canadian premier™
A Securian Financial company

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 provide sufficient margin over capital levels required by OSFI to maintain consumer confidence as well as ratings with external rating agencies. 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 2022 and 2021 have exceeded the Internal Capital Ratios, established in accordance with OSFI's Guideline A-4, throughout 2022 and 2021. The Internal Capital Target Ratio is 125%, unchanged from 125% in 2021.

The following table provides regulatory capital information and ratios as at December 31. 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, 2022**	**December 31, 2021**	**Change - %**
Capital Resources				
Available Capital (A + B)		115,068	105,962	9%
Tier 1	(A)	104,245	90,111	16%
Tier 2	(B)	10,823	15,851	-32%
Surplus Allowance and Eligible Deposits	(C)	53,925	69,282	-33%
Capital Requirements				
Base Solvency Buffer	(D)	116,350	105,985	10%
Capital Levels				
Core Ratio ([A + 70%C] / D) x 100				
Minimum		55%	55%	
Supervisory Target		70%	70%	
CPL Actual **Core Ratio**		**122%**	**131%**	-9%
Total Ratio ([A + B + C] / D) x 100				
Minimum		90%	90%	
Supervisory Targets		100%	100%	
CPL Actual **Total Ratio**		**145%**	**165%**	-20%

Analysis of change in ratio from 2021 to 2022

The Total Ratio and Core Ratio have decreased over 2022 for the following reasons:

- Increase in available capital as the parent company provided additional funding offset by rising interest rates that led to unrealized losses on fixed-income assets
- Decrease in surplus allowance caused by rising interest rates
- Increase in base solvency buffer due to normal business growth and a change in asset mix

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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