

Circular No. ID 07/19

6 May 2019

To Chief Executives

All Insurers, with the exception of captives, Lloyd's insurers and marine mutuals

Dear Sir/Madam

ISSUANCE OF TECHNICAL SPECIFICATIONS FOR RBC 2 PARALLEL RUN FOR YEAR ENDED 31 DECEMBER 2018

Following the analysis of the RBC 2 impact study submissions, company visits and feedback received in 2018, we have made further refinements to the RBC 2 technical specifications and are pleased to attach the updated technical specifications, workbooks and questionnaire.

2 This set of technical specifications sets out the updated policy positions on the RBC 2 framework on matching adjustment (MA), illiquidity premium (IP) and recognition of internal credit rating model or process for unrated corporate bonds. Key changes to the previous technical specifications are highlighted in the technical specifications. The untracked version of the technical specifications can be found on MAS website via [link](#). There remains but a few areas, such as the treatment of infrastructure investments and securitised assets and calibration of the general insurance catastrophe risk requirement, which MAS intends to consult with the industry in due course this year.

3 All insurers, with the exception of captives, Lloyd's insurers and marine mutuals, are required to conduct the parallel run for the year ended 31 December 2018, based on the instructions set out in the technical specifications. The parallel run will allow insurers and MAS to assess the impact of the updated RBC 2 proposals on capital positions and the wider business and strategic implications when RBC 2 becomes effective on 1 January 2020. The results and questionnaire are to be submitted to MAS in the format specified no later than **2 July 2019**.

4 The completed workbooks should be submitted by the insurer via an email attachment to the insurer's liaison officer in MAS, using AES 256 encryption or higher. The insurers should deliver the corresponding alphanumeric password of minimum 12 characters in length or encryption key via a separate transmission channel (e.g. telephone) to MAS. MAS uses WinZip12 AES 256 encryption to protect such information. The questionnaire is to be completed online using the following [link](#). Please remember to indicate your company's name when completing the survey online.

5 If you have queries relating to the parallel run, please contact your company's liaison officer in MAS. Insurers are to direct all queries relating to the technical specifications to RBC2Con@mas.gov.sg. Thank you.

Yours faithfully

(sent via MASNET)

DANIEL WANG
EXECUTIVE DIRECTOR
INSURANCE DEPARTMENT

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