Summary of Revisions for Post October 30, 2020 Exposure:

Only the new revisions made in response to comments received prior and direction received during the October 30, 2020 Working Group meeting are shown. Revisions have been made throughout the document where applicable to change the calibration of the GCC to 200% x ACL RBC.

There are comment bubbles on pages 38, 44, and 44. Revisions have been posted in the following places:

Section I - Background
- Paragraphs 2, 3, 7, edits related to clarification requests.

Section II - Definitions
- Paragraph 9 clarifies when to treat affiliated investment managers and underlying collective investment entities as non-financial entities
- Paragraph 11 (New) adds a definition of Insurance Subgroup for a non-U.S. led group
- Paragraph 16 clarifies the definition of Material risk relative to insurers within the group; changes Secondary considerations to “Other” considerations; and eliminated the quantitative (5%) criterion from the Other considerations.

Section III – Exemptions and Scope
- Paragraph 23 adds a reference to Insurance Subgroup.
- Paragraph 26 adds a reference to Insurance Subgroup.
- Paragraph 28 adds a reference to Insurance Subgroup. The paragraph is also substantially revised to align with paragraph 30 regarding the scope of application for an Insurance Group.
- Paragraph 30 adds a reference to Insurance Subgroup. Also adds clarifying language on treatment of entities outside the insurance subgroup.

Section IV – General Instructions
- Paragraph 37 clarifying language reenforcing the aggregation concept
- Paragraph 41 eliminating the reference to XXX /AXXX business

Input 1 – Schedule 1
- Paragraph 55 (Page 18) clarified entity category to be reported for insurance or financial Schedule A / BA entities de-stacked from an insurer.
- Chart on Page 19 revised to match current entity categories
- Paragraph 57 (on pages 22 and 23) Combined dividend paid and received into a single “Net” column; added a column for dividends declared and unpaid; changed the instructions for Dividends Received and Not Retained to include dividends received and already paid upstream.

Input 2 - Inventory
- Paragraph 59 (Page 26) revised reporting of notional value for guarantees and capital maintenance agreements.
- Paragraph 61 (Page 29) clarifies that the GCC will used unscaled values for foreign insurer capital requirements and apply the Excess Relative Ratio approach in the sensitivity analysis.
• Paragraph 64 and 65 (Page 31) adjusts capital calculations for Non-insurance Financial Entities NOT Subject to a Specified Regulatory Capital Requirement and Non-Insurance, Non-Financial Entities with Material risk, respectively.
• Paragraph 66 (Page 32) clarifies treatment of non-operating holdcos and their related debt.

Input 3 - Capital Instruments
• Paragraph 68 (Page 35) adds characteristics of hybrid debt.
• Paragraph 69 (Pages 37 and 38) Eliminates “Tracked Down-streamed” metric for establishing subordination and replaced with the APCIA suggested approach (suggested wording included). Also made other revisions to match changes to the template.

Input 5 – Sensitivity Analysis
• Paragraph 73 (Page 39) added a sensitivity analysis to report GCC at 300% x ACL RBC
• Paragraph 73 (Page 39) revised to exclude AAA /AXXX related permitted practices from the sensitivity analysis.
• Paragraph 73 (Page 40) revised to use the Excess Relative Ratio approach in the sensitivity analysis.
• Paragraph 73 (Page 41) Eliminate the sensitivity analysis for alternate capital calculation for financial entities without regulatory capital requirements.
• Paragraph 73 (Page 42) Expand the scope of the sensitivity test for Other Regulator Discretion.

Input 6 – Other Information
• Paragraph 79 (Page 45) deletes language related to volunteer proposed scalers.

Calc 1 – Scaling (Foreign Insurers)
• Paragraph 82 revises the placeholder scaling methodology to 100% of jurisdictional PCR.

The GCC Template has been updated in line with the revised instructions where applicable.