

Aetna Life Insurance Company - Canadian Branch

LIMAT Ratio Public Disclosure Summary Template

(thousands of dollars, except percentages)

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

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

		Current Period 12/31/2021	Prior Period 12/31/2020	
Available Margin (A-B)	C	66,623	67,200	
Assets Available	A	79,836	81,097	
Assets Required	B	13,213	13,897	
Surplus Allowance and Eligible Deposits	D	1,012	1,051	
Required Margin	E	11,989	10,598	
LIMAT Total Ratio $([C+D] / E) \times 100$		564%	644%	

Qualitative Analysis of Solvency Ratio

- The 2021 year-end LIMAT is 564% which saw a year-over-year decrease of 80%. Aetna's capital position continues to be strong although sensitive to interest rates due to the large volumes of surplus assets that has no matching liability. The long dated bonds added to the portfolio this year compounded this effect by increasing asset cashflow in later durations.
- The total ratio is well in excess of OSFI's supervisory target level.