

# Life Insurance Capital Adequacy Test (LICAT) ratio

## LICAT Ratio Public Disclosure Summary

The Company manages its capital in accordance with its Capital Risk Management Policy and other related policies, which are reviewed and approved by the Board of Directors annually. The Company's goal is to maintain adequate levels of available capital to remain financially strong, maintain consumer confidence and provide sufficient margin over capital levels required by the Office of the Superintendent of Financial Institutions ("OSFI"). The Company's senior management engages the Board with regards to actions necessary to maintain appropriate capital levels.

The Company uses OSFI's prescribed formula for measuring capital under its Life Insurance Capital Adequacy Test ("LICAT") framework. Both the LICAT ratios in 2024 and 2023 have exceeded the Internal Capital Ratios, established in accordance with OSFI's Guideline A-4.

The following table provides regulatory capital information and ratios as at December 31. The 2024 LICAT ratios were calculated in accordance with the current guidelines. Both the Total Ratio and Core ratio continue to be well above the OSFI guideline minimum and supervisory targets.

## Canadian Premier Life Insurance Company - LICAT

(Thousands of dollars, except percentages)

		December 31, 2024	December 31, 2023	Change - %
<b>Capital Resources</b>				
Available Capital (A + B)		293,544	247,780	18%
Tier 1	(A)	247,760	207,500	19%
Tier 2	(B)	45,785	40,279	14%
Surplus Allowance and Eligible Deposits	(C)	89,707	84,295	6%
<b>Capital Requirements</b>				
Base Solvency Buffer	(D)	250,718	225,423	11%
<b>Capital Levels</b>				
Core Ratio $([A + 70\%C] / D) \times 100$				
	Minimum	55%	55%	
	Supervisory Target	70%	70%	
	<b>Actual Core Ratio</b>	<b>124%</b>	<b>118%</b>	<b>6%</b>
Total Ratio $([A + B + C] / D) \times 100$				
	Minimum	90%	90%	
	Supervisory Targets	100%	100%	
	<b>Actual Total Ratio</b>	<b>153%</b>	<b>147%</b>	<b>6%</b>

### **Analysis of change in ratio from 2023 to 2024**

The Total Ratio and Core Ratio increased marginally from 2023 primarily due to growth from new business Contractual Service Margin (CSM) offset by the growth in the capital (base solvency buffer) required to support the business.

Both the Total Ratio and Core Ratio continue to be well above the guideline minimum and supervisory targets.

For more information you can reach us at **1-844-894-0378**.



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