KEY METRICS REPORT – P&C INSURERS

Instructions

All federally regulated insurance companies (insurer) are required to complete a Key Metrics Report (KMR). The KMR form is to be submitted to OSFI at least annually and within 30 days of the Own Risk and Solvency Assessment (ORSA) report being reviewed by the insurer's Board of Directors or signed off by its Chief Agent. The following instructions are provided to assist in completing the KMR:

	General Instructions
KMR Template	The template should not be modified by the insurer. Insurer input should be made only to the **white cells** in the template. Shaded cells are not applicable or contain embedded formulas that should not be adjusted. A structured return (OP) will be made available within your RRS Draft Returns folder on a yearly basis. Insurers will have two filing options: 1. The RRS on-line web form for direct data input and submission. 2. Alternatively, institutions can submit this data by uploading an XML file to RRS. Technical specifications for the format and structure of this data file are available for download in RRS under Documents / Portal Documents / English / Return Technical Specifications. Insurers who wish to include an alternative presentation should do so by submitting an additional schedule to their OSFI Lead Supervisor in addition to the RRS KMR (OP) structured filing. Name of insurer and date of ORSA report reviewed by the insurer's Board of Directors or signed off by its Chief Agent should be entered in the respective yellow boxes at the top of the KMR.

Column 02	Instructions
General	The amounts reported as "Regulatory Capital (Margin)" should be those calculated per the MCT / MICAT. Regulatory Capital (Margin) under the MCT / MICAT is calculated at the Supervisory Target level and should be reported in this way on column 02, lines 01 through 04 and line 19. The Regulatory Capital (Margin) at Target level is adjusted to the MCT / MICAT Minimum capital (margin) required on line 05 by an embedded formula.
Line 05 : **MCT / MICAT Minimum capital (margin) required (A)**	This line is calculated by an embedded formula. It represents the insurer's regulatory MCT / MICAT "Minimum capital (margin) required". Refer to the MCT / MICAT guideline for the detailed calculation approach.

Columns 03 & 05	Instructions
For all applicable Lines	These lines are calculated by an embedded formula, where applicable. These two columns represent the percentages of the amount of each applicable line in relation to the amount reported as regulatory capital (margin) on line 05 (A).

Column 04	Instructions
General	The risk categories (e.g. Insurance, Market, Credit, Operational, Other) and amounts reported as an insurer's "ORSA Capital (Margin)" should reflect those determined as part of the insurer's ORSA process. An insurer's allocation of the various components calculations of its Own Capital (Margin) Needs should be consistent with the components of MCT / MICAT "Minimum capital (margin) required" with explanations and details provided.
Lines 06 – 17: **Other ORSA Risks (write in)**	Describe and include amounts for other risks not explicitly specified in the MCT / MICAT guideline (e.g. concentration risk) but assessed as part of the ORSA. (These should therefore not be included in any lines under Column 02 vis-à-vis Regulatory Capital (Margin)).
Line 18: **ORSA Adjustments – Other**	Include amounts for elements that relate to an adjustment to a number of own risks or to a specific own risk not identified /included on a particular line (e.g. model risk, data quality/quantity or for management tolerances, if not quantified elsewhere).
Line 19: **Adjustments – Aggregation /Diversification**	Include amounts for between-risk diversification benefits (i.e. within-risk diversification should be reflected on that individual risk line), net of any dependencies creating, in aggregate, capital (margin) needs that are greater than the sum of the individual risk assessments.
Line 20: **ORSA Adjustments - Extremely Severe Scenarios**	May be necessary when sophisticated scenario testing tools uncover dependencies between risks that had not been measured by individual risk assessment, or when it is determined that some plausible but extremely severe scenarios, in aggregate, amount to capital (margin) needs greater than the sum of the individual risk assessments.
Line 21: **ORSA Own Capital (Margin) Needs**	This line is calculated by an embedded formula and reflects the insurer's assessment of "Own Capital (Margin) Needs" for all risks.
Line 22: **ORSA Adjustments – Other**	Once an insurer has determined "Own Capital (Margin) Needs" (i.e.: line 21 above), other adjustments may be required to account for external or third party margin expectations, notably OSFI expectations including that the "Internal Target" (line 24) should not be less than the MCT / MICAT Supervisory "Target capital (margin) required". Adjustments applied in line 22 must be positive.

Line 23: **ORSA Adjustments – Varying Nature & Severity Scenarios**	In addition to the "Adjustments – Other" (i.e. line 22 above), an insurer may include additional adjustments based on scenarios of varying nature and severity to assess the adequacy of the margin between the amount of its "Own Capital (Margin) Needs" and external expectations (e.g. OSFI's Supervisory Target). Adjustments applied in line 23 must be positive.
Line 24: **Internal Target**	This line is calculated by an embedded formula. This should be the same as the Internal Target identified in the insurer's Capital Management Policy and disclosed to OSFI. This amount should not be less than OSFI's Supervisory Target. As outlined in *Guideline A-4: Regulatory Capital and Internal Targets*, the Internal Target should be determined through the ORSA process.

Column 06 and Reconciliation of Capital Resources (Net Assets Available)	Instructions
Column 06 - Methodology and References	Should identify the methods used in the ORSA process and include references to the sections of the ORSA report that provide a description of how the risk or element was quantified.
Reconciliation of Capital Resources (Net Assets Available)	If regulatory "Capital Resources (Net Assets Available)" differs from that used for ORSA purposes (e.g. foreign branch's non-vested assets), insurers should provide details on any "ORSA Capital resources (Net Assets Available)" reconciling items.

The following should be documented and included within the ORSA report or supporting materials:
A summary calculation and explanation of the between-risks aggregation /diversification adjustment methodology and results (line 19) should be documented and included within the ORSA report or supporting materials. To determine if the Internal Target is above OSFI's Supervisory Target, compare the dollar ($) amount of the: • "Internal Target" (column 04 line 24) to • "Target capital (margin) required (column 02 line 21).