

## **Part I**

### **Guidelines for the composition and compilation of the annual statements and quarterly reports for insurance companies**

- I.1 General guidelines
- I.2 Annual statements Life insurance companies
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## Version overview

Version	Form	Date	Effective as of	Amendments
1.0	All	November 23, 2018	January 1, 2018	<ul style="list-style-type: none"><li>• Addition of the Quarterly reporting requirements</li><li>• Digital submission of the regulatory reports</li><li>• Revision of the Coverage Test Report</li></ul>
1.1	Forms K. and M. on the Solvency Margin Requirement of the annual statements and quarterly reports	May 2, 2019	July 1, 2019	<ul style="list-style-type: none"><li>• Revision of the calculation of the solvency margin requirement</li></ul>

## Version management

The Guidelines for the composition and compilation of the annual statements and quarterly reports for the insurance companies (the Guidelines) may change over time. The version overview only contains content changes. Editorial changes are not included in this overview.

## **I.1 General guidelines**

### **1. Introduction**

The Guidelines for the composition and compilation of the annual statements and quarterly reports for the insurance companies (the Guidelines) apply to all licensed insurance companies. The annual statements and quarterly reports are primarily used for prudential supervision purposes.

The Guidelines form part of the Prudential Supervision Manual Insurance Companies and should be used in conjunction with the other parts of the Prudential Supervision Manual Insurance Companies, namely, the Supervisory Guidelines, Policy Papers, Admission policy, Application forms, and Legislation.

### **2. Legal basis**

The legal basis for the issuance of the Guidelines is grounded in article 10, paragraphs 1 and 2, article 11, paragraph 4, article 13, paragraph 2, and article 14, paragraph 3, of the State Ordinance on the Supervision of the Insurance Business (AB 2000 no. 82) (SOSIB), and article 8, paragraph 2, of the State Ordinance on Foreign Exchange Transactions (AB1990 no. GT6) (SOFET).

### **3. Structure of the reporting framework**

The annual statements and quarterly reports should reflect the operations conducted in or from Aruba. Adding of new headings to the statements is not allowed. If it is difficult to classify a particular item, it should be included under the heading that is most suitable to the situation and a brief explanatory note should be provided to the CBA in hard copy and via e-mail address [supreports@cbaruba.org](mailto:supreports@cbaruba.org).

If the nature, complexity, and the size of the reporting institution's operations warrant this, pursuant to article 25, paragraph 3a of the SOSIB, the CBA may require additional reports, or may no longer require some or all of the reports.

### **4. Reporting frequency and submission due dates**

The reporting period of the annual statements must be from January 1 to December 31 of the corresponding year. Upon request, the CBA may grant an insurance company permission to change its reporting period. In such case, the CBA may request the insurer to submit additional information. The annual statements are due within six months after the end of each financial year.

The quarterly reports are submitted on a quarterly basis and are due within fifteen calendar days after the end of each quarter.




The reporting period of the quarterly reports are:

- First quarter: January 1 – March 31;
- Second quarter: April 1 – June 30;
- Third quarter: July 1 – September 30;
- Fourth quarter: October 1 – December 31.

## **5. Electronic submission**

Both the annual statements (CBA-format) and quarterly reports must be submitted via the DMZ Login Portal (<https://webapp.cbaruba.org>). The templates hereof are available on the DMZ Login Portal and must be uploaded (in Excel-format) within the due dates mentioned under paragraph 4 above.

To submit the excel files, the following minimum requirements must be met:

1. All amounts should be rounded to thousand Florins and amounts below Afl. 500 must be rounded to zero.
2.  Yellow cells must be filled in.
3.  Orange cells must be filled in (only applicable to annual statements).
4.  Gray cells should **not** be filled in.
5. All sheets (in the Excel file) must be completed. If there is no information to report on a specific item, the value of zero should be entered.
6. If the file is uploaded successfully, the insurance company will receive an e-mail with the following text:

From: NoReply@cbaruba.org  
Re: Data Loaded Successfully  
Dear [username],

Data Loading of [name of the] report, for the period [ddmmmyyy] uploaded at [date and time], PASSED, submission is completed.

Uploaded file name: [File.xlsx].

7. If the file failed to upload, the insurance company will receive an e-mail with the following text:

From: [NoReply@cbaruba.org](mailto:NoReply@cbaruba.org)  
Re: Data Loaded Failed  
Dear [username],

Data Loading of [name of the] report, for the period [ddmmmyyy] uploaded at [date and time], FAILED, please resubmit the input form.

Please log in to the web portal and download the trouble shooting guide for assistance.

Uploaded file name: [File.xlsx].

8. The program will run a number of validations when uploading the excel files to the data warehouse of the CBA:
  - a. A *hard validation* is a minimum requirement for the file to be uploaded, e.g. “total assets” are equal to “total liabilities and shareholders’ equity”.
  - b. When a value does not comply with the minimum requirements (e.g. the coverage ratio is less than 100%) the file will still be uploaded (*soft validation*).
  - c. *Cross validations* are validations between the different reporting files, e.g. the total investments reported in the fourth quarter must be equal to the total investments reported in the annual filings.
  - d. If the uploaded file did not pass the required validation, the reporter must review the file and resubmit the report.
9. The following minimum computer requirements are needed:
  - Excel 2007 and above (Excel 2013 and above recommended).
  - Microsoft Internet Explorer (IE) 9 and above (IE 11 recommended).

- Browser cookies should be enabled.
- HTTPS should be allowed/enabled in IE browser settings.
- File upload should be enabled/allowed through IE browser.
- E-mail address "[noReply@cbaruba.org](mailto:noReply@cbaruba.org)" and "[noReply-cbaruba@setar.aw](mailto:noReply-cbaruba@setar.aw)" should not be blocked.

Reference is also made to the “Troubleshooting guide” available online via the DMZ Login Portal.

## **6. Applicable standards**

It is recommended to apply the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

## **7. Offsetting**

Offsetting of debit and credit balances of a similar nature is not allowed. Debit and credit balances must be reported at their corresponding amounts (i.e. gross).

## **8. Rounding of figures**

All amounts must be rounded to thousand Florins. Only whole numbers are to be filled in. The rounding should be effected in such a way that the total assets equal the total liabilities. Amounts below Afl. 500 must be rounded to zero; the relevant item should then show “0” (zero).

## **9. Currency conversion**

All amounts must be reported in Aruban florin (Afl.). Foreign currency balances must be converted to their Afl. equivalent. Foreign currencies officially quoted by the CBA should be converted using the average of the buying and selling rate quoted by the CBA on the reporting date. Foreign currencies not quoted by the CBA should be converted using Afl. 1.79 per USD 1.00 as a cross-rate.

## **10. Technical provisions**

According to article 13, paragraph 1, of the SOSIB, an insurer must maintain adequate technical provisions, which are fully covered by admissible assets. Pursuant to the second paragraph of article 13, an insurance company must also take into account the Actuarial Guidelines for Insurance Companies issued by the CBA. The CBA may raise objections against the nature and valuation of these assets, which objections shall be promptly addressed by the insurer.

## **11. Solvency requirements**

### *Life insurance companies*

According to article 14, paragraph 1, of the SOSIB an insurer engaged in the life insurance business must have a solvency margin equal to eight percent of the provision for insurance obligations at the end of the preceding financial year, without taking the reinsurance portion of these obligations into account.

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### *Nonlife insurance companies*

According to article 14, paragraph 2, of the SOSIB an insurer engaged in the nonlife insurance business must have a solvency margin equal to the highest outcome of one of the following calculations:

- fifteen percent of the gross premiums booked in the preceding financial year; or
- fifteen percent of the average gross claims incurred in the last three financial years.

The amount of intercompany current accounts receivable exceeding the 5 percent of Total investments must be deducted from the Shareholders' Equity in the calculation of the solvency margin requirement. This does not apply to branches or agencies.

Furthermore, pursuant to the third paragraph of article 14 of the SOSIB, an insurer must comply with the Solvency Guidelines issued by the CBA.

### **12. Fine**

Article 16, paragraphs 1 and 2, of the SOSIB states that, if an insurer does not (timely) comply with the reporting requirement set by the CBA, the CBA can impose an administrative sanction, i.e. a penalty charge order and/or an administrative fine.

### **13. Annual filings**

Within *six months* after the end of each financial year an insurer must submit the following documents as part of its annual filings:

- The **audited annual statements (CBA-format)**, which provide a clear picture of the management carried out by the insurer and its financial position. It must be accompanied by the **auditors' report** stating that the audited annual statements have been prepared in accordance with the guidelines of the CBA, and the **management letter** issued by the external auditor. The **management certification (form 1)** must be signed by the management of the insurance company.
- Each page of the annual statements must be certified by the external auditor as evidence that the annual statements have been audited (by the external auditor).
- The **actuarial report** and **actuarial certification** for life insurance companies. Reference is made to the Actuarial Guidelines for Insurance Companies.
- The **audited financial statements** together with the **auditor's opinion**. Branches and agencies must submit the audited financial statements of the group of which they form part of.
- The **audited financial statements of the group** to which the reporting institution forms part of.
- A **reconciliation** between the equity and the result reported in the financial statements and the equity and result reported in the audited annual statements must be submitted in case that there is a difference.
- If there have been **important changes** in the concerning year, a separate written explanation in case there have been important changes in the concerning year. With

important changes we refer to all changes in the balance sheet and income statement items greater than 10 percent or Afl. 1 million compared to the amount reported in the preceding year.

- Proof that its annual financial statements have been filed at the **Chamber of Commerce of Aruba**.

The **original version** of the abovementioned documents must be submitted by means of a closed envelope addressed as follows:

**Centrale Bank van Aruba  
Prudential Supervision Department  
J.E. Irausquin Boulevard 8  
Oranjestad, ARUBA**

In addition, an **electronic readable version** of these documents should also be submitted to the CBA via e-mail address [supereports@cbaruba.org](mailto:supereports@cbaruba.org).

#### **14. Quarterly reports**

As of the first quarter of 2018, the quarterly reports are submitted only digitally via the DMZ Login Portal. Consequently, the management certification, management report, and accounting and valuation principles no longer form part of the quarterly reports. The quarterly reports are due within fifteen calendar days after the end of each reporting quarter and should be submitted only electronically via the DMZ Login Portal (<https://webapp.cbaruba.org>).

Note that the management of each institution remains ultimately responsible for the correctness and completeness of the (digitally) submitted quarterly reports and annual statements (CBA-format) to the CBA.

Revised quarterly reports must be digitally resubmitted through the DMZ Login Portal, for example, in case changes have been made based on the results of the external audit.

All insurance companies must provide the CBA with a written explanation on significant changes (larger than 10%) when compared to the previous quarter. This information must be submitted to the CBA in hard copy, and an electronic readable version hereof must also be submitted via e-mail address [supereports@cbaruba.org](mailto:supereports@cbaruba.org).

#### **15. Residency**

The balance sheet and notes to the balance sheet of the quarterly reports have been expanded with a resident and non-resident column. The classification of the residency of a balance sheet item is according to the definition of resident and non-resident in article 1 of the SOFET.

Article 1 of the SOFET defines **residents** as:

- A. Natural persons residing in Aruba and registered in the population register of the Civil Registry, or those who actually have been living in Aruba for a period exceeding one year after the date of their arrival in Aruba, as soon as that year has lapsed;
- B. Legal entities, partnerships, and limited partnerships domiciled in Aruba;
- C. Branches, branch offices, enterprises and agencies domiciled in Aruba, and not covered under b;

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- D. Persons, legal entities and other institutions designated by the CBA, and not covered under a, b and c.

**Nonresidents** are: natural persons, legal entities, partnerships, branches, agencies and enterprises not covered by the definition of “residents”.



## **I.2 ANNUAL STATEMENTS LIFE INSURANCE COMPANIES**

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**1. MANAGEMENT CERTIFICATION**

We, the undersigned, hereby certify as follows:

1. That the attached balance sheet, income statement, and other forms are true and correct.
2. That all assets, liabilities, income and expenditures for the period ending December 31, 20xx are included in these financial statements.
3. That all the assets reported are the property of the company, free of liens and claims, unless stated otherwise in these financial statements.
4. That all known capital and or surplus commitments and contingent liabilities are disclosed appropriately in these financial statements.

Name and position : \_\_\_\_\_

Signature : \_\_\_\_\_

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### **2. MANAGEMENT REPORT**

In this report senior-management of the company must elaborate on the most important developments occurred during the reporting year and present the company's projections on the operations of the company for the immediate future.

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**A. BALANCE SHEET**

		<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>ASSETS</b>		
1.00	Investments		
2.00	Fixed Assets		
3.00	Affiliated Companies		
4.00	Current Assets		
5.00	Intangibles		
	<b>TOTAL ASSETS</b>		
	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
6.00	Technical Provisions		
7.00	Long Term Liabilities		
8.00	Current Liabilities		
	<b>TOTAL LIABILITIES</b>		
9.00	Shareholders' Equity <sup>1</sup>		
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		

1 The assigned capital in the case of a branch or agency.

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**B. INCOME STATEMENT**

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
	<b>INCOME</b>		
1.00	Net earned premiums		
2.00	Investment income		
3.00	Other income		
	<b>TOTAL INCOME</b>		
	<b>EXPENDITURES</b>		
4.00	Net claims incurred		
5.00	Commissions and other acquisition costs		
6.00	General and administrative expenses		
7.00	Change in technical provisions		
8.00	Policyholders' dividends		
9.00	Other expenditures		
	<b>TOTAL EXPENDITURES</b>		
	<b>NET INCOME (LOSS) BEFORE TAXES</b>		
10.00	Less: Corporate taxes		
	<b>NET INCOME (LOSS) AFTER TAXES</b>		
11.00	Less: Shareholders' dividend		
	<b>NET EARNINGS</b>		

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**C. ACCOUNTING AND VALUATION PRINCIPLES**

Summarize the accounting and valuation principles used to prepare the statements and disclose any significant change in the principles applied in comparison with previous year.

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**D. NOTES TO THE BALANCE SHEET**

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
<b>1.00</b>	<b>INVESTMENTS</b>		
1.10	Shares		
1.20	Bonds		
1.30	Real Estate		
1.40	Time Deposits		
1.50	Mortgage Loans		
1.60	Policy Loans		
1.70	Other Loans		
1.71	- Secured		
1.72	- Unsecured		
1.80	Other-specify		
	<b>Total</b>		
<b>2.00</b>	<b>FIXED ASSETS</b>		
2.10	Real Estate		
2.20	Office Furniture and Equipment		
2.30	Other-specify		
	<b>Total</b>		
<b>3.00</b>	<b>AFFILIATED COMPANIES</b>		
3.10	Shares		
3.20	Loans		
3.30	Current Accounts		
	<b>Total</b>		
<b>4.00</b>	<b>CURRENT ASSETS</b>		
4.10	Cash on Hand		
4.20	Due from other depository corporations		
4.30	Agents' and Brokers' Debit Balances		
4.40	Uncollected Premiums from Direct Business		
4.50	Investment Income Due Or Accrued		
4.60	Amounts Receivable from Reinsurers		
4.70	Amounts Due from Members (Mutual Companies)		
4.80	Other-specify		
	<b>Total</b>		
<b>5.00</b>	<b>INTANGIBLES</b>		
	Specify		

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**D. NOTES TO THE BALANCE SHEET**  
(Continued)

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
<b>6.00</b>	<b>TECHNICAL PROVISIONS</b>		
6.10	Previous Year		
6.20	Additions		
6.30	Deductions		
	<b>Total</b>		
<b>7.00</b>	<b>LONG TERM LIABILITIES</b>		
7.10	Loans form Financial Institutions		
7.20	Members' Loan/Loans affiliates		
7.30	Other-specify		
	<b>Total</b>		
<b>8.00</b>	<b>CURRENT LIABILITIES</b>		
8.05	Premiums Paid in Advance		
8.10	Premiums in Suspense		
8.15	Agents' and Brokers' credit balances		
8.20	Benefits Payable		
8.25	Bank Overdrafts and Loans		
8.30	Amounts due to Reinsurers		
8.35	Corporate Taxes Payable		
8.40	Dividends Payable to Policyholders		
8.45	Dividends Payable to Shareholders		
8.50	Amounts Payable to Affiliates		
8.55	Other-Specify		
	<b>Total</b>		
<b>9.00</b>	<b>SHAREHOLDERS' EQUITY</b>		
9.10	Issued and paid-in Capital		
9.20	Reserves-specify		
9.30	Retained Earnings		
	<b>Total</b>		
	<b>OFF BALANCE SHEET</b>		
	Contingent Liabilities (provide details)		
	Commitments (provide details)		
	Related Party Transactions (provide details)		



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**E. NOTES TO THE INCOME STATEMENT**

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
<b>1.00</b>	<b>NET EARNED PREMIUMS</b>		
1.10	Direct Written Premiums		
1.20	Assumed Reinsurance Premiums		
	Gross Written Premiums		
1.30	Less: Ceded Reinsurance Premiums		
	<b>Total</b>		
<b>2.00</b>	<b>INVESTMENT INCOME</b>		
<b>2.10</b>	<b>Direct Investment Income</b>		
2.11	Dividend Income		
2.12	Interest on Bonds		
2.13	Income from rent		
2.14	Interest on Time Deposits		
2.15	Interest on Mortgage Loans		
2.16	Interest on Policy Loans		
2.17	Interest on Other Loans		
2.18	Other-specify		
	<b>Sub-total</b>		
<b>2.20</b>	<b>Indirect Investment Income</b>		
2.21	Revaluation Adjustments		
2.22	Capital Gain / (Loss) On Sales		
2.23	Other-specify		
	<b>Sub-total</b>		
	<b>TOTAL INVESTMENT INCOME</b>		
<b>3.00</b>	<b>OTHER INCOME</b>		
	Specify		
<b>4.00</b>	<b>NET CLAIMS INCURRED</b>		
4.10	Deaths Claims		
4.20	Maturities / lapses		
4.30	Surrenders		
4.40	Other-specify		
4.50	Less: Ceded Claims Recovered		
	<b>Total</b>		
<b>6.00</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
6.10	Personnel costs (including social premiums)		
6.20	Other-specify		
	<b>Total</b>		



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**G. OTHER ITEMS-NOTES TO THE INCOME STATEMENT**

		<b>CURRENT YEAR</b>
<b>Other item description</b>	<b>Other item specified</b>	<b>AFL</b>
2.18 Direct investment income other		
2.23 Indirect investment income other		
3.00 Other income		
4.40 Net claims incurred other		
6.20 General and administrative expenses other		

Items pertaining to form *E. Notes to the income statement* for which further specification is required.

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**H. BREAK-DOWN OF THE INVESTMENTS**

AFL		LOCAL INVESTMENTS 1)		FOREIGN INVESTMENTS	TOTAL
		Afl.	Fc		
<b>1.00</b>	<b>INVESTMENTS</b>				
1.10	Shares				
1.20	Bonds				
1.30	Real estate				
1.31	- Own use				
1.32	- Other				
1.40	Time deposits				
1.50	Mortgage loans				
1.60	Policy loans				
1.70	Other loans				
1.71	- Secured				
1.72	- Unsecured				
1.80	Other-specify				
	<b>TOTAL INVESTMENTS</b>				

1) Local investments denominated in local currency (Afl.) and foreign currencies (Fc).

# GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL STATEMENTS AND QUARTERLY REPORTS

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## I. THE 40-60% INVESTMENT RULE

**Table I**

% of	Total liabilities insurance companies <sup>1)</sup>	Required amount in Local Investments
	Total liability	
40%	First 10 million	4 million
50%	Second 10 million	5 million
60%	Remainder	60% of the remainder
	<b>TOTAL</b>	<b>9 million + 60% of the remainder</b>

**Table II**

	AFL
Total Liabilities <sup>1)</sup>	
Required local investments (40%)	
Required local investments (50%)	
Required local investments (60%)	
Total required local investments (A)	
Actual local investments <sup>2)</sup> (B)	
Surplus/Deficit (B-A)	

1) Excluding shareholders' equity (paid-in capital, reserves and retained earnings) or assigned capital.

2) Local investments denominated in Aruban Florins and foreign currencies.

It should be emphasized that no rights can be derived from the 40–60% investment rule, which is merely one of the criteria the CBA uses to evaluate requests from institutional investors for a foreign exchange license. Account is also taken, among other things, of the monetary policy stance and the development in the official reserve position.

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**J. COVERAGE TEST <sup>1</sup>**

	<b>ADMISSABLE ASSETS</b>	<b>Outstanding Amount</b>	<b>Weight Factor</b>	<b>Weighted Assets</b>
<b>1.00</b>	<b>Investments</b>			
1.10	Shares	.....	80%	.....
1.20	Bonds			
	Government Bonds	.....	100%	.....
	Corporate-High credit quality	.....	95%	.....
	Corporate-Medium to low grade quality	.....	85%	.....
1.30	Real Estate	.....	90%	.....
1.40	Time Deposits	.....	100%	.....
1.50-1.60	Mortgage and Policy Loans	.....	100%	.....
1.71	Other Loans – secured	.....	100%	.....
1.72	Other loans – unsecured	.....	95%	.....
1.80	Other investments	.....	65%	.....
<b>2.00</b>	<b>Fixed Assets:</b>			
2.10	Real Estate-in own use	.....	90%	.....
2.20-2.40	Other Fixed Assets	.....	65%	.....
<b>3.00</b>	<b>Affiliated companies <sup>2</sup></b>	.....	90%	.....
<b>4.00</b>	<b>Current assets:</b>			
4.10	Cash on Hand	.....	100%	.....
4.20	Due from other depository corporations	.....	100%	.....
4.30	Agents'/brokers' balances, 90 days and under	.....	100%	.....
4.40	Uncollected Premiums, 90 days and under	.....	100%	.....
4.50	Investment Income due, 90 days and under	.....	100%	.....
4.60	Reinsurance Receivables	.....	100%	.....
4.70	Amounts due from Members <sup>3</sup>	.....	100%	.....
4.80	Other	.....	100%	.....
	<b>Total weighted assets</b>			.....
<b>8.00</b>	<b>Less: Current liabilities <sup>4</sup></b>			.....
	<b>Assets available to cover Technical Provisions</b>			.....
<b>6.00</b>	<b>Less: Technical Provisions</b>			.....
	<b>Surplus or (Deficit)</b>			.....
	<b>Coverage ratio (in percent)</b>			.....

For further guidance please refer to the CBA's guidelines on the coverage test.

1 In case the company sells insured investment products, whereby the policyholder bears the complete investment risk, the investments and technical provisions associated with these products should not be included in the coverage test calculation. In such case an explanatory note should be added to the coverage test sheet.

2 Only branches and agencies of life insurance companies are allowed to include claims on affiliated companies under this line item.

3 Only applicable to mutual insurance companies.

4 Excluding liabilities to affiliated companies.

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**K. SOLVENCY MARGIN REQUIREMENT**

According to article 14, paragraph 1 of the SOSIB, an insurer engaged in the life insurance business must have a solvency margin equal eight percent of the provision for insurance obligations at the end of the preceding financial year, without taking the reinsurance portion of these obligations into account.

Furthermore, pursuant to the third paragraph of this article, an insurer must comply with the Solvency Guidelines issued by the CBA. In the case of a life insurer **AFL 400,000** if the insurer is doing strictly doing life insurance or **AFL 500,000** if the insurer has been doing both life, accident & sickness insurance prior to July 2001 within the same legal entity.

Solvency Margin Calculation Life Insurance Company			
			Amounts in AFL 1,000
<b>9.00</b>	<b>Shareholders' Equity</b> (= available solvency margin)	<b>A</b>	.....
	5% of Total investments		.....
	<b>Excess intercompany current accounts receivable<sup>1</sup></b>	<b>B</b>	.....
<b>6.00</b>	Technical Provisions		.....
	8% thereof or		.....
	a minimum of AFL 400,000 or AFL 500,000		.....
	Required solvency margin <sup>2</sup>	<b>C</b>	.....
<b>Surplus/(Deficit) (A-B-C)</b>			.....

- The outstanding amount of intercompany current accounts receivable that exceeds 5% of Total investments. Not applicable to branches or agencies. Branches or agencies should fill out 0 (zero) under this line item.
- The highest outcome of either:
  - 8% of the "Provision for Insurance Obligations" in the preceding financial year, or
  - AFL 400,000** if the insurer is doing strictly doing life insurance, or
  - AFL 500,000** if the insurer has been doing both life, accident & sickness insurance prior to July 2001 within the same legal entity.

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**L. ADMISSIBLE ASSETS TO COVER THE MINIMUM SOLVENCY  
MARGIN OF AFL 400,000 or AFL 500,000**

<b>Assets to cover the minimum Solvency Margin of AFL 400,000 or AFL 500,000</b>		
		<b>Amounts in AFL</b>
1	Treasury Bonds issued by the Government of Aruba	
2	Shares certificates, debentures, profit-sharing certificate and other similar securities	
3	Proof of Partnership rights	
4	Certificates of the assets as referred to in points 2 and 3	
5	Scrip certificates of the assets as referred to in points 1 up to and including 3	
6	Acknowledgement of debt towards the insurer, not being treasury bills or debentures, issued by or guaranteed by the Government of Aruba or other public entities in Aruba	
7	Acknowledgement of debt towards the insurer, not being debentures, issued by companies incorporated in Aruba or issued by companies incorporated in Aruba for which a license pursuant to section 4 or 24 of the State Ordinance on the Supervision on the Credit System (AB 1998 no.16) has been granted	
	<b>TOTAL</b>	

For further guidance please refer to the CBA's Guidelines on the Solvency Margin.



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**I. AUDITORS' REPORT**

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**II. ACTUARIAL REPORT**

Refer to the actuarial guidelines for life insurance companies issued by the CBA.

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**III. ACTUARIAL CERTIFICATION**

Refer to the actuarial guidelines for life insurance companies issued by the CBA.

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## **I.3 ANNUAL STATEMENTS NONLIFE INSURANCE COMPANIES**

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**1. MANAGEMENT CERTIFICATION**

We, the undersigned, hereby certify as follows:

1. That the attached balance sheet, income statement, and other statements are true and correct.
2. That all assets, liabilities, income and expenditure for the period ending December 31, 20xx are included in these financial statements.
3. That all the assets reported are the property of the company, free of liens and claims, unless stated otherwise in these financial statements.
4. That all known capital and or surplus commitments and contingent liabilities are properly disclosed in these financial statements.

Name and position: \_\_\_\_\_

Signature : \_\_\_\_\_

## **GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL STATEMENTS AND QUARTERLY REPORTS**

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### **2. MANAGEMENT REPORT**

In this report senior-management of the company must elaborate on the most important developments occurred during the reporting year and present the company's projections on the operations of the company for the immediate future.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**A. BALANCE SHEET**

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
	<b>ASSETS</b>		
1.00	Investments		
2.00	Fixed Assets		
3.00	Affiliated Companies		
4.00	Current Assets		
5.00	Intangibles		
	<b>TOTAL ASSETS</b>		
	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
6.00	Technical Provisions		
7.00	Long Term Liabilities		
8.00	Current Liabilities		
	<b>TOTAL LIABILITIES</b>		
9.00	Shareholders' Equity <sup>1</sup>		
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		

<sup>1</sup> The assigned capital in the case of a branch or agency.



**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**B. INCOME STATEMENT**

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
	<b>INCOME</b>		
1.00	Net earned premiums		
2.00	Investment income		
3.00	Other income		
	<b>TOTAL INCOME</b>		
	<b>EXPENDITURES</b>		
4.00	Net claims incurred		
5.00	Commissions and other acquisition costs		
6.00	General and administrative expenses		
7.00	Change in technical provisions		
8.00	Policyholders' dividends		
9.00	Other expenditures		
	<b>TOTAL EXPENDITURES</b>		
	<b>NET INCOME (LOSS) BEFORE TAXES</b>		
10.00	Less: Corporate taxes		
	<b>NET INCOME (LOSS) AFTER TAXES</b>		
11.00	Less: Shareholders' dividend		
	<b>NET EARNINGS</b>		

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**C. INCOME STATEMENT BY INDEMNITY GROUP**  
Current year in AFL

		Accident & Health	Motor Vehicle	Marine Transport & Aviation	Property	Other	Total
	<b>INCOME</b>						
1.00	Net Earned Premiums						
2.00	Investment Income						
3.00	Other Income						
	<b>TOTAL INCOME</b>						
	<b>EXPENDITURES</b>						
4.00	Net Claims Incurred						
5.00	Commissions and other Acquisition costs						
6.00	General and Administrative Expenses						
7.00	Changes in Technical Provisions						
8.00	Policyholders' Dividend						
9.00	Other Expenditure						
	<b>TOTAL EXPENDITURES</b>						
	<b>NET INCOME (LOSS) BEFORE TAXES</b>						

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**D. ACCOUNTING AND VALUATION PRINCIPLES**

Summarize the accounting and valuation principles used to prepare the statements and disclose any significant change in the principles applied in comparison with previous year.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**E. NOTES TO THE BALANCE SHEET**

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
<b>1.00</b>	<b>INVESTMENTS</b>		
1.10	Shares		
1.20	Bonds		
1.30	Real Estate		
1.40	Time Deposits		
1.50	Loans		
1.51	- Secured		
1.52	- Unsecured		
1.60	Other-specify		
	<b>Total</b>		
<b>2.00</b>	<b>FIXED ASSETS</b>		
2.10	Real Estate		
2.20	Office Furniture and Equipment		
2.30	Motor Vehicles		
2.40	Other-specify		
	<b>Total</b>		
<b>3.00</b>	<b>AFFILIATED COMPANIES</b>		
3.10	Shares		
3.20	Loans		
3.30	Current Accounts		
3.40	Other-specify		
	<b>Total</b>		
<b>4.00</b>	<b>CURRENT ASSETS</b>		
4.10	Cash in Hand		
4.20	Due from other depository corporations		
4.30	Agents' and Brokers' debit balances		
4.40	Uncollected Premiums from Direct Business		
4.50	Investment Income due or accrued		
4.60	Amounts receivable from Reinsurers		
4.70	Amounts due from members (Mutual Companies)		
4.80	Other-specify		
	<b>Total</b>		
<b>5.00</b>	<b>INTANGIBLES</b>		
	Specify		

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**E. NOTES TO THE BALANCE SHEET**  
(Continued)

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
<b>6.00</b>	<b>TECHNICAL PROVISIONS</b>		
<b>6.10</b>	<b>NET UNEARNED PREMIUM PROVISION</b>		
6.11	Accident and Health		
6.12	Motor Vehicle		
6.13	Marine, Transport and Aviation		
6.14	Property		
6.15	Other-specify		
	<b>Subtotal</b>		
<b>6.20</b>	<b>NET CLAIMS PROVISION</b>		
6.21	Accident and Health		
6.22	Motor Vehicle		
6.23	Marine, Transport and Aviation		
6.24	Property		
6.25	Other-specify		
	<b>Subtotal</b>		
<b>6.30</b>	<b>FUNDS PROVISION</b>		
6.31	Accident and Health		
6.32	Motor Vehicle		
6.33	Marine, Transport and Aviation		
6.34	Property		
6.35	Other-specify		
	<b>Subtotal</b>		
<b>6.40</b>	<b>OTHER TECHNICAL PROVISIONS</b>		
6.41	Accident and Health		
6.42	Motor Vehicle		
6.43	Marine, Transport and Aviation		
6.44	Property		
6.45	Other-specify		
	<b>Subtotal</b>		
	<b>TOTAL</b>		
<b>7.00</b>	<b>LONG TERM LIABILITIES</b>		
7.10	Loans from Financial Institutions		
7.20	Members' Loans/Loans Affiliates		
7.30	Other-specify		
	<b>TOTAL</b>		

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**E. NOTES TO THE BALANCE SHEET**

*(Continued)*

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
<b>8.00</b>	<b>CURRENT LIABILITIES</b>		
8.05	Premiums Paid in Advance		
8.10	Premiums in Suspense		
8.15	Agents' and Brokers' credit balances		
8.20	Claims Outstanding		
8.25	Bank Overdrafts and Loans		
8.30	Amounts due to Reinsurers		
8.35	Corporate Taxes Payable		
8.40	Dividends Payable to Policyholders		
8.45	Dividends Payable to Shareholders		
8.50	Amounts Payable to Members (Mutual Companies)		
8.55	Amounts Payable to Affiliated Companies		
8.60	Other-specify		
	<b>TOTAL</b>		
<b>9.00</b>	<b>SHAREHOLDERS' EQUITY</b>		
9.10	Issued and paid-in Capital		
9.20	Reserves-specify		
9.30	Retained Earnings		
	<b>TOTAL</b>		
	<b>OFF-BALANCE SHEET ITEMS</b>		
	Contingent Liabilities-specify		
	Commitments-specify		
	Related Party Transactions-specify		



**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**G. OTHER ITEMS-NOTES TO THE INCOME STATEMENT**

		<b>CURRENT YEAR</b>
<b>Other item description</b>	<b>Other item specified</b>	<b>AFL</b>
2.16 Direct investment income other		
2.24 Indirect investment income other		
3.00 Other income		
6.20 General and administrative expenses other		

Items pertaining to form *H. Notes to the income statement* for which further specification is required.



**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**H. NOTES TO THE INCOME STATEMENT**

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
<b>1.00</b>	<b>NET EARNED PREMIUMS</b>		
1.10	Direct Written Premiums		
1.20	Assumed Premiums		
	Gross Written Premiums		
1.30	Less: Ceded Premiums		
	Net Written Premiums		
1.40	Change In Unearned Premium Provision		
	<b>TOTAL</b>		
<b>2.00</b>	<b>INVESTMENT INCOME</b>		
<b>2.10</b>	<b>DIRECT INVESTMENT INCOME</b>		
2.11	Dividend		
2.12	Interest Bonds		
2.13	Income from rent		
2.14	Interest Time Deposits		
2.15	Interest Loans		
2.16	Other-specify		
	<b>Subtotal</b>		
<b>2.20</b>	<b>INDIRECT INVESTMENT INCOME</b>		
2.21	Revaluation Adjustments		
2.22	Capital Gain/(Loss) On Sales		
2.23	Capital Gain/(Loss) On Exchange Rates		
2.24	Other-specify		
	<b>Subtotal</b>		
	<b>TOTAL</b>		
<b>3.00</b>	<b>OTHER INCOME-specify</b>		
<b>4.00</b>	<b>NET CLAIMS INCURRED</b>		
4.10	Direct Claims Paid		
4.20	Assumed Claims Paid		
	Gross Claims Paid		
4.30	Less: Ceded Claims Recovered		
	Net Claims Paid		
4.40	Change In Net Claims Provision		
	<b>TOTAL</b>		

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**H. NOTES TO THE INCOME STATEMENT**  
*(Continued)*

		<b>CURRENT YEAR AFL</b>	<b>PREVIOUS YEAR AFL</b>
<b>6.00</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
6.10	Personnel costs (including social premiums)		
6.20	Other-specify		
	<b>TOTAL</b>		
<b>7.00</b>	<b>CHANGES IN TECHNICAL PROVISIONS</b>		
7.10	Change in Funds Provision		
7.20	Change in other Technical Provisions		
	<b>TOTAL</b>		

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**I. NOTES TO THE INCOME STATEMENT BY INDEMNITY GROUP**

		<b>Direct written premium</b>	<b>Assumed premiums</b>	<b>Gross Written premiums</b>	<b>Ceded premiums</b>	<b>Net written premiums</b>	<b>Change in unearned premiums provisions</b>	<b>Net earned premium</b>
<b>1.10</b>	<b>Accident &amp; health</b>							
1.11	Accident							
1.12	Medical							
1.13	Disability							
1.14	Other							
	<b>Subtotal</b>							
<b>1.20</b>	<b>Motor Vehicle</b>							
1.21	All risk							
1.22	Third party liability							
1.23	Disability							
1.24	Other							
	<b>Subtotal</b>							
<b>1.30</b>	<b>Marine, transport and aviation</b>							
1.31	Ocean Marine							
1.32	Inland Marine							
1.33	Aircraft							
1.34	Other							
	<b>Subtotal</b>							
<b>1.40</b>	<b>Property</b>							
1.41	Fire							
1.42	Homeowners multiple peril							
1.43	Commercial multiple peril							
1.44	Business interruption							
1.45	Burglary and theft							
1.46	Other							
	<b>Subtotal</b>							
<b>1.50</b>	<b>Other</b>							
1.51	Other-specify							
	<b>Subtotal</b>							
	<b>TOTAL</b>							

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**J. BREAK-DOWN OF THE INVESTMENTS**

AFL		LOCAL INVESTMENTS 1)		FOREIGN INVESTMENTS	TOTAL
		Afl.	Fc		
<b>1.00</b>	<b>INVESTMENTS</b>				
1.10	SHARES				
1.20	BONDS				
1.30	REAL ESTATE				
1.31	- OWN USE				
1.32	- OTHER				
1.40	TIME DEPOSITS				
1.50	OTHER LOANS				
1.51	- SECURED				
1.52	- UNSECURED				
1.60	OTHER-SPECIFY				
	<b>TOTAL INVESTMENTS</b>				

1) Local investments denominated in local currency (Afl.) and foreign currencies (Fc).

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**K. THE 40-60% INVESTMENT RULE**

**Table I**

% of	Total liabilities insurance companies <sup>1)</sup>	Required amount in Local Investments
	Total liability	
40%	First 10 million	4 million
50%	Second 10 million	5 million
60%	Remainder	60% of the remainder
	<b>TOTAL</b>	<b>9 million + 60% of the remainder</b>

**Table II**

	AFL
Total Liabilities <sup>1)</sup>	
Required local investments (40%)	
Required local investments (50%)	
Required local investments (60%)	
Total required local investments (A)	
Actual local investments <sup>2)</sup> (B)	
Surplus/Deficit (B-A)	

1) Excluding shareholders' equity (paid-in capital, reserves and retained earnings) or assigned capital.

2) Local investments denominated in Aruban Florins and foreign currencies.

It should be emphasized that no rights can be derived from the 40–60% investment rule, which is merely one of the criteria the CBA uses to evaluate requests from institutional investors for a foreign exchange license. Account is also taken, among other things, of the monetary policy stance and the development in the official reserve position.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**L. COVERAGE TEST**

<b>AFL</b>	<b>Admissible assets</b>	<b>Outstanding amount</b>	<b>Weight Factor</b>	<b>Weighted Assets</b>
<b>1.00</b>	<b>Investments</b>		<b>%</b>	
1.10	Shares	.....	80%	.....
1.20	Bonds			
	Government bonds	.....	100%	.....
	Corporate: Highest or strong credit quality	.....	95%	.....
	Corporate: Upper medium to medium low quality	.....	85%	.....
1.30	Real estate	.....	90%	.....
1.40	Time deposits	.....	100%	.....
1.51	Loans-secured	.....	100%	.....
1.52	Loans-unsecured	.....	95%	.....
1.60	Other	.....	65%	.....
<b>2.00</b>	<b>Fixed assets</b>			
2.10	Real estate	.....	90%	.....
2.20/2.30/2.40	Other fixed assets	.....	65%	.....
<b>3.00</b>	<b>Affiliated Companies <sup>1</sup></b>	.....	90%	.....
<b>4.00</b>	<b>Current assets</b>			
4.10	Cash in Hand	.....	100%	.....
4.20	Due from other depository corporations	.....	100%	.....
4.30	Agents'/brokers' balances, 90 days and under	.....	100%	.....
4.40	Uncollected premiums, 90 days and under	.....	100%	.....
4.50	Investment income due, 90 days and under	.....	100%	.....
4.60	Amounts receivable from reinsurers	.....	100%	.....
4.70	Amounts due from members <sup>2</sup>	.....	100%	.....
4.80	Other	.....	100%	.....
	<b>Total weighted assets</b>			.....
<b>8.00</b>	<b>Less: Current liabilities <sup>3</sup></b>			.....
	<b>Assets available to cover Technical provisions</b>			.....
<b>6.00</b>	<b>Less: Technical provisions</b>			.....
	<b>Surplus or (Deficit)</b>			.....
	<b>Coverage ratio (in percent)</b>			.....

For further guidance please refer to the CBA's guidelines on the coverage test.

<sup>1</sup> Only branches and agencies of nonlife insurance companies are allowed to include claims on affiliated companies under this line item.

<sup>2</sup> Only applicable to mutual insurance companies.

<sup>3</sup> Excluding liabilities to affiliated companies.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**M. SOLVENCY MARGIN REQUIREMENT**

According to article 14, second paragraph of the SOSIB, an insurer engaged in the general (non-life) insurance business must have a solvency margin equal to the highest outcome of one of the following calculations:

- a. 15% of the gross premiums booked in the preceding financial year, or
- b. 15% of the average gross claims incurred in the last three financial years.

However, there is a minimum solvency requirement of **Afl. 300,000**.

Solvency Margin Calculation Nonlife Insurance Companies				
			Amounts in AFL 1,000	
<b>9.00</b>	<b>Shareholders' Equity</b> (= available solvency margin)	<b>A</b>		.....
	5% of Total investments		.....	
	<b>Excess intercompany current accounts receivable<sup>1</sup></b>	<b>B</b>		.....
	<i>15% gross premium income; or</i>		.....	
	<i>15% of the average gross claims incurred</i>		.....	
	or a minimum of AFL 300,000		300	
	Required solvency margin <sup>2</sup>	<b>C</b>		.....
<b>Surplus/(Deficit) (A-B-C)</b>				.....

1. The outstanding amount of intercompany current accounts receivable that exceeds 5% of Total investments. Not applicable to branches or agencies. Branches or agencies should fill out 0 (zero) under this line item.
2. Highest outcome of either:
  - 15% of the gross premiums booked in the preceding financial year, or
  - 15% of the average gross claims incurred in the last three financial years, or
  - a minimum of Afl. 300,000.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**N. ADMISSIBLE ASSETS TO COVER THE MINIMUM SOLVENCY  
MARGIN OF AFL 300,000**

<b>Assets to cover minimum Solvency Margin of AFL 300,000</b>		
		<b>Amounts in AFL</b>
1	Treasury Bonds issued by the Government of Aruba	
2	Shares certificates, debentures, profit-sharing certificate and other similar securities	
3	Proof of Partnership rights	
4	Certificates of the assets as referred to in points 2 and 3	
5	Scrip certificates of the assets as referred to in points 1 up to and including 3	
6	Acknowledgement of debt towards the insurer, not being treasury bills or debentures, issued by or guaranteed by the Government of Aruba or other public entities in Aruba	
7	Acknowledgement of debt towards the insurer, not being debentures, issued by companies incorporated in Aruba or issued by companies incorporated in Aruba for which a license pursuant to section 4 or 24 of the State Ordinance on the Supervision on the Credit System (AB 1998 no. 16) has been granted	
	<b>TOTAL</b>	

For further guidance please refer to the CBA's guidelines on the solvency margin.



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**I. AUDITORS' REPORT**

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**II. ACTUARIAL REPORT**

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**III. ACTUARIAL CERTIFICATION**

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## **I.4 QUARTERLY REPORTS LIFE INSURANCE COMPANIES**

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**A. BALANCE SHEET**

		CURRENT QUARTER AFL		
		Resident	Non-resident	Total
	<b>ASSETS</b>			
1.00	Investments			
2.00	Fixed Assets			
3.00	Affiliated Companies			
4.00	Current Assets			
5.00	Intangibles			
	<b>TOTAL ASSETS</b>			
	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
6.00	Technical Provisions			
7.00	Long Term Liabilities			
8.00	Current Liabilities			
	<b>TOTAL LIABILITIES</b>			
9.00	Shareholders' Equity <sup>1</sup>			
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			

<sup>1</sup> The assigned capital in the case of a branch or agency.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**B. INCOME STATEMENT**

		<b>CURRENT QUARTER AFL</b>
	<b>INCOME</b>	
1.00	Net earned premiums	
2.00	Investment income	
3.00	Other income	
	<b>TOTAL INCOME</b>	
	<b>EXPENDITURES</b>	
4.00	Net claims incurred	
5.00	Commissions and other acquisition costs	
6.00	General and administrative expenses	
7.00	Change in technical provisions	
8.00	Policyholders' dividends	
9.00	Other expenditures	
	<b>TOTAL EXPENDITURES</b>	
	<b>NET INCOME (LOSS) BEFORE TAXES</b>	
10.00	Less: Corporate taxes	
	<b>NET INCOME (LOSS) AFTER TAXES</b>	
11.00	Less: Shareholders' dividend	
	<b>NET EARNINGS</b>	

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**D. NOTES TO THE BALANCE SHEET**

		<b>CURRENT QUARTER AFL</b>		
		<b>Resident</b>	<b>Non-resident</b>	<b>Total</b>
<b>1.00</b>	<b>INVESTMENTS</b>			
1.10	Shares			
1.20	Bonds			
1.30	Real Estate			
1.40	Time Deposits			
1.50	Mortgage Loans			
1.60	Policy Loans			
1.70	Other Loans			
1.71	- Secured			
1.72	- Unsecured			
1.80	Other-specify			
	<b>Total</b>			
<b>2.00</b>	<b>FIXED ASSETS</b>			
2.10	Real Estate			
2.20	Office Furniture and Equipment			
2.30	Other-specify			
	<b>Total</b>			
<b>3.00</b>	<b>AFFILIATED COMPANIES</b>			
3.10	Shares			
3.20	Loans			
3.30	Current Accounts			
	<b>Total</b>			
<b>4.00</b>	<b>CURRENT ASSETS</b>			
4.10	Cash on Hand			
4.20	Due from other depository corporations			
4.30	Agents' and Brokers' Debit Balances			
4.40	Uncollected Premiums from Direct Business			
4.50	Investment Income Due Or Accrued			
4.60	Amounts Receivable from Reinsurers			
4.70	Amounts Due from Members (Mutual Companies)			
4.80	Other-specify			
	<b>Total</b>			
<b>5.00</b>	<b>INTANGIBLES</b>			
	Specify			



**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**D. NOTES TO THE BALANCE SHEET**  
*(Continued)*

		<b>CURRENT QUARTER</b>		
		<b>AFL</b>		
		<b>Resident</b>	<b>Non-resident</b>	<b>Total</b>
<b>6.00</b>	<b>TECHNICAL PROVISIONS</b>			
6.10	Previous Quarter			
6.20	Additions			
6.30	Deductions			
	<b>Total</b>			
<b>7.00</b>	<b>LONG TERM LIABILITIES</b>			
7.10	Loans form Financial Institutions			
7.20	Members' Loan/Loans affiliates			
7.30	Other-specify			
	<b>Total</b>			
<b>8.00</b>	<b>CURRENT LIABILITIES</b>			
8.05	Premiums Paid in Advance			
8.10	Premiums in Suspense			
8.15	Agents' and Brokers' credit balances			
8.20	Benefits Payable			
8.25	Bank Overdrafts and Loans			
8.30	Amounts due to Reinsurers			
8.35	Corporate Taxes Payable			
8.40	Dividends Payable to Policyholders			
8.45	Dividends Payable to Shareholders			
8.50	Amounts Payable to Affiliates			
8.55	Other-Specify			
	<b>Total</b>			
<b>9.00</b>	<b>SHAREHOLDERS' EQUITY</b>			
9.10	Issued and paid-in Capital			
9.20	Reserves-specify			
9.30	Retained Earnings			
	<b>Total</b>			
	<b>OFF BALANCE SHEET</b>			
	Contingent Liabilities (provide details)			
	Commitments (provide details)			
	Related Party Transactions (provide details)			

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**E. NOTES TO THE INCOME STATEMENT**

		<b>CURRENT QUARTER AFL</b>
<b>1.00</b>	<b>NET EARNED PREMIUMS</b>	
1.10	Direct Written Premiums	
1.20	Assumed Reinsurance Premiums	
	Gross Written Premiums	
1.30	Less: Ceded Reinsurance Premiums	
	<b>Total</b>	
<b>2.00</b>	<b>INVESTMENT INCOME</b>	
<b>2.10</b>	<b>Direct Investment Income</b>	
2.11	Dividend Income	
2.12	Interest on Bonds	
2.13	Income from rent	
2.14	Interest on Time Deposits	
2.15	Interest on Mortgage Loans	
2.16	Interest on Policy Loans	
2.17	Interest on Other Loans	
2.18	Other-specify	
	<b>Sub-total</b>	
<b>2.20</b>	<b>Indirect Investment Income</b>	
2.21	Revaluation Adjustments	
2.22	Capital Gain / (Loss) On Sales	
2.23	Other-specify	
	<b>Sub-total</b>	
	<b>TOTAL INVESTMENT INCOME</b>	
<b>3.00</b>	<b>OTHER INCOME</b>	
	Specify	
<b>4.00</b>	<b>NET CLAIMS INCURRED</b>	
4.10	Deaths Claims	
4.20	Maturities / lapses	
4.30	Surrenders	
4.40	Other-specify	
4.50	Less: Ceded Claims Recovered	
	<b>Total</b>	
<b>6.00</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	
6.10	Personnel costs (including social premiums)	
6.20	Other-specify	
	<b>Total</b>	



**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**G. OTHER ITEMS-NOTES TO THE INCOME STATEMENT**

		<b>CURRENT QUARTER</b>
<b>Other item description</b>	<b>Other item specified</b>	<b>AFL</b>
2.18 Direct investment income other		
2.23 Indirect investment income other		
3.00 Other income		
4.40 Net claims incurred other		
6.20 General and administrative expenses other		

Items pertaining to form *E. Notes to the income statement* for which further specification is required.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**H. BREAK-DOWN OF THE INVESTMENTS**

AFL		LOCAL INVESTMENTS 1)		FOREIGN INVESTMENTS	TOTAL
		Afl.	Fc		
<b>1.00</b>	<b>INVESTMENTS</b>				
1.10	Shares				
1.20	Bonds				
1.30	Real estate				
1.31	- Own use				
1.32	- Other				
1.40	Time deposits				
1.50	Mortgage loans				
1.60	Policy loans				
1.70	Other loans				
1.71	- Secured				
1.72	- Unsecured				
1.80	Other-specify				
	<b>TOTAL INVESTMENTS</b>				

1) Local investments denominated in local currency (Afl.) and foreign currencies (Fc).

# GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL STATEMENTS AND QUARTERLY REPORTS

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## I. THE 40-60% INVESTMENT RULE

**Table I**

% of	Total liabilities insurance companies <sup>1)</sup>	Required amount in Local Investments
	Total liability	
40%	First 10 million	4 million
50%	Second 10 million	5 million
60%	Remainder	60% of the remainder
	<b>TOTAL</b>	<b>9 million + 60% of the remainder</b>

1) Excluding shareholders' equity (paid-in capital, reserves and retained earnings) or assigned capital.

**Table II**

	AFL
Total Liabilities <sup>1)</sup>	
Required local investments (40%)	
Required local investments (50%)	
Required local investments (60%)	
Total required local investments (A)	
Actual local investments <sup>2)</sup> (B)	
Surplus/Deficit (B-A)	

2) Local investments denominated in Aruban Florins and foreign currencies.

It should be emphasized that no rights can be derived from the 40–60% investment rule, which is merely one of the criteria the CBA uses to evaluate requests from institutional investors for a foreign exchange license. Account is also taken, among other things, of the monetary policy stance and the development in the official reserve position.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**J. COVERAGE TEST <sup>1</sup>**

	ADMISSABLE ASSETS		Outstanding Amount	Weight Factor	Weighted Assets
<b>1.00</b>	<b>Investments</b>				
1.10	Shares		.....	80%	.....
1.20	Bonds				
	Government Bonds		.....	100%	.....
	Corporate-High credit quality		.....	95%	.....
	Corporate-Medium to low grade quality		.....	85%	.....
1.30	Real Estate		.....	90%	.....
1.40	Time Deposits		.....	100%	.....
1.50-1.60	Mortgage and Policy Loans		.....	100%	.....
1.71	Other Loans – secured		.....	100%	.....
1.72	Other loans – unsecured		.....	95%	.....
1.80	Other investments		.....	65%	.....
<b>2.00</b>	<b>Fixed Assets:</b>				
2.10	Real Estate-in own use		.....	90%	.....
2.20-2.40	Other Fixed Assets		.....	65%	.....
<b>3.00</b>	<b>Affiliated companies<sup>2</sup></b>		.....	90%	.....
<b>4.00</b>	<b>Current assets:</b>				
4.10	Cash on Hand		.....	100%	.....
4.20	Due from other depository corporations		.....	100%	.....
4.30	Agents'/brokers' balances, 90 days and under		.....	100%	.....
4.40	Uncollected Premiums, 90 days and under		.....	100%	.....
4.50	Investment Income due, 90 days and under		.....	100%	.....
4.60	Reinsurance Receivables		.....	100%	.....
4.70	Amounts due from Members <sup>3</sup>		.....	100%	.....
4.80	Other		.....	100%	.....
	<b>Total weighted assets</b>				.....
<b>8.00</b>	<b>Less: Current liabilities <sup>4</sup></b>				.....
	<b>Assets available to cover Technical Provisions</b>				.....
<b>6.00</b>	<b>Less: Technical Provisions</b>				.....
	<b>Surplus or (Deficit)</b>				.....
	<b>Coverage ratio (in percent)</b>				.....

For further guidance please refer to the CBA's guidelines on the coverage test.

1 In case the company sells insured investment products, whereby the policyholder bears the complete investment risk, the investments and technical provisions associated with these products should not be included in the coverage test calculation. In such case an explanatory note should be added to the coverage test sheet.

2 Only branches and agencies of life insurance companies are allowed to include claims on affiliated companies under this line item.

3 Only applicable to mutual insurance companies.

4 Excluding liabilities to affiliated companies.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
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**K. SOLVENCY MARGIN REQUIREMENT**

According to article 14, paragraph 1 of the SOSIB, an insurer engaged in the life insurance business must have a solvency margin equal eight percent of the provision for insurance obligations at the end of the preceding financial year, without taking the reinsurance portion of these obligations into account.

Furthermore, pursuant to the third paragraph of this article, an insurer must comply with the Solvency Guidelines issued by the CBA. In the case of a life insurer **AFL 400,000** if the insurer is doing strictly doing life insurance or **AFL 500,000** if the insurer has been doing both life, accident & sickness insurance prior to July 2001 within the same legal entity

Solvency Margin Calculation Life Insurance Company			
			Amounts in AFL 1,000
<b>9.00</b>	<b>Shareholders' Equity</b> (= available solvency margin)	<b>A</b>	.....
	5% of Total investments		.....
	<b>Excess intercompany current accounts receivable<sup>1</sup></b>	<b>B</b>	.....
<b>6.00</b>	Technical Provisions		.....
	8% thereof or		.....
	a minimum of AFL 400,000 or AFL 500,000		.....
	Required solvency margin <sup>2</sup>	<b>C</b>	.....
<b>Surplus/(Deficit) (A-B-C)</b>			.....

1. The outstanding amount of intercompany current accounts receivable that exceeds 5% of Total investments. Not applicable to branches or agencies. Branches or agencies should fill out 0 (zero) under this line item.
2. The highest outcome of either:
  - 8% of the "Provision for Insurance Obligations" in the preceding financial year, or
  - **AFL 400,000** if the insurer is doing strictly doing life insurance, or
  - **AFL 500,000** if the insurer has been doing both life, accident & sickness insurance prior to July 2001 within the same legal entity.



## **I.5 QUARTERLY REPORTS NONLIFE INSURANCE COMPANIES**

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**A. BALANCE SHEET**

		<b>CURRENT QUARTER AFL</b>		
		<b>Resident</b>	<b>Non-resident</b>	<b>Total</b>
	<b>ASSETS</b>			
1.00	Investments			
2.00	Fixed Assets			
3.00	Affiliated Companies			
4.00	Current Assets			
5.00	Intangibles			
	<b>TOTAL ASSETS</b>			
	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
6.00	Technical Provisions			
7.00	Long Term Liabilities			
8.00	Current Liabilities			
	<b>TOTAL LIABILITIES</b>			
9.00	Shareholders' Equity <sup>1</sup>			
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			

<sup>1</sup> The assigned capital in the case of a branch or agency.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**B. INCOME STATEMENT**

		<b>CURRENT QUARTER AFL</b>
	<b>INCOME</b>	
1.00	Net earned premiums	
2.00	Investment income	
3.00	Other income	
	<b>TOTAL INCOME</b>	
	<b>EXPENDITURES</b>	
4.00	Net claims incurred	
5.00	Commissions and other acquisition costs	
6.00	General and administrative expenses	
7.00	Change in technical provisions	
8.00	Policyholders' dividends	
9.00	Other expenditures	
	<b>TOTAL EXPENDITURES</b>	
	<b>NET INCOME (LOSS) BEFORE TAXES</b>	
10.00	Less: Corporate taxes	
	<b>NET INCOME (LOSS) AFTER TAXES</b>	
11.00	Less: Shareholders' dividend	
	<b>NET EARNINGS</b>	

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**C. INCOME STATEMENT BY INDEMNITY GROUP**  
Current quarter in AFL

		Accident & Health	Motor Vehicle	Marine Transport & Aviation	Property	Other	Total
	<b>INCOME</b>						
1.00	Net Earned Premiums						
2.00	Investment Income						
3.00	Other Income						
	<b>TOTAL INCOME</b>						
	<b>EXPENDITURES</b>						
4.00	Net Claims Incurred						
5.00	Commissions and other Acquisition costs						
6.00	General and Administrative Expenses						
7.00	Changes in Technical Provisions						
8.00	Policyholders' Dividend						
9.00	Other Expenditure						
	<b>TOTAL EXPENDITURES</b>						
	<b>NET INCOME (LOSS) BEFORE TAXES</b>						

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

**E. NOTES TO THE BALANCE SHEET**

		<b>CURRENT QUARTER AFL</b>		
		<b>Resident</b>	<b>Non-resident</b>	<b>Total</b>
<b>1.00</b>	<b>INVESTMENTS</b>			
1.10	Shares			
1.20	Bonds			
1.30	Real Estate			
1.40	Time Deposits			
1.50	Loans			
1.51	- Secured			
1.52	- Unsecured			
1.60	Other-specify			
	<b>Total</b>			
<b>2.00</b>	<b>FIXED ASSETS</b>			
2.10	Real Estate			
2.20	Office Furniture and Equipment			
2.30	Motor Vehicles			
2.40	Other-specify			
	<b>Total</b>			
<b>3.00</b>	<b>AFFILIATED COMPANIES</b>			
3.10	Shares			
3.20	Loans			
3.30	Current Accounts			
3.40	Other-specify			
	<b>Total</b>			
<b>4.00</b>	<b>CURRENT ASSETS</b>			
4.10	Cash in Hand			
4.20	Due from other depository corporations			
4.30	Agents' and Brokers' debit balances			
4.40	Uncollected Premiums from Direct Business			
4.50	Investment Income due or accrued			
4.60	Amounts receivable from Reinsurers			
4.70	Amounts due from members (Mutual Companies)			
4.80	Other-specify			
	<b>Total</b>			
<b>5.00</b>	<b>INTANGIBLES</b>			
	Specify			

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**E. NOTES TO THE BALANCE SHEET**  
(Continued)

		CURRENT QUARTER AFL		
		Resident	Non-resident	Total
<b>6.00</b>	<b>TECHNICAL PROVISIONS</b>			
<b>6.10</b>	<b>NET UNEARNED PREMIUM PROVISION</b>			
6.11	Accident and Health			
6.12	Motor Vehicle			
6.13	Marine, Transport and Aviation			
6.14	Property			
6.15	Other-specify			
	<b>Subtotal</b>			
<b>6.20</b>	<b>NET CLAIMS PROVISION</b>			
6.21	Accident and Health			
6.22	Motor Vehicle			
6.23	Marine, Transport and Aviation			
6.24	Property			
6.25	Other-specify			
	<b>Subtotal</b>			
<b>6.30</b>	<b>FUNDS PROVISION</b>			
6.31	Accident and Health			
6.32	Motor Vehicle			
6.33	Marine, Transport and Aviation			
6.34	Property			
6.35	Other-specify			
	<b>Subtotal</b>			
<b>6.40</b>	<b>OTHER TECHNICAL PROVISIONS</b>			
6.41	Accident and Health			
6.42	Motor Vehicle			
6.43	Marine, Transport and Aviation			
6.44	Property			
6.45	Other-specify			
	<b>Subtotal</b>			
	<b>TOTAL</b>			
<b>7.00</b>	<b>LONG TERM LIABILITIES</b>			
7.10	Loans from Financial Institutions			
7.20	Members' Loans/Loans Affiliates			
7.30	Other-specify			
	<b>TOTAL</b>			

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

**E. NOTES TO THE BALANCE SHEET**  
(Continued)

		<b>CURRENT QUARTER AFL</b>		
		<b>Resident</b>	<b>Non-resident</b>	<b>Total</b>
<b>8.00</b>	<b>CURRENT LIABILITIES</b>			
8.05	Premiums Paid in Advance			
8.10	Premiums in Suspense			
8.15	Agents' and Brokers' credit balances			
8.20	Claims Outstanding			
8.25	Bank Overdrafts and Loans			
8.30	Amounts due to Reinsurers			
8.35	Corporate Taxes Payable			
8.40	Dividends Payable to Policyholders			
8.45	Dividends Payable to Shareholders			
8.50	Amounts Payable to Members (Mutual Companies)			
8.55	Amounts Payable to Affiliated Companies			
8.60	Other-specify			
	<b>TOTAL</b>			
<b>9.00</b>	<b>SHAREHOLDERS' EQUITY</b>			
9.10	Issued and paid-in Capital			
9.20	Reserves-specify			
9.30	Retained Earnings			
	<b>TOTAL</b>			
	<b>OFF-BALANCE SHEET ITEMS</b>			
	Contingent Liabilities-specify			
	Commitments-specify			
	Related Party Transactions-specify			





**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**G. OTHER ITEMS-NOTES TO THE INCOME STATEMENT**

		CURRENT QUARTER
Other item description	Other item specified	AFL
2.16 Direct investment income other		
2.24 Indirect investment income other		
3.00 Other income		
6.20 General and administrative expenses other		

Items pertaining to form *H. Notes to the income statement* for which further specification is required.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**H. NOTES TO THE INCOME STATEMENT**

		<b>CURRENT QUARTER AFL</b>
<b>1.00</b>	<b>NET EARNED PREMIUMS</b>	
1.10	Direct Written Premiums	
1.20	Assumed Premiums	
	Gross Written Premiums	
1.30	Less: Ceded Premiums	
	Net Written Premiums	
1.40	Change In Unearned Premium Provision	
	<b>TOTAL</b>	
<b>2.00</b>	<b>INVESTMENT INCOME</b>	
<b>2.10</b>	<b>DIRECT INVESTMENT INCOME</b>	
2.11	Dividend	
2.12	Interest Bonds	
2.13	Income from rent	
2.14	Interest Time Deposits	
2.15	Interest Loans	
2.16	Other-specify	
	<b>Subtotal</b>	
<b>2.20</b>	<b>INDIRECT INVESTMENT INCOME</b>	
2.21	Revaluation Adjustments	
2.22	Capital Gain/(Loss) On Sales	
2.23	Capital Gain/(Loss) On Exchange Rates	
2.24	Other-specify	
	<b>Subtotal</b>	
	<b>TOTAL</b>	
<b>3.00</b>	<b>OTHER INCOME-specify</b>	
<b>4.00</b>	<b>NET CLAIMS INCURRED</b>	
4.10	Direct Claims Paid	
4.20	Assumed Claims Paid	
	Gross Claims Paid	
4.30	Less: Ceded Claims Recovered	
	Net Claims Paid	
4.40	Change In Net Claims Provision	
	<b>TOTAL</b>	

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**H. NOTES TO THE INCOME STATEMENT**

*(Continued)*

		<b>CURRENT QUARTER AFL</b>
<b>6.00</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	
6.10	Personnel costs (including social premiums)	
6.20	Other-specify	
	<b>TOTAL</b>	
<b>7.00</b>	<b>CHANGES IN TECHNICAL PROVISIONS</b>	
7.10	Change in Funds Provision	
7.20	Change in other Technical Provisions	
	<b>TOTAL</b>	

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**I. NOTES TO THE INCOME STATEMENT BY INDEMNITY GROUP**

		Direct written premium	Assumed premiums	Gross Written premiums	Ceded premiums	Net written premiums	Change in unearned premiums provisions	Net earned premium
<b>1.10</b>	<b>Accident &amp; health</b>							
1.11	Accident							
1.12	Medical							
1.13	Disability							
1.14	Other							
	<b>Subtotal</b>							
<b>1.20</b>	<b>Motor Vehicle</b>							
1.21	All risk							
1.22	Third party liability							
1.23	Disability							
1.24	Other							
	<b>Subtotal</b>							
<b>1.30</b>	<b>Marine, transport and aviation</b>							
1.31	Ocean Marine							
1.32	Inland Marine							
1.33	Aircraft							
1.34	Other							
	<b>Subtotal</b>							
<b>1.40</b>	<b>Property</b>							
1.41	Fire							
1.42	Homeowners multiple peril							
1.43	Commercial multiple peril							
1.44	Business interruption							
1.45	Burglary and theft							
1.46	Other							
	<b>Subtotal</b>							
<b>1.50</b>	<b>Other</b>							
1.51	Other-specify							
	<b>Subtotal</b>							
	<b>TOTAL</b>							

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**J. BREAK-DOWN OF THE INVESTMENTS**

AFL		LOCAL INVESTMENTS 1)		FOREIGN INVESTMENTS	TOTAL
		Afl.	Fc		
<b>1.00</b>	<b>INVESTMENTS</b>				
1.10	SHARES				
1.20	BONDS				
1.30	REAL ESTATE				
1.31	- OWN USE				
1.32	- OTHER				
1.40	TIME DEPOSITS				
1.50	OTHER LOANS				
1.51	- SECURED				
1.52	- UNSECURED				
1.60	OTHER-SPECIFY				
	<b>TOTAL INVESTMENTS</b>				

1) Local investments denominated in local currency (Afl.) and foreign currencies (Fc).

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

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**K. THE 40-60% INVESTMENT RULE**

**Table I**

% of	Total liabilities insurance companies <sup>1)</sup>	Required amount in Local Investments
	Total liability	
40%	First 10 million	4 million
50%	Second 10 million	5 million
60%	Remainder	60% of the remainder
	<b>TOTAL</b>	<b>9 million + 60% of the remainder</b>

**Table II**

	AFL
Total Liabilities <sup>1)</sup>	
Required local investments (40%)	
Required local investments (50%)	
Required local investments (60%)	
Total required local investments (A)	
Actual local investments <sup>2)</sup> (B)	
Surplus/Deficit (B-A)	

1) Excluding shareholders' equity (paid-in capital, reserves and retained earnings) or assigned capital.

2) Local investments denominated in Aruban Florins and foreign currencies.

It should be emphasized that no rights can be derived from the 40–60% investment rule, which is merely one of the criteria the CBA uses to evaluate requests from institutional investors for a foreign exchange license. Account is also taken, among other things, of the monetary policy stance and the development in the official reserve position.

**GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL  
STATEMENTS AND QUARTERLY REPORTS**

**L. COVERAGE TEST**

<b>AFL</b>	<b>Admissible assets</b>	<b>Outstanding amount</b>	<b>Weight Factor</b>	<b>Weighted Assets</b>
<b>1.00</b>	<b>Investments</b>		<b>%</b>	
1.10	Shares	.....	80%	.....
1.20	Bonds			
	Government bonds	.....	100%	.....
	Corporate: Highest or strong credit quality	.....	95%	.....
	Corporate: Upper medium to medium low quality	.....	85%	.....
1.30	Real estate	.....	90%	.....
1.40	Time deposits	.....	100%	.....
1.51	Loans-secured	.....	100%	.....
1.52	Loans-unsecured	.....	95%	.....
1.60	Other	.....	65%	.....
<b>2.00</b>	<b>Fixed assets</b>			
2.10	Real estate	.....	90%	.....
2.20/2.30/2.40	Other fixed assets	.....	65%	.....
<b>3.00</b>	<b>Affiliated Companies <sup>1</sup></b>	.....	90%	.....
<b>4.00</b>	<b>Current assets</b>			
4.10	Cash in Hand	.....	100%	.....
4.20	Due from other depository corporations	.....	100%	.....
4.30	Agents'/brokers' balances, 90 days and under	.....	100%	.....
4.40	Uncollected premiums, 90 days and under	.....	100%	.....
4.50	Investment income due, 90 days and under	.....	100%	.....
4.60	Amounts receivable from reinsurers	.....	100%	.....
4.70	Amounts due from members <sup>2</sup>	.....	100%	.....
4.80	Other	.....	100%	.....
	<b>Total weighted assets</b>			.....
<b>8.00</b>	<b>Less: Current liabilities <sup>3</sup></b>			.....
	<b>Assets available to cover Technical provisions</b>			.....
<b>6.00</b>	<b>Less: Technical provisions</b>			.....
	<b>Surplus or (Deficit)</b>			.....
	<b>Coverage ratio (in percent)</b>			.....

For further guidance please refer to the CBA's guidelines on the coverage test.

1. Only branches and agencies of nonlife insurance companies are allowed to include claims on affiliated companies under this line item.
2. Only applicable to mutual insurance companies.
3. Excluding liabilities to affiliated companies.

## GUIDELINES FOR THE COMPOSITION AND COMPILATION OF THE ANNUAL STATEMENTS AND QUARTERLY REPORTS

### M. SOLVENCY MARGIN REQUIREMENT

According to article 14, second paragraph of the SOSIB, an insurer engaged in the general (non-life) insurance business must have a solvency margin equal to the highest outcome of one of the following calculations:

- a. 15% of the gross premiums booked in the preceding financial year, or
- b. 15% of the average gross claims incurred in the last three financial years.

However, there is a minimum solvency requirement of **Afl. 300,000**.

Solvency Margin Calculation Nonlife Insurance Companies				
			Amounts in AFL 1,000	
<b>9.00</b>	<b>Shareholders' Equity</b> (= available solvency margin)	<b>A</b>		.....
	5% of Total investments		.....	
	<b>Excess intercompany current accounts receivable<sup>1</sup></b>	<b>B</b>		.....
	15% gross premium income; or		.....	
	15% of the average gross claims incurred		.....	
	or a minimum of AFL 300,000		300	
	Required solvency margin <sup>2</sup>	<b>C</b>		.....
<b>Surplus/(Deficit) (A-B-C)</b>				.....

1. The outstanding amount of intercompany current accounts receivable that exceeds 5% of Total investments. Not applicable to branches or agencies. Branches or agencies should fill out 0 (zero) under this line item.
2. Highest outcome of either:
  - 15% of the gross premiums booked in the preceding financial year, or
  - 15% of the average gross claims incurred in the last three financial years, or
  - a minimum of Afl. 300,000.