

An application for the approval of an **Insurance Product** should be accompanied by the following, where applicable:

- The policy contract including any supporting schedules;
 - Must include product name
 - Must specify class of insurance business under which it is to be placed
- Product Illustrations for prospective policyholders;
- Marketing material that will be given to policyholders and the public;
- The actuarial pricing report;
- A representation by the Board of Directors that the company's internal review processes have been followed; and

In addition - for life insurance, medical insurance and annuities

- Schedules of any guaranteed rates, for example annuity purchase rates;
- The actuary's certification that the premium rates are suitable for the class of policy to which the policy belongs, in accordance with section 102 of the Act;

Content of the Actuarial Pricing Report

The actuarial pricing report in respect of new or amended policies or products should at minimum consider and detail the following, where applicable:

- Product description
- Underwriting requirements and risk classifications
- New business projections (re-pricing of product exempted) inclusive of:
 - Whether the company will continue to satisfy solvency requirements in accordance with section 50 of the Act; and
 - The impact of writing new businesses on the company's capital should be disclosed.
- Valuation Methodology
- Actuarial Assumptions used should incorporate the following:
 - The rationale for the pricing interest rate assumption and margin as well as a schedule of assets that will be used to back portfolios;
 - Pricing expense assumptions (acquisition and renewal) should be consistent with similar products and valuation assumptions. Any variations should be justified;
 - Expense inflation assumptions including the rationale for the level of assumptions. Where no assumption is made, the rationale should also be provided;
 - Mortality, morbidity and lapse assumptions and rationale for these assumptions;
 - Provisions for Adverse Deviations (PfADs) and
 - Any other assumption and rationale.
- Commission, override and chargeback scales
- Policy Fees, is any

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- Corporate taxes
- Required capital factors and capital targets
- Profit Measures
- Reinsurance Arrangements, if applicable
- Results of sensitivity testing, taking into consideration all the significant risks to policyholders and the company.
 - The sensitivity analysis should be proportionate to the complexity/risks of the product being introduced; and
 - For Life companies, changes in mortality/ morbidity, interest rates and expenses should be assessed.
- For Health Insurance, the expected claims ratio of the policy
- The certification of the actuary stating compliance with section 102 of the Act.
- Schedule of Premium Rates