
HEALTH INSURANCE: MEETING AGENDA

AS OF OCTOBER 2008

In order to make your rating experience as complete and comprehensive as possible, A.M. Best's analytical team has prepared a sample health meeting agenda, detailing the areas that will be discussed in the initial interactive rating meeting.

Overview

- Management Structure
- Mergers & Acquisition/Disposition Strategy
- Parental/Shareholder Expectations
- Assessment of Business Environment
- Regulatory Issues (Relevant to Your Core Marketplace Areas)
- Overall Strategy and Expansion Plans
- Non-Insurance Entities

Business Discussion by Main Product Lines (Individual and Group Insurance)

- Competitive Market Position
- Sales Performance by Product Line (Premiums, Enrollment or Policies)
- Non-Underwritten Business
- Health Networks and Provider Arrangements
- Utilization Management
- Primary Operational Areas
- New Products
- Distribution Channels

Investments

- Balance Sheet Composition
- Investment Strategy
- Management/Performance of Portfolio
- Asset/Liability Management
- Discussion of Liquidity

Financial Performance

- Profitability by Product Line or Business Unit (Mortality, Morbidity, Expenses, Assumptions, Loss Ratio) – Historical, Year-to-Date and Projected
- Projected Two-Three Year Business Plan
- Budgets, Investment in Technology
- Embedded Value Analysis (European Companies)
- External/Internal Actuarial Reviews

(Continued)

Capitalization

- Capitalization (Targeted Levels, Statutory Coverage, Access to Capital, ROE Targets)
- Dividend Policy
- Holding Company and Corporate Overview (Leverage, Coverage, Cash at Holdco, Consolidating Statements, Parent Only Statements, Sources and Uses of Cash)
- Reinsurance Agreements

Pricing and Reserves

- Underwriting and Reserving Methodologies and Procedures
- Claim Reserve Analysis
- IBNR Development and Three Prior Years Results
- Pricing Strategies
- Rate Increases
- Underwriting Cycle Management

Enterprise Risk Management*

- ERM Framework
- Risk Correlation
- Modeling Capabilities—Economic Capital/DFA/RAROC
- Risk Tolerance
- Risk Management Objectives (i.e., Front End [i.e., Product Design], Back End [i.e., Hedging, Reinsurance, etc.]

*A.M. Best's expectation of a company's ERM capabilities will vary depending upon an insurer's scope of operations, size and risk complexity. In some cases, a separate ERM meeting may be required.

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