  |          |         | -491     |
| Investment income  |          |         | 46,708   |
| Other income/expenses (+/-)  |          |         | -11,413  |
| Total result   |          |         | 62,057   |
| Loss ratio %   | 59       |         |          |
| Combined ratio %   | 87       |         |          |

- Some jurisdictions allocate income and expenses which are not directly related to underwriting activities to a separate account.
- Note that the figures in table 5.2 include the direct and reinsurance business of reporting reinsurers and therefore differ from those in table 2.2 which are intended to reflect the reinsurance business only.

**Table 5.3**

Table 5.3 compares the capital base with the size of recoverables arising out of reinsurance operations (direct business) and retrocessions (assumed reinsurance business). This is looked at both gross and net of collateral (and any other offsetting items).

| Table 5.3: Global gearing of reporting entities (reinsurance and retrocession dependency)            |   |  |                        |  |  |
|--|---|--|------------------------|--|--|
| Recoverables from reinsurance (direct business) and retrocessions (assumed reinsurance business) and |   |  |                        |  |  |
| Recoverables from reinsurance and retrocessions 19)  |   | Total capital available <sup>46)</sup> | Gearing <sup>47)</sup> | Gearing net of collateral <sup>47)</sup> |  |
| Gross  | Net of collateral and offsetting items <sup>45)</sup> |  |                        |  |  |
| 202'148  | 110'769   | 312'716                                | 65%                    | 35%                                      |  |

- 'Recoverables from reinsurance and retrocessions' which are net of collateral and offsetting items do not include deduction for letters of credit (which is not a balance sheet item) for all jurisdictions. If taken into account, this would reduce the ratio.

**Table 5.4**

Table 5.4 provides an analysis of capital. Capital represents the capital available to cover losses, and the components included are discussed below. Participating supervisors have consented to the data for this table being published at the national level; due to differences in accounting conventions and regulatory requirements between jurisdictions the information is more meaningful at this level.

**Table 5.4 – global level**

| Table 5.4: Reporting entities' total available capital    |         |
|---|---------|
| Total available capital (composition) (US\$m)             |         |
| Capital items   | Total   |
| Paid up capital <sup>48)</sup>                            | 99'163  |
| Hybrid capital <sup>49)</sup>                             | 24'372  |
| Retained earnings   | 90'129  |
| Other capital items :                                     |         |
| Contingency reserves <sup>50)</sup>                       | 39'470  |
| Unrealised gains/losses on potential sales <sup>51)</sup> | 59'615  |
| Other items <sup>52)</sup>                                | 4'636   |
| Total available capital <sup>53)</sup>                    | 313'864 |
|   |         |
| Total regulatory capital required                         | 122'487 |

Table 5.4 – by jurisdiction

| Table 5.4: Reporting entities' total available capital <sup>(1)</sup> |               |                |               |               |               |               |               |
|---|---------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Total available capital (composition) US\$m                           |               |                |               |               |               |               |               |
| Capital items   | Bermuda       | France & Spain | Germany       | Japan         | Switzerland   | UK            | US            |
| Paid up capital   | 12,908        | 8,229          | 14,313        | 2,278         | 9,994         | 26,353        | 25,088        |
| Hybrid capital <sup>(2)</sup>   | 1,326         | 1,237          | 3,750         | 0             | 5,860         | 0             | 12,199        |
| Retained earnings   | 12,297        | 2,114          | 4,975         | 6,027         | 8,415         | 6,229         | 50,072        |
| <i>Other capital items:</i>   |               |                |               |               |               |               |               |
| Contingency reserves <sup>(3)</sup>                                   | 0             | 2,292          | 18,298        | 13,295        | 1,848         | 211           | 3,526         |
| Unrealised gains/losses on potential sales <sup>(4)</sup>             | 394           | 4,547          | 19,389        | 24,271        | 13,344        | 0             | -2,330        |
| Other items <sup>(5)</sup>  | 1,430         | 214            | 397           | 1,864         | -610          | 0             | 1,342         |
| <b>Total available capital</b>  | <b>28,355</b> | <b>18,634</b>  | <b>61,122</b> | <b>47,737</b> | <b>38,851</b> | <b>32,794</b> | <b>86,371</b> |
| <b>Total regulatory capital required<sup>(6)</sup></b>                | <b>7,838</b>  | <b>1,079</b>   | <b>6,547</b>  | <b>10,156</b> | <b>5,905</b>  | <b>5,511</b>  | <b>85,451</b> |

**Note:**

- (1) The figures in this table estimate the total capital of the reporting entities included in these statistics, which is available to meet losses. The figures do not necessarily represent capital as defined either by participating jurisdictions' national GAAP or by their national regulations. They include unrealised gains/losses according to national GAAP. Such a measure could be viewed as a proxy for capital available in the case that reserves/provisions including IBNR do not cover future claims payments. It must be taken into consideration that – depending on national statutory valuation rules – unrealised gains is an allowable component in assessing margin of solvency. The measure "total available capital" in this table is based on a legal entity view and is not to be compared with respective measures on a consolidated group basis as eventually published in other reports or studies or sources.
- (2) 'Hybrid' capital is as defined as eligible by the supervisor or regulation and relates to non-share (stock) capital which is "permanent" in nature, such as long-term debt issued.
- (3) 'Contingency reserve' arises where the event giving rise to the loss has not occurred; it includes 'equalisation provision' and 'catastrophe reserve'.
- (4) 'Unrealised gains/losses on potential sale' represents the potential gains or losses on sale of investments which would have been realised had sale occurred at the reporting date, by comparing the balance sheet value with market value. The total differs from that in Table 5.1 due to restrictions on the extent to which such items are allowed for purposes of assessing regulatory capital.
- (5) 'Other items' include adjustments in respect of taxation, dividends, general bad debt provisions and treasury stock.
- (6) It should be noted that regulatory capital requirements differ between jurisdictions. See Appendix IV for a summary of regulatory capital requirements in participating jurisdictions.