
PROPERTY/CASUALTY INSURANCE: MEETING AGENDA

AS OF NOVEMBER 2008

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

Organization Structure

- Ownership and Membership Requirements
- Overview of Corporate Structure
- Management and Board of Directors

Corporate Governance

- Mission Statement
- Management's Perspective on Key Risks
- Risk Management Framework—Roles, Responsibilities & Oversight
- Board Involvement
- Systems/Internal Controls

Capital Structure (Holding Company & Operating Company)

- Composition
- Capital Management Strategy
- Capital Adequacy
- Financial Leverage/Debt Service
- Financial Guarantees
- Sources & Uses (5 Years)
- Cash & Liquidity

Underwriting

- Product Offering(s)
- Geographic Footprint
- Limits Profile
- Base Rate & Overall Pricing Changes
- Retention
- Cycle Management Strategy
- Price Monitoring/Internal Controls
- Expansion Initiatives
- External Risk Factors

(Continued)



Marketing and Business Production

- Distribution Sources
- Diversification
- Business Strategies; Short and Long Term
- Growth Strategies and Targets

Claims and Loss Reserves

- Severity and Frequency Trends
- Claims Administration (Internal/Third Party)
- New Potential Claim Emergence
- Loss Reserves (Actuarial Report)—Carried vs. Indicated
- Management's Perspective of Reserve Adequacy
- Asbestos & Environmental Reserve Analysis (if Applicable)

Reinsurance/Pooling

- Pro-Rata/Per Risk Excess of Loss
- Catastrophic Reinsurance Programs
- Loss Portfolio Transfers/Aggregate Stop Loss (Contracts)
- Inter-Company Reinsurance/Pooling Agreements
- Credit Risk
- Net Retention

Investments

- Strategy & Guidelines
- Composition
- Credit Risk—Potential Bond Issuer Default
- Capital Market Risk—Equities/Interest Rates
- Investment Manager(s)

Financial Data

- Statutory Financial Statement(s)
- Consolidated GAAP Holding Company Financial Statement(s) (Audited if Available)
- Long-Range Pro-Forma Financials—Income Statement & Balance Sheet

Catastrophe Management Framework

- Natural & Man-Made Catastrophe Exposure Analysis
- Catastrophe Model(s) Used
- Probable Maximum Loss (PML)/Tail Risk Analysis
- Risk Aggregation/Mapping/Geocoding

Enterprise Risk Management*

- ERM Framework
- Risk Correlation
- Modeling Capabilities—Economic Capital/DFA/RAROC
- Risk Tolerance/Risk Management Objectives

Other

- Regulatory
- Legislative
- Judicial

*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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