

2023 LICAT Ratio Public Disclosure Summary

First Canadian Insurance Corporation is a Canadian life and accident and sickness insurance company whose primary regulator is the Alberta Superintendent of Financial Institutions. The Alberta Superintendent of Financial Institutions adopted the Office of Superintendent of Financial Institutions (OSFI) new regulatory capital framework, the Life Insurance Capital Adequacy Test (LICAT) on January 1, 2018.

Companies are required, at minimum, to maintain a Core Ratio of 55% and a Total Ratio of 90%. The Alberta Superintendent of Financial Institutions has adopted OSFI's established supervisory target levels of 70% for Core Ratio and 100% for Total Ratio.

Definition of terms can be found in Guideline A at: [LICAT – Life Insurance Capital Adequacy Test](#)

		2023 (\$'000)	2022 (\$'000)	Change
Tier 1 Capital	(AC1)	119,705	88,439	35%
Tier 2 Capital	(B)	3,285	3,534	-7%
Available Capital (AC1 + B)	(AC)	122,990	91,973	34%
Surplus Allowance and Eligible Deposits	(SA+ED)	19,396	20,935	-7%
Base Solvency Buffer (includes OSFI scalar of 1.00)	(BSB)	77,605	72,852	7%
Total Ratio ((AC+SA+ED) / BSB) x 100		183%	155%	28%
Core Ratio ((AC1+(70% SA)+(70% ED)) / BSB) x 100		172%	142%	30%

The Total Ratio and Core Ratio period changes are mainly due to an increase in Tier 1 Capital as a result of the transition to IFRS 17 and applying the LICAT 2023 calculations. The base solvency buffer increased due to increases in market and credit risk related to the investment portfolio of the Corporation.