Combined Insurance Company of America, Canadian branch
Year-End 2025 LIMAT

LIMAT[1]

Canada's Insurance Companies Act (ICA) requires federally regulated life insurance companies and societies, holding companies and companies operating in Canada on a branch basis, respectively, to maintain adequate capital or to maintain an adequate margin of assets in Canada over liabilities in Canada. OSFI's Life Insurance Margin Adequacy Test (LIMAT), along with OSFI Guideline A-4: Regulatory Capital and Internal Capital Targets, provide the framework within which the OSFI Superintendent assesses whether life insurers operating in Canada on a branch basis (branches) maintain an adequate margin.

Combined Insurance Company of America, Canadian branch				
Year-End 2025 LIMAT				
(000's CAD)		31-Dec-25	31-Dec-24	Change(%)
Available Margin	A	675,274	622,671	8.4%
Other Admitted Assets	B	130,869	120,416	8.7%
Surplus Allowance and Eligible Deposits	C	273,227	262,736	4.0%
Required Margin	D	534,965	503,567	6.2%
LIMAT Core Ratio: (A + 70%C - B)/D		137.5%	136.3%	0.9%
LIMAT Total Ratio: (A+C)/D		177.3%	175.8%	0.8%

		Total	Core
OSFI Supervisory Target LIMAT Ratios		100%	70%
OSFI Minimum Target LIMAT Ratios		90%	55%

Qualitative Analysis of Solvency Ratio (Period over Period):

- The LIMAT Total Ratio increased from 175.8% (December 31, 2024) to 177.3% (December 31, 2025).
- The 2025 change in the Available Margin (A), due to an increase in the market value of vested assets and a decrease in liabilities.
- The 2025 Change in the Surplus Allowance (C), due to the year end model and assumption update.
- The 2025 Change in the Required Margin (D) , mostly due to the year end model and assumption update.
- The Total Ratio remains above the Branch’s operational target level and well above the supervisory target level.

Note 1:

https://www.osfi-bsif.gc.ca/en/guidance/guidance-library/life-insurance-capital-adequacy-test-guideline-2025