

Why is the RIY different for the target scheme of the consolidated schemes compared to the individual schemes target RIYs?

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We would not expect the RIY values for the consolidated ceding schemes amount (grouped together) and its corresponding target scheme RIY to be the same as when looking at each of the individual ceding schemes in isolation to their individual corresponding target scheme RIYs.

For example if there are several ceding schemes their sum total is assumed for the transfer value when determining the RIY of the target scheme.

When looking at each individual ceding scheme in isolation, the system uses the specific amount within each pot as the transfer value for the target scheme. Because each ceding scheme can have different starting amounts, it is expected that the charges may differ for the differing amounts in each pot, which can result in different RIYs for their corresponding target schemes. E.g. charges may be higher for smaller amounts so the resulting RIY would differ.

The system is not designed to look at an individual ceding scheme and then compare it to the RIY that would be available from the sum of all the ceding schemes added together.
