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AM BEST'S MONTHLY INSURANCE MAGAZINE

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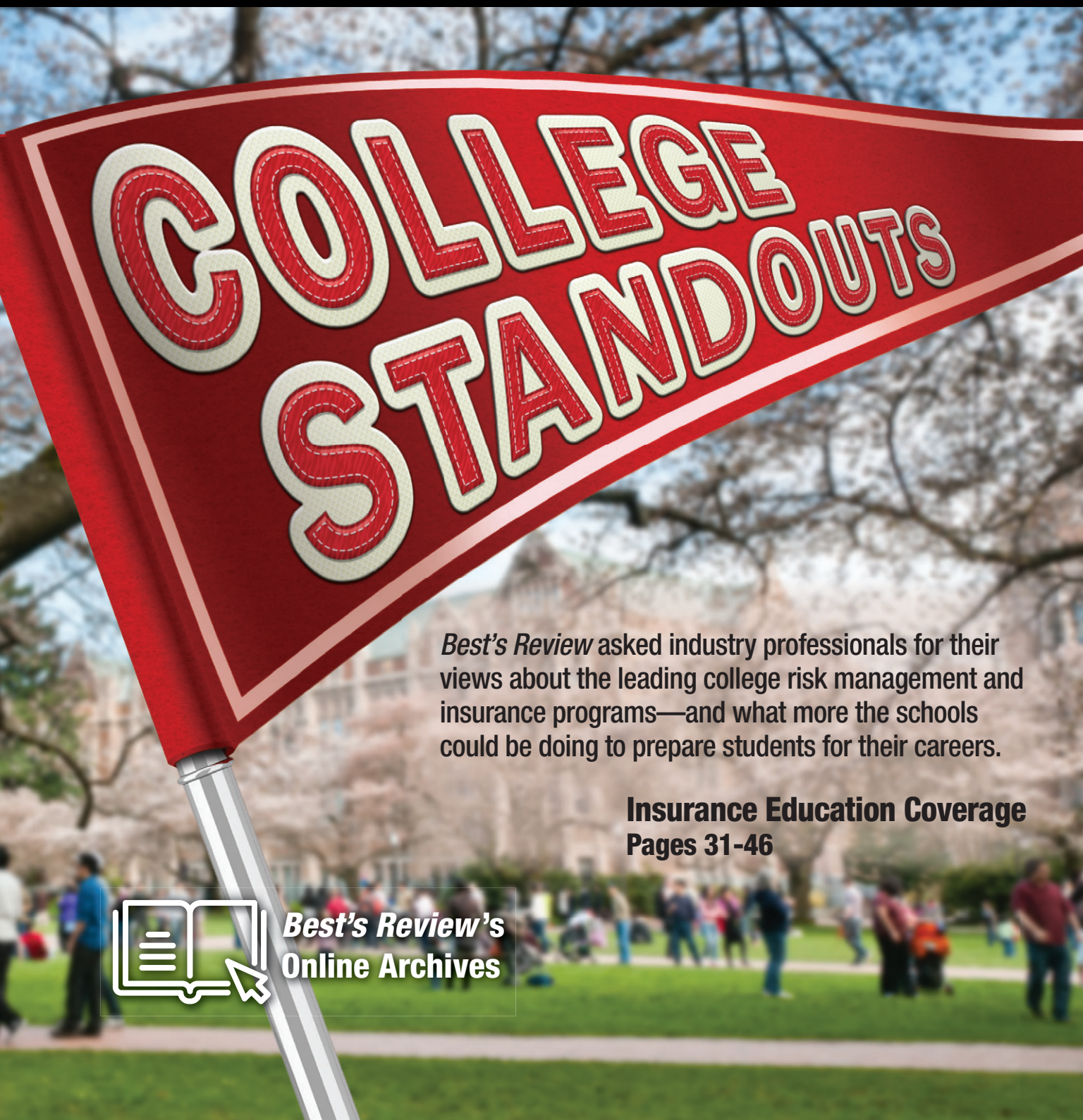
AM BEST'S MONTHLY INSURANCE MAGAZINE



Best's Review asked industry professionals for their views about the leading college risk management and insurance programs—and what more the schools could be doing to prepare students for their careers.

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Online Archives

WE'RE ON THE MOVE
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Back to School

Best's Review focuses on insurance education in this issue. A *Best's Review* survey asks industry professionals which college risk management and insurance programs are doing the best job.

This month *Best's Review* returns to a project we launched two years ago in these pages: compiling information about leading risk management and insurance programs in U.S. colleges and universities, including surveying the industry to better understand the role these programs play and how well they are perceived.

Our reporting extends well beyond documenting these programs, and includes more than 330 survey responses, interviews with insurance educators and hiring managers and feedback from alumni and supporters.

Risk management and insurance programs are still the exception at most colleges and universities, but have become important pillars of business education at what appears to be a slowly growing number of schools in the United States.

Many programs are built atop support and donations from insurance entrepreneurs and executives who believe in the industry and understand that building a talent pipeline takes money and attention.

Educators appreciate the support, but say the task requires more than funding scholarships. Efforts include direct support of chairs and departments, providing internships to familiarize students with the insurance industry ahead of graduation, and working closely with schools to make sure that curriculums evolve to match the needs of a fast-changing industry.

February is Insurance Education Awareness Month. Our package on insurance education serves as an overture for this month's Emerging Leaders Conference, set for Feb. 23-25 in Austin, Texas. Last year was the kickoff event, a conference full of tomorrow's prospective insurance leaders selected by their organizations. Based on our coverage of the 2019 event, a noticeable number came from other concentrations, with backgrounds that include statistics, technology, actuarial and analytic.

This month also contains AM Best's 10th annual ranking of the world's largest insurers, as measured by assets and by premium. The latest rankings, which are based on 2018 data, show an industry that continues to globalize.

Developments based on technology and innovation are sometimes more visible in the property/casualty and nonlife arenas, but the life insurance industry is quickly becoming a hotbed of development, fueled by new ways to analyze applicant information via epigenetics. This rapidly developing field promises to provide a better view of applicants' health and lifestyle history by examining changes in gene expression, providing life underwriters with less invasive, faster evaluation tools. See "Gaining Insight" for more.

Best's Review also examines evolving trends in the medical professional liability sector, which could see changes in pricing and availability due to a period of declining rates and expanding coverage. More recent complaints about a punishing legal environment are expected to contribute, according to market observers.

Patricia Vowinkel
Executive Editor
patricia.vowinkel@ambest.com

The Question:

Do you expect to see an increase in nonlife legacy deals in the next few years and why?

Email your answer to *bestreviewcomment@ambest.com*.

Reader responses will be published in a future issue.

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Best's Review sought to find out which risk management and insurance programs are doing the best job.

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Cover design by Andrew Crespo.

GAINING INSIGHT

Epigenetics can uncover how poor health habits can affect future wellness and is being viewed as a potentially powerful underwriting tool.

by Kate Smith

Imagine knowing how much alcohol a policyholder drinks or how many cigarettes they smoke based on a saliva sample rather than a questionnaire. With epigenetics, that's possible.

Samantha Chow, senior life and annuity analyst for Aite Group, and Jon Sabes, CEO of YouSurance and Life Epigenetics, spoke with AMBestTV at InsureTech Connect 2019 about epigenetics and its potential impact on life underwriting.

What is epigenetics?

Sabes: The science of epigenetics is the study of the epigenome which is the epidermis, the upper layer of the genome. It's the study of how extrinsic factors, like smoking, like alcohol, impact gene expression. What we're looking at is the current states of health and wellness based on genetic expression. That's a really interesting insight for life insurance underwriting.

How does epigenetics fit into life insurance?

Chow: Obviously, underwriting is the most powerful use case when it comes to epigenetics. Being able to identify the extensive amount of alcohol use, the change in smoking, how that's changed over time, that's one.

Number two would be engagements, something that's after the fact, a testing that's done after the policy has been issued. Any way to engage and help coach on how to improve your health by noting the things that they've seen changed in those epigenetics scores.

Kate Smith is managing editor of *Best's Review*. She can be reached at *kate.smith@ambest.com*.

"We see insurance carriers really moving to this whole wellness factor. Financial wellness doesn't just include product, wealth and retirement."

Samantha Chow
Aite Group

What are some of the factors you look at in this testing and the insights you gain from it?

Sabes: Our relationship and interest in epigenetics starts with some of the work done by Dr. Steven Horvath out at UCLA. What Dr. Horvath discovered in 2013 is that epigenetics is an amazing predictor of biological aging. It has an incredible signal that is signaling how biology is aging over time.

Really, that's the underlying goal of life insurance underwriting: how are we aging toward all-cause mortality? At that premise, we start to examine epigenetics as a tool for underwriting.

What's interesting and what we learned subsequent to that is epigenetics also tends to pick up a variety of other factors along the current states of health and wellness. We mentioned smoking. An incredibly strong signal as to tobacco use can be found through the epigenome. We're looking at a variety of alcohol health and wellness and disease states.

What we've seen in the scientific literature is some incredible research being done with studies that are associating what we call epigenetic signatures or patterns of DNA methylation that are occurring along the epigenome that are related to cancer, cardiovascular disease, a host of other things that life insurance underwriting cares a lot about.

Is this similar to genetic testing?

Sabes: I would say no, it is not similar to genetic testing. It has the "enetics" word in it. That trips a lot of people up. Genetic testing really is looking at the underlying code of your DNA. That is what you get when you're born. Half from mom and half from dad.

That code is basically static throughout your lifetime. That code will indicate a predisposition for risk of disease, but it really doesn't have any role as to your current disease state.

Epigenetics is the study of how your genes are expressed. An analogy that folks often use is it's like your genetics is your blueprint and your epigenetics is your general contractor. You have a lot of control over managing your general contractor.

If I exercise, if I eat right, if I sleep, my genes tend to express quite well and I tend to look very healthy. If I drink, if I smoke, if I watch an incredible amount of television, my genes tend to express differently. That's really the distinction between genetics and epigenetics.

Are there some concerns around using epigenetics?

Chow: I would say that the first one is the lack of education between what is genetics versus what is epigenetics. They hear that genetics part of it and they think, "Oh, well, this is going to tell someone they've got breast cancer when they may or may not ever have breast cancer."

That's the first fear of using genetics. What they see in that DNA strand may or may not come to fruition. Judging someone on that. It's the education we first have to get past to make them understand what epigenetics truly is.

The insurance carrier obviously wants to know someone's biological age and how healthy they are. To tell a consumer that their biological age is much less than what they may have expected to live to is a fear of, "Oh, maybe I have not given the best customer experience" or what have you.

But if you flip it around, again, and you use it more as a proactive attempt to help them, to coach them, then you've flipped that negative into a positive. We need to make them understand that it's really about

"What we're looking at is the current states of health and wellness based on genetic expression. That's a really interesting insight for life insurance underwriting."

Jon Sabes
YouSurance

health and wellness more so than just your specific DNA makeup.

What are some of the concerns that you hear?

Sabes: It's fear of the unknown. It's fear of the new. It's fear of change. All of those are very reasonable fears to have. I guess it's been my experience that where technology is responsibly deployed, it's really improved our lives.

We have a unique opportunity in the industry to improve individuals' lives. That's really the baseline role that this technology can serve to play. We've seen individuals have an increasing interest in their own health and wellness.

There's an intuitive curiosity amongst consumers to say, "Why do I develop a particular disease? How is it someone who is, by all means, looking very healthy and going to run their next marathon suddenly dies of a horrible disease?" Or "How is it that two-pack-a-day Charlie is celebrating his 100th birthday? Why is that?"

We all know this intuitively. How can we look at new, more advanced technologies to molecular health and wellness and use these to our collective benefit? From my perspective, there are plenty of reasons to be fearful, but plenty of reasons to be optimistic about how we contribute to society and health and wellness at large.

That's really where we're coming from. We want to be out front with people. They're opting in to receive the benefits of this as opposed to something going on in the background that they have no idea of what this magical technology's doing in an underwriting context.

Chow: We see insurance carriers really moving to this whole wellness factor. Financial wellness doesn't just include product, wealth and retirement. Today carriers think about it in terms of health and how do I make them healthier, how do I help benefit them to make them think better about themselves. It's global in terms of everybody wanting to be a little bit more healthy and move in that direction. It's a definite trigger to help further that.

Sabes: Imagine longitudinal testing where people come into a product when they're 30 and where the science will be when they're 40. If we have a baseline measure of them at 30 and where the science will be at 40, at 50, or at 60, where the products can evolve to meet the consumers where they're at in their lives for the relevant needs that they have.

Is this something that would be used at the beginning of a policy when it's being underwritten and then used again years later? Would policyholders be tested throughout the life of a policy?

Sabes: That's all in the works right now. You're seeing models of engagement. The carriers are very interested. They recognize they missed it in terms of consumer engagement. How are you going to engage? What is the technology? What's the basis? We think that this is a baseline technology that serves engagement in a meaningful way. I can't imagine where the tech is going to be. I can't imagine that it is where it is today, let alone where it's going to be in 10 years. Remember, 10 years ago, I maybe had a cellphone, I certainly didn't have a smartphone. BR

AMBestTV

Go to *www.bestreview.com* to watch the interview with Samantha Chow and Jon Sabes.

Standing at a Crossroads

For life insurers, moving into asset management requires facing new options and decisions about where to invest and grow the portfolio, where to harvest and which areas to exit.

by Antonio Rodrigues, Jed Fallis and Andrew Schwedel

Many life insurers are eager to move into asset management, where revenues have been growing faster than life insurance, generally with a higher return on equity as well. Equity investors also find it easier to assess earnings projections in asset management, so for a given growth rate, asset managers tend to be rewarded with a higher multiple than with straight life insurers.

Spurring the existential reflection are major challenges for life insurers in mature markets. Publicly listed insurers subject to quarterly earnings pressures have been facing competitors with more visibility to underlying cash flows and returns, as well as with longer-term investment horizons. For instance, private equity and pension fund investors such as Guggenheim and Blackstone have crowded into life insurance.

The fact is, life insurers globally have lagged in shareholder value creation in recent years compared with overall market performance, and often have not covered their cost of capital. Since the financial crisis, investors have increasingly balked at the opacity of life insurance financials, because much of what gets booked as earnings is subject to assumptions about

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Rodrigues

Fallis

Schwedel

Key Points

The Situation:
While life insurers are saddled with financials that lack transparency their competitors prioritize cash flow visibility.

Eyeing a Change:
Life insurers see asset management as a business that can pump up company value by growing revenues thereby attracting investors.

The Reality:
Success for life insurers will likely stem from combining asset management with their unique protection capabilities and providing innovative solutions, for such matters as retirement income and drawing down assets.

interest rates and customers' longevity. Investors are placing greater emphasis on "intrinsic" measures of value such as free cash flow, dividends and the value of in-force and future business.

But while the grass might seem greener in asset management, that industry comes with its own substantial challenges. Fees have steadily eroded as low-cost passive strategies continue to gain market share at the expense of active strategies. In some countries, investor-protection regulations have cut commission revenues, while stricter compliance requirements have created significant costs for client advisers.

To create and sustain value in asset management, insurers will have to develop some new capabilities and make fundamental decisions about their strategy and operations. A focus on underwriting and manufacturing requires product innovation and actuarial chops. Alternatively, a distribution-intensive business requires knowing how to use technology to enhance advisers' productivity in sales and assets under management. The first set of decisions involves where to play, including the mix of products; where to participate along the value chain; and which customer segments and countries to target. Success will likely stem from combining asset management with their unique protection capabilities and providing innovative solutions, for such matters as retirement income and drawing down assets. With those strategic choices made, the next set of choices will determine how to win. To these ends, insurance companies can choose one of the five archetypes that we see standing out in the market.

Product-Focused Manufacturer

This archetype emphasizes product design and capital management. An example is Jackson National, which focuses on variable annuities in the U.S. Jackson's suite of products offer varying investment options, benefit options and fee structures to address investors' needs, such as annuities targeted to ultra-high-net-worth clients. As a leading company in the market, Jackson also ranks first among variable annuity providers in its Net Promoter Score (a key metric of loyalty) from advisers. Jackson has a focused product strategy and a clear sense of how to win: adviser-centered distribution with product leadership, backed by the industry's largest and most productive wholesaling force.

Risk-Focused Investment Manager

Besides the obvious capability of investment management, this archetype tends to succeed through adept mergers and acquisitions, joint ventures and other forms of partnership. A unique partnership with private equity firm Apollo Global Management allows Athene Holding, an annuities firm, to invest in more specialized, higher-margin securitized assets and eventually move to direct origination.

Distribution-Focused Provider

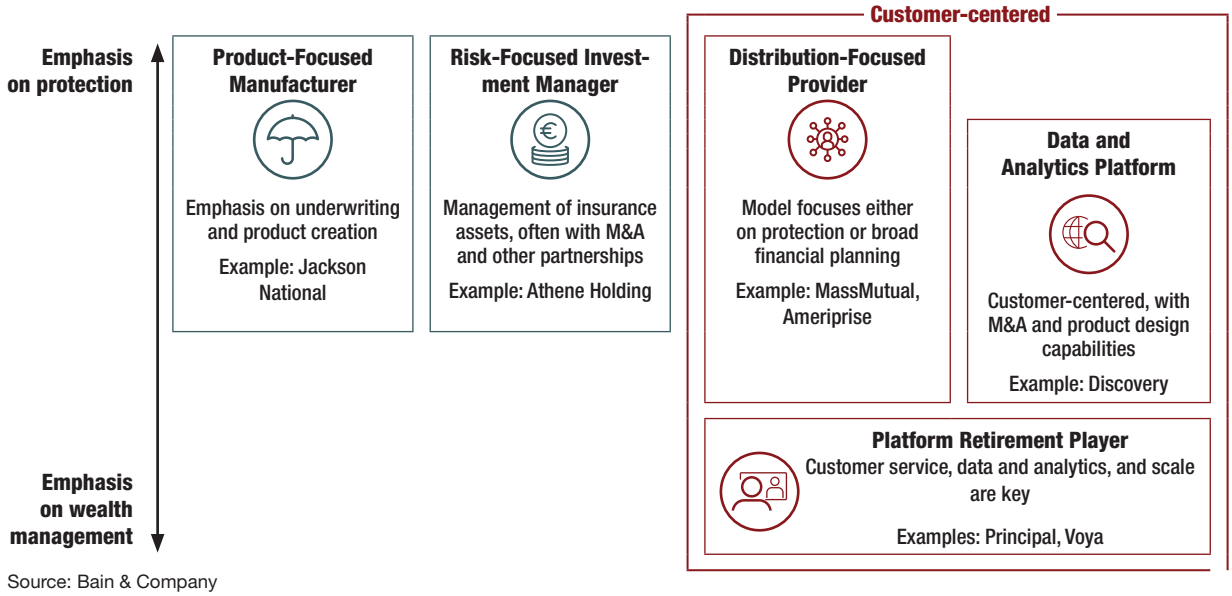
While distribution is the key capability, customer service and relationship management also matter. This archetype comes in two forms, the first being a career agency model focused on protection. For instance, MassMutual is prominent in the U.S. whole life market, but has diversified into a range of protection and advisory products to individuals and employers. In recent years, MassMutual has seen the largest improvement in customer Net Promoter Score among U.S. life insurers. Customer relationships developed through a captive force of more than 8,000 advisers allow MassMutual to excel in cross-selling.

The second form focuses on broad financial planning, as exemplified by Ameriprise. The company started as a wealth manager and entered insurance through M&A. It distributes in the United States through a nationwide network of high-productivity captive and franchisee advisers. In recent years, Ameriprise has explicitly shifted its focus away from insurance and annuities, growing through a series of well-timed acquisitions in an extended bull market. Operating net revenue per adviser grew 8.5% in 2018, extending a history of continual growth

Data and Analytics Platform

Data and analytics capabilities form the backbone of this archetype, supplemented by product design, M&A and partnership skills. Discovery, based in South Africa, is perhaps the most successful example, through its digitally enabled platform called Vitality, a wellness program that rewards policyholders with discounts and perks based on healthy living. Discovery has been building scale globally for Vitality by partnering with incumbents in other countries. Investors have benefited with an average 16% total shareholder return over the past five years.

Five Archetypes Stand Out as Models for Competing in the Market



Source: Bain & Company

Platform Retirement Player

Both traditional insurers and asset-management-oriented companies compete in this arena. Here a company must master customer service and relationship management, data and analytics, and sustainable scale. Voya, for instance, divested its annuities business and exited life insurance in order to emphasize retirement products for companies of all sizes. Voya is using its employee-benefits business and focus on financial wellness to expand the platform of services offered in the workplace market. The strategy has reduced Voya's risk profile and increased free cash flow.

Each archetype poses distinct challenges. For example, some insurers relying on agent networks become detached from customers' priorities. Their cultures traditionally emphasized actuarial and distribution capabilities, and they invested to keep agents happy. Developing close customer relationships will require new muscles and habits.

Archetypes that depend on strong product design, by contrast, will have to step up their continual innovation by adopting recent technologies such as the Internet of Things, artificial intelligence to optimize risk profiling and price selection, and chat bots for client interactions. John Hancock has shifted to interactive policies that track fitness and health data through wearable devices and smartphones, in partnership with Discovery's Vitality platform. By creating a program based on preventive health and accrued benefits and rewards, Hancock increases engagement and contact with customers.

What's Your Value Creation Story?

An insurer also will need to succinctly communicate to investors how it will create value. More investors want to understand a company's approach to intrinsic value and nontraditional metrics such as free cash flow, not just the traditional metrics of revenue growth, return on investment and dividend growth. This explains why some insurers now incorporate cash metrics into their internal management and external communications. Prudential UK, for example, has made a string of structural changes to grow in a capital-efficient manner, and has spent considerable time educating investors on differing capital flows for new and in-force business.

Many life insurers are at a strategic crossroads, facing new options and decisions about where to invest and grow the portfolio, where to harvest, and which areas to exit. To successfully execute these choices, they must identify which capabilities are critical to develop and master, and which can be "good enough."

Whatever their choices, insurers must do more than get the business basics right. They also must clearly communicate a compelling story to investors, so that investors understand why and how the business is performing and can gauge the model's sustainability. Choosing the right metrics to manage and communicate will give investors confidence that an insurer has made the right strategic and operational decisions through and through. BR

Lands of Opportunities

The diverse, expansive Southeast Asia region offers unique challenges and new prospects for the insurance industry.

by Meg Green

Asia Pacific is an enormous region with more than 20 countries. Opportunities for insurers and reinsurers range from the needs of China's vast economy to the nascent, emerging markets of Cambodia and Myanmar.

Scott Ryrie, Co-CEO for AM Best Asia discussed the region's insurance and reinsurance market outlooks for 2020 with AMBestTV.

Following is an edited version of the interview.

What are you seeing in the North Asia region?

There's a lot of activity across the whole region. Starting with North Asia, we've got the Chinese market, obviously, which is enormous. The economy is growing, and we're seeing an increasing number of insurance and reinsurance companies across both the life and P/C sectors starting up. The market over the next years to come will certainly grow very, very strongly.

Japan, obviously quite a dormant economy, and has had challenges. They've had several recent large typhoons, Jebi and Hagibis, big numbers for the insurance and reinsurance markets, and that's caused fluctuations in renewal rates, etc., across that part of the renewal, which is presenting challenges for the market, because losses have been very large.

"The Japanese want growth and they can't get it in Japan, so they're therefore seeking to grow outside by aggressively entering many, many markets."

Scott Ryrie
AM Best Asia

If we move down to other activities in North Asia, we're now seeing what I'm calling an inversion in the global market where instead of European and U.S. markets buying into Asia, some of the Asian markets, particularly the Japanese, Chinese, and the Koreans, are buying businesses in other parts of the world and expanding quite aggressively.

It's a very different situation, a very interesting situation at the moment.

What is driving that change?

Different countries have different reasons. The Japanese want growth and they can't get it in Japan, so they're therefore seeking to grow outside by aggressively entering many, many markets, having

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sometimes joint ventures or starting subsidiaries in other markets.

Has it been a difficult process for companies to buy into different countries?

It can be difficult, because it can be competitive. Obviously, buying a company or starting a company you need to plan and there's always a price involved, and just depends on the price point as to what the success rate is. Yes, plenty of challenges in North Asia.

If we move down to ASEAN (Association of Southeast Asian Nations), very different types of markets, we're seeing more developing markets and what I would call growth markets, because they're underdeveloped, and it depends on which country as to how developed or otherwise they are.

We're also seeing a development of the risk-based capital models for regulatory purposes in many of the countries, which is good because it's causing consolidation, and should cause the companies in those markets to be really more fit and proper in terms of the scale they're playing going forward.

We're also seeing very interesting things happening in two very emerging markets, being Cambodia and Myanmar. We're seeing international life companies invest in both countries and the Japanese go in as well.

There's not much insurance there. There's a pretty poor population, but those companies obviously see a massive growth opportunity, I would say not in the short term, but in the medium-to-long-term. The names of those companies, they're famous names across the world, and not to be ignored.

If we move heading south down to Australia, my home country, there's a couple of things happening there. Firstly, obviously, a terrible drought. One of the worst on record. Lots of debates, is it climate change or otherwise? I don't know, but it's certainly a massive drought causing enormous problems.

As a result of that drought, [as of the date of the interview Dec. 8, 2019] we're seeing huge bush fires. At one stage across New South Wales and Queensland, we had a 1,000-kilometer bush fire front almost joined up. The efforts to fight those fires have been incredible. So far limited loss of life, there has been loss of property, but the challenge is not over.

The other thing happening in Australia has been the Royal Commission. That's caused the market in the life and P/C sectors to really readjust, also the banking sector, and those changes are ongoing.

The third point for Australia is we're getting some risks, particularly far North Queensland, for cyclone being virtually uninsurable because of premium rates. There's talk in the local market now about creating some sort of a pool with the big insurers, with the government. It is going to be necessary, because people need to be able to buy insurance.

We're seeing other types of pools occur, for instance in the U.S. and we need that sort of model in Australia, because people can't go without coverage.

Last but not least, New Zealand. A beautiful country, relatively small population but with a big earthquake problem. There's also insurability problems with earthquake, particularly for Wellington. Rates have gone up, insurers are not that keen to take on that risk, and again the government is involved, the insurers are involved, and some sort of solution is going to be necessary. BR

AMBestTV

Go to *www.bestreview.com* to watch the interview with Scott Ryrie.

How Analytics Aids Compliance Efforts, a Deep Dive into Homeowners Trends

An AM Best webinar examines how life insurers use predictive modeling to attain compliance. Also, a look at how data is helping homeowners insurers make better decisions.

On Demand

How Life Insurers Are Using Innovative and Compliant Predictive Models

Recent regulatory inquiries are impacting how insurers across the country are utilizing advanced analytics. The panel discussed predictive modeling and compliance implications. Panelists also shared their in-depth knowledge of the regulatory environment, and discussed how regulatory changes can be an opportunity for innovation. (Now available.)

Municipal Bonds: The Evolution of an Important Asset Class for Insurers

Asset managers examine the state of the current municipal bond market, the impact of tax reform and where insurers are discovering opportunities in this large but shifting sector. (Now available.)

Homeowner Insurance Carriers Can Make Better Decisions Through Data

Authors of the 2019 LexisNexis Home Trends Report examine trends by peril and developments in underwriting, claims, technology and other factors important to homeowners writers. (Now available.)

Driving Assistance Systems Will Revolutionize Auto Insurance Market

Experts review how insurers can integrate driving assistance systems to build stronger relationships with policyholders, and improve underwriting. (Now available.)

Webinar Highlights

The Insurance AI Imperative

The insurance industry is being fundamentally transformed by artificial intelligence technologies. A panel of experts will discuss the findings of a recent white paper and what insurers will need to do in an increasingly competitive marketplace. Sponsored by Cognizant.

How Data Integrations Into SaaS Core Systems Are Transforming Insurance

As property/casualty insurance carriers look to upgrade their core insurance systems, one key requirement is being able to integrate the increasing number of data sources and services required for the processing of insurance. With a growing library of pre-built and fully maintained integrations, SaaS core systems enable carriers to consistently have the data they need to move faster and be more efficient. Sponsored by LexisNexis Risk Solutions. (Now available.)

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Active Shooter Coverage, Levee Risks and Cyberrisk

AMBestTV reports on the annual conference of the National Council of Insurance Legislators, held in Austin, Texas, where topics included active shooter insurance. Video news also includes coverage of the Insurance Industry Charitable Foundation's annual benefit dinner as well as closer look at the nation's levee system and the cyber insurance market.

On Demand

Wilson Elser's Miller: Active Shooter Coverage Enables Rapid Response

Attorney Stuart Miller, Wilson Elser, said new forms of active shooter coverage take precedence over traditional general liability coverages, allowing insureds to quickly access support and resources. Miller spoke with AMBestTV at the annual conference of the National Council of Insurance Legislators, held in Austin, Texas.

Stuart Miller

Insurance Industry Charitable Foundation Honors Tony Markel

The Insurance Industry Charitable Foundation honored Tony Markel, co-vice chairman of Markel Corp., and the company for their charitable work, including helping to raise $1 billion for the City of Hope.

Tony Markel

AM Best's Carter: Cyber Is Both Opportunity and Threat

Cyber is not just an underwriting risk for insurers, but potentially a business continuity risk as well, said Greg Carter, managing director, Analytics EMEA and Asia Pacific, AM Best. He spoke with AMBestTV at the AM Best Insurance Market Briefing–Europe, held in London.

Greg Carter

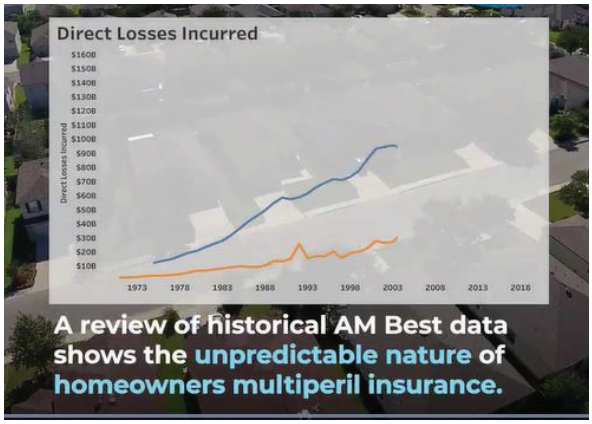
Visit *www.ambest.com/video* to see new and archived video from AMBestTV.

Legislative Uncertainty Puts Levee Protection at Risk

Insurers say the nationwide levee system is a key element in flood protection, and ought to be adequately funded by reauthorizing the Water Resources Development Act in the current U.S. Congress.

Historical Data Shows Homeowners Coverage Is Not for the Faint of Heart

A review of U.S. homeowners insurers' incurred losses between 1971 and 2018 shows that storms, fires and earthquakes can wreak havoc in surprising locations.



AM Best Radio

New Auto Law Adds Fee Schedules, Could Bring Uncertainty

Industry experts talk with AMBestRadio about the new no-fault auto law in Michigan. New fee schedules take effect next year.

Mitchell Exec: Michigan's New No-Fault Auto Law Brings Drastic Changes, but Insurers Have Time to Adjust

Michele Hibbert-Iacobacci, senior vice president, regulatory compliance management, Mitchell International, said Michigan's new no-fault auto law, which adds fee schedules for the first time, is expected to save money but could bring uncertainty as Michigan's claims personnel adapt to new regulations. The law's new fee schedules take effect July 2, 2021.

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Best's Credit Rating Actions

This edition lists all Credit Rating actions that occurred between December 1 and December 31, 2019. For the Credit Rating of any company rated by AM Best and basic company information, visit the AM Best website at *www.ambest.com/ratings/access.html* or download the ratings app at *www.ambest.com/sales/ambmobileapp*.

Operating Companies

Rating Action	Business Type	Company Name/ *Ultimate Parent*	AMB#	Current FSR ICR	Current Outlook/ Implications	Previous FSR ICR	Previous Outlook/ Implications	Domicile
U.S., CANADA AND BERMUDA LIFE/HEALTH								
⇵	H	All Savers Insurance Company *UnitedHealth Group Incorporated*	009556	A a+	Positive Positive	A a+	Stable Stable	Indiana
⊕	L	American Health and Life Insurance Co *OneMain Holdings, Inc.*	006062	B++ bbb	Stable Stable	B+ bbb-	Stable Stable	Texas
⇵	H	AmeriChoice of New Jersey Inc *UnitedHealth Group Incorporated*	064214	A a+	Positive Positive	A a+	Stable Stable	New Jersey
New	L	Athene Co-Invest Re Affiliate Intl Ltd. *Athene Holding Ltd.*	071795	A a	Stable Positive			Bermuda
New	L	Athene Life Re International Ltd. *Athene Holding Ltd.*	071794	A a	Stable Positive			Bermuda
⚑	H	Cigna Life Insurance Company of New York *Cigna Corporation*	006538	A u a u	Positive Positive	A a	Stable Stable	New York
⇵	H	Dental Benefit Providers of CA Inc *UnitedHealth Group Incorporated*	064716	A a+	Positive Positive	A a+	Stable Stable	California
⇵	H	Golden Rule Insurance Company *UnitedHealth Group Incorporated*	006263	A a+	Positive Positive	A a+	Stable Stable	Indiana
New	L	Gulf Guaranty Life Insurance Company *Gulf Guaranty Life Insurance Company*	008081	B++ bbb	Stable Stable	NR nr		Mississippi
⇵	H	Health Plan of Nevada Inc *UnitedHealth Group Incorporated*	068619	A a+	Positive Positive	A a+	Stable Stable	Nevada
⊕	L	Independence Life and Annuity Company *Sun Life Financial Inc*	006547	A- a-	Stable Stable	B++ bbb+	Stable Stable	Delaware
⚑	L	Life Insurance Company of North America *Cigna Corporation*	006645	A u a u	Positive Positive	A a	Stable Stable	Pennsylvania
⇵	H	MAMSI Life and Health Insurance Company *UnitedHealth Group Incorporated*	006046	A a+	Positive Positive	A a+	Stable Stable	Maryland
⇵	H	MD-Individual Practice Association Inc *UnitedHealth Group Incorporated*	068606	A a+	Positive Positive	A a+	Stable Stable	Maryland
⇵	L	Modern Woodmen of America	006737	A a+	Stable Stable	A a+	Stable Negative	Illinois
⊕	L	MONY Life Insurance Company of America *AXA Equitable Holdings, Inc.*	008091	A a+	Stable Stable	A a	Stable Stable	Arizona
⇵	H	National Pacific Dental Inc *UnitedHealth Group Incorporated*	068837	A a+	Positive Positive	A a+	Stable Stable	Texas
⇵	H	Neighborhood Health Partnership Inc *UnitedHealth Group Incorporated*	064001	A a+	Positive Positive	A a+	Stable Stable	Florida
⇵	H	Nevada Pacific Dental *UnitedHealth Group Incorporated*	064826	A a+	Positive Positive	A a+	Stable Stable	Nevada
⇵	H	Optimum Choice Inc *UnitedHealth Group Incorporated*	068764	A a+	Positive Positive	A a+	Stable Stable	Maryland
⇵	H	Oxford Health Insurance, Inc. *UnitedHealth Group Incorporated*	060022	A a+	Positive Positive	A a+	Stable Stable	New York
⇵	H	Oxford Health Plans (CT) Inc *UnitedHealth Group Incorporated*	068933	A a+	Positive Positive	A a+	Stable Stable	Connecticut
⇵	H	Oxford Health Plans (NJ) Inc *UnitedHealth Group Incorporated*	068934	A a+	Positive Positive	A a+	Stable Stable	New Jersey
⇵	H	Oxford Health Plans (NY) Inc *UnitedHealth Group Incorporated*	068716	A a+	Positive Positive	A a+	Stable Stable	New York
⇵	H	PacifiCare of Arizona Inc *UnitedHealth Group Incorporated*	064218	A a+	Positive Positive	A a+	Stable Stable	Arizona
⇵	H	PacifiCare of Colorado Inc *UnitedHealth Group Incorporated*	068639	A a+	Positive Positive	A a+	Stable Stable	Colorado

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Rating Action	Business Type	Company Name/ *Ultimate Parent*	AMB#	Current FSR ICR	Current Outlook/ Implications	Previous FSR ICR	Previous Outlook/ Implications	Domicile
U.S., CANADA AND BERMUDA LIFE/HEALTH (CONTINUED)								
⇵	H	PacifiCare of Nevada Inc *UnitedHealth Group Incorporated*	064219	A a+	Positive Positive	A a+	Stable Stable	Nevada
⇵	H	Physicians Health Choice of Texas, LLC *UnitedHealth Group Incorporated*	064777	A a+	Positive Positive	A a+	Stable Stable	Texas
⇵	L	Royal Neighbors of America	007010	A- a-	Positive Positive	A- a-	Stable Stable	Illinois
⇵	H	Sierra Health & Life Insurance Co Inc *UnitedHealth Group Incorporated*	007370	A a+	Positive Positive	A a+	Stable Stable	Nevada
⊕	L	Sun Life and Health Insurance Co (US) *Sun Life Financial Inc*	008474	A+ aa	Stable Stable	A+ aa-	Stable Stable	Michigan
⊕	L	Sun Life Assurance Company of Canada *Sun Life Financial Inc*	007101	A+ aa	Stable Stable	A+ aa-	Stable Stable	Ontario
—	L	U.S. Financial Life Insurance Company *AXA Equitable Holdings, Inc.*	008492	A- u a- u	Negative Negative	A a	Stable Stable	Ohio
⇵	H	UHC of California *UnitedHealth Group Incorporated*	068705	A a+	Positive Positive	A a+	Stable Stable	California
⇵	H	Unimerica Insurance Company *UnitedHealth Group Incorporated*	009065	A a+	Positive Positive	A a+	Stable Stable	Wisconsin
⇵	L	Unimerica Life Insurance Company of NY *UnitedHealth Group Incorporated*	060392	A a+	Positive Positive	A a+	Stable Stable	New York
⇵	L	United Heritage Life Insurance Company *United Heritage Mutual Holding Company*	006472	B++ bbb+	Stable Stable	B++ bbb+	Stable Negative	Idaho
⇵	H	UnitedHealthcare Benefits of Texas Inc *UnitedHealth Group Incorporated*	068706	A a+	Positive Positive	A a+	Stable Stable	Texas
⇵	H	UnitedHealthcare Community Plan *UnitedHealth Group Incorporated*	064439	A a+	Positive Positive	A a+	Stable Stable	Michigan
⇵	H	UnitedHealthcare Community Plan of Ohio *UnitedHealth Group Incorporated*	064874	A a+	Positive Positive	A a+	Stable Stable	Ohio
⇵	H	UnitedHealthcare Ins of the River Valley *UnitedHealth Group Incorporated*	064827	A a+	Positive Positive	A a+	Stable Stable	Illinois
⇵	H	UnitedHealthcare Insurance Co of IL *UnitedHealth Group Incorporated*	060071	A a+	Positive Positive	A a+	Stable Stable	Illinois
⇵	H	UnitedHealthcare Insurance Co of NY *UnitedHealth Group Incorporated*	060108	A a+	Positive Positive	A a+	Stable Stable	New York
⇵	H	UnitedHealthcare Insurance Company *UnitedHealth Group Incorporated*	008290	A a+	Positive Positive	A a+	Stable Stable	Connecticut
⇵	H	UnitedHealthcare Life Insurance Company *UnitedHealth Group Incorporated*	007771	A a+	Positive Positive	A a+	Stable Stable	Wisconsin
⇵	H	UnitedHealthcare of Alabama Inc *UnitedHealth Group Incorporated*	068500	A a+	Positive Positive	A a+	Stable Stable	Alabama
⇵	H	UnitedHealthcare of Arizona Inc *UnitedHealth Group Incorporated*	068847	A a+	Positive Positive	A a+	Stable Stable	Arizona
⇵	H	UnitedHealthcare of Arkansas Inc *UnitedHealth Group Incorporated*	068914	A a+	Positive Positive	A a+	Stable Stable	Arkansas
⇵	H	UnitedHealthcare of Colorado Inc *UnitedHealth Group Incorporated*	068848	A a+	Positive Positive	A a+	Stable Stable	Colorado
⇵	H	UnitedHealthcare of Florida Inc *UnitedHealth Group Incorporated*	068782	A a+	Positive Positive	A a+	Stable Stable	Florida
⇵	H	UnitedHealthcare of Georgia Inc *UnitedHealth Group Incorporated*	068893	A a+	Positive Positive	A a+	Stable Stable	Georgia
⇵	H	UnitedHealthcare of Illinois Inc *UnitedHealth Group Incorporated*	068532	A a+	Positive Positive	A a+	Stable Stable	Illinois
⇵	H	UnitedHealthcare of Kentucky Ltd *UnitedHealth Group Incorporated*	068690	A a+	Positive Positive	A a+	Stable Stable	Kentucky
⇵	H	UnitedHealthcare of Louisiana Inc *UnitedHealth Group Incorporated*	068661	A a+	Positive Positive	A a+	Stable Stable	Louisiana
⇵	H	UnitedHealthcare of Mississippi Inc *UnitedHealth Group Incorporated*	060118	A a+	Positive Positive	A a+	Stable Stable	Mississippi
⇵	H	UnitedHealthcare of New England Inc *UnitedHealth Group Incorporated*	068891	A a+	Positive Positive	A a+	Stable Stable	Rhode Island
⇵	H	UnitedHealthcare of New York Inc *UnitedHealth Group Incorporated*	068856	A a+	Positive Positive	A a+	Stable Stable	New York

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Rating Action	Business Type	Company Name/ *Ultimate Parent*	AMB#	Current FSR ICR	Current Outlook/ Implications	Previous FSR ICR	Previous Outlook/ Implications	Domicile
U.S., CANADA AND BERMUDA LIFE/HEALTH (CONTINUED)								
⇵	H	UnitedHealthcare of North Carolina Inc *UnitedHealth Group Incorporated*	068572	A a+	Positive Positive	A a+	Stable Stable	North Carolina
⇵	H	UnitedHealthcare of Ohio Inc *UnitedHealth Group Incorporated*	068580	A a+	Positive Positive	A a+	Stable Stable	Ohio
⇵	H	UnitedHealthcare of Oklahoma Inc *UnitedHealth Group Incorporated*	068582	A a+	Positive Positive	A a+	Stable Stable	Oklahoma
⇵	H	UnitedHealthcare of Oregon Inc *UnitedHealth Group Incorporated*	068707	A a+	Positive Positive	A a+	Stable Stable	Oregon
⇵	H	UnitedHealthcare of Pennsylvania Inc *UnitedHealth Group Incorporated*	064104	A a+	Positive Positive	A a+	Stable Stable	Pennsylvania
⇵	H	UnitedHealthcare of Texas Inc *UnitedHealth Group Incorporated*	068841	A a+	Positive Positive	A a+	Stable Stable	Texas
⇵	H	UnitedHealthcare of the Mid-Atlantic *UnitedHealth Group Incorporated*	068987	A a+	Positive Positive	A a+	Stable Stable	Maryland
⇵	H	UnitedHealthcare of the Midlands Inc *UnitedHealth Group Incorporated*	068892	A a+	Positive Positive	A a+	Stable Stable	Nebraska
⇵	H	UnitedHealthcare of the Midwest Inc *UnitedHealth Group Incorporated*	068560	A a+	Positive Positive	A a+	Stable Stable	Missouri
⇵	H	UnitedHealthcare of Utah, Inc. *UnitedHealth Group Incorporated*	068770	A a+	Positive Positive	A a+	Stable Stable	Utah
⇵	H	UnitedHealthcare of Washington Inc *UnitedHealth Group Incorporated*	068591	A a+	Positive Positive	A a+	Stable Stable	Washington
⇵	H	UnitedHealthcare of Wisconsin Inc *UnitedHealth Group Incorporated*	068824	A a+	Positive Positive	A a+	Stable Stable	Wisconsin
⇵	H	UnitedHealthcare Plan of River Valley *UnitedHealth Group Incorporated*	068702	A a+	Positive Positive	A a+	Stable Stable	Illinois
U.S., CANADA AND BERMUDA PROPERTY/CASUALTY								
✓	P	Alaska National Insurance Company *Alaska National Corporation*	002648	A a+	Stable Stable	A u a+ u	Developing Developing	Alaska
⊕	P	Alliance Indemnity Company *Farmers Alliance Mutual Insurance Co*	003666	A a	Stable Stable	A- a-	Positive Positive	Kansas
⊕	P	Alliance Insurance Company Inc *Farmers Alliance Mutual Insurance Co*	003048	A a	Stable Stable	A- a-	Positive Positive	Kansas
⇵	P	Allied Insurance Company of America *Nationwide Mutual Insurance Company*	011541	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	ALLIED P & C Ins Co *Nationwide Mutual Insurance Company*	001772	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Iowa
–	P	Amalgamated Casualty Insurance Company	000117	B++ bbb	Stable Stable	B++ bbb+	Negative Negative	District of Columbia
⇵	P	AMCO Insurance Company *Nationwide Mutual Insurance Company*	002014	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Iowa
New	P	Blue Hill Specialty Insurance Company *Progressive Corporation*	022322	A+ aa	Stable Stable	NR nr		Illinois
⇦	P	Chubb Atlantic Indemnity Ltd *Chubb Limited*	086200	NR nr		A++ aa+	Stable Stable	Bermuda
⇵	P	Colonial County Mutual Insurance Company *Nationwide Mutual Insurance Company*	010346	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Texas
⊕	P	CopperPoint American Insurance Company *CopperPoint Mutual Insurance Holding Co*	014225	A a	Stable Stable	A- u a- u	Positive Positive	Arizona
⊕	P	CopperPoint Casualty Insurance Company *CopperPoint Mutual Insurance Holding Co*	013986	A a	Stable Stable	A- u a- u	Positive Positive	Arizona
⊕	P	CopperPoint General Insurance Company *CopperPoint Mutual Insurance Holding Co*	013987	A a	Stable Stable	A- u a- u	Positive Positive	Arizona
⊕	P	CopperPoint Indemnity Insurance Company *CopperPoint Mutual Insurance Holding Co*	014226	A a	Stable Stable	A- u a- u	Positive Positive	Arizona
⊕	P	CopperPoint Insurance Company *CopperPoint Mutual Insurance Holding Co*	014958	A a	Stable Stable	A- u a- u	Positive Positive	Arizona
⊕	P	CopperPoint National Insurance Company *CopperPoint Mutual Insurance Holding Co*	014227	A a	Stable Stable	A- u a- u	Positive Positive	Arizona
⊕	P	CopperPoint Premier Insurance Company *CopperPoint Mutual Insurance Holding Co*	013813	A a	Stable Stable	A- u a- u	Positive Positive	Arizona

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Rating Action	Business Type	Company Name/ *Ultimate Parent*	AMB#	Current FSR ICR	Current Outlook/ Implications	Previous FSR ICR	Previous Outlook/ Implications	Domicile
U.S., CANADA AND BERMUDA PROPERTY/CASUALTY (CONTINUED)								
⊕	P	CopperPoint Western Insurance Company *CopperPoint Mutual Insurance Holding Co*	013988	A a	Stable Stable	A- u a- u	Positive Positive	Arizona
⇵	P	Crestbrook Insurance Company *Nationwide Mutual Insurance Company*	001987	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Depositors Insurance Company *Nationwide Mutual Insurance Company*	001872	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Iowa
⊕	P	Farmers Alliance Mutual Insurance Co *Farmers Alliance Mutual Insurance Co*	002010	A a	Stable Stable	A- a-	Positive Positive	Kansas
⚑	P	FD Insurance Company *NORCAL Mutual Insurance Company*	013063	A u a u	Negative Negative	A a	Stable Stable	Florida
⇦	P	First Mutual Insurance Company	010128	NR nr		B++ bbb	Negative Negative	North Carolina
⇵	P	Freedom Specialty Insurance Company *Nationwide Mutual Insurance Company*	013981	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
—	P	Governmental Interinsurance Exchange	003827	B++ bbb+	Stable Stable	A- a-	Stable Stable	Illinois
⇵	P	Harleysville Insurance Co of New York *Nationwide Mutual Insurance Company*	012051	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Harleysville Insurance Co of NJ *Nationwide Mutual Insurance Company*	001921	A+ aa-	Stable Stable	A+ aa-	Negative Negative	New Jersey
⇵	P	Harleysville Insurance Company *Nationwide Mutual Insurance Company*	000643	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Harleysville Lake States Insurance Co *Nationwide Mutual Insurance Company*	000603	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Michigan
⇵	P	Harleysville Preferred Insurance Company *Nationwide Mutual Insurance Company*	003779	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Harleysville Worcester Insurance Company *Nationwide Mutual Insurance Company*	002483	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇦	P	Le Mars Insurance Company	000556	NR nr		A a	Negative Negative	Iowa
⇵	P	Loudoun Mutual Insurance Company	000664	A a	Negative Negative	A a	Stable Stable	Virginia
⚑	P	Medicus Insurance Company *NORCAL Mutual Insurance Company*	013758	A u a u	Negative Negative	A a	Stable Stable	Texas
⊕	P	MountainPoint Insurance Company *CopperPoint Mutual Insurance Holding Co*	022107	A a	Stable Stable	A- u a- u	Positive Positive	Arizona
⇵	P	National Casualty Company *Nationwide Mutual Insurance Company*	003007	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
—	P	National Fire and Casualty Company *WBL Corp*	002879	B++ bbb+	Stable Stable	A- a-	Stable Stable	Illinois
⇵	P	Nationwide Affinity Insurance Co of Amer *Nationwide Mutual Insurance Company*	011802	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Nationwide Agribusiness Insurance Co *Nationwide Mutual Insurance Company*	003539	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Iowa
⇵	P	Nationwide Assurance Company *Nationwide Mutual Insurance Company*	000277	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Nationwide General Insurance Company *Nationwide Mutual Insurance Company*	002356	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Nationwide Insurance Company of America *Nationwide Mutual Insurance Company*	002513	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Nationwide Insurance Company of Florida *Nationwide Mutual Insurance Company*	012238	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Nationwide Lloyds *Nationwide Mutual Insurance Company*	002855	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Texas
⇵	P	Nationwide Mutual Fire Insurance Company *Nationwide Mutual Insurance Company*	002357	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Nationwide Mutual Insurance Company *Nationwide Mutual Insurance Company*	002358	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⇵	P	Nationwide Property & Casualty Ins Co *Nationwide Mutual Insurance Company*	002594	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
⚑	P	NORCAL Mutual Insurance Company *NORCAL Mutual Insurance Company*	003644	A u a u	Negative Negative	A a	Stable Stable	California

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U.S., CANADA AND BERMUDA PROPERTY/CASUALTY (CONTINUED)								
	P	NORCAL Specialty Insurance Company *NORCAL Mutual Insurance Company*	003744	A u a u	Negative Negative	A a	Stable Stable	Texas
	P	Pacific Compensation Insurance Co *CopperPoint Mutual Insurance Holding Co*	012572	A a	Stable Stable	A- a-	Stable Stable	California
	P	Pacific Pioneer Insurance Company *Pacific Pioneer Insurance Group Inc*	011133	B+ u bbb- u	Developing Developing	B+ bbb-	Stable Stable	California
	P	Petroleum Marketers Management Ins Co	012451	A a	Stable Stable	A- a-	Positive Positive	Iowa
	P	Preferred Physicians Med RRG, Mut Ins Co *NORCAL Mutual Insurance Company*	011056	A u a u	Negative Negative	A a	Stable Stable	Missouri
	P	Qatar Reinsurance Company Limited *Qatar Insurance Company Q.S.P.C.*	092611	A a	Negative Negative	A a	Stable Stable	Bermuda
	P	Safeway Insurance Company *Safeway Financial Holding Company*	000819	A a	Stable Stable	A a	Negative Negative	Illinois
	P	Safeway Insurance Company of Alabama Inc *Safeway Financial Holding Company*	010688	A a	Stable Stable	A a	Negative Negative	Illinois
	P	Safeway Insurance Company of Georgia *Safeway Financial Holding Company*	000217	A a	Stable Stable	A a	Negative Negative	Georgia
	P	Safeway Insurance Company of Louisiana *Safeway Financial Holding Company*	011986	A a	Stable Stable	A a	Negative Negative	Louisiana
	P	Scottsdale Indemnity Company *Nationwide Mutual Insurance Company*	001931	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
	P	Scottsdale Insurance Company *Nationwide Mutual Insurance Company*	003292	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
	P	Scottsdale Surplus Lines Insurance Co *Nationwide Mutual Insurance Company*	012121	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Arizona
	P	Sheboygan Falls Insurance Company	000831	NR nr		A a	Negative Negative	Wisconsin
	P	Sublimity Insurance Company *United Heritage Mutual Holding Company*	003614	B++ bbb	Stable Stable	B++ bbb	Negative Negative	Oregon
	P	Triton Insurance Company *OneMain Holdings, Inc.*	003298	B++ bbb	Stable Stable	B+ bbb-	Stable Stable	Texas
	P	United Heritage Property & Casualty Co *United Heritage Mutual Holding Company*	010062	B+ bbb-	Stable Stable	B+ bbb-	Negative Negative	Idaho
	P	Veterinary Pet Insurance Company *Nationwide Mutual Insurance Company*	001722	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
	P	Victoria Fire & Casualty Company *Nationwide Mutual Insurance Company*	000671	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
	P	Victoria National Insurance Company *Nationwide Mutual Insurance Company*	012059	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
	P	Victoria Select Insurance Company *Nationwide Mutual Insurance Company*	011689	A+ aa-	Stable Stable	A+ aa-	Negative Negative	Ohio
New	P	Westfield Champion Insurance Company *Ohio Farmers Insurance Company*	020640	A a+	Stable Stable	NR nr		Ohio
New	P	Westfield Premier Insurance Company *Ohio Farmers Insurance Company*	020641	A a+	Stable Stable	NR nr		Ohio
New	P	Westfield Superior Insurance Company *Ohio Farmers Insurance Company*	020642	A a+	Stable Stable	NR nr		Ohio
New	P	Westfield Touchstone Insurance Company *Ohio Farmers Insurance Company*	020643	A a+	Stable Stable	NR nr		Ohio
	P	White Pine Insurance Company *Conifer Holdings, Inc.*	004127	B++ bbb	Negative Negative	B+ bbb-	Stable Stable	Michigan
EUROPE, MIDDLE EAST AND AFRICA								
	C	Al Ittihad Al Watani Soc Gen Asr Proche *Nasco Ultimate Holding Limited*	090592	B+ u bbb- u	Negative Negative	B+ bbb-	Stable Stable	Lebanon
	C	Bankers Assurance S.A.L. *Nasco Ultimate Holding Limited*	092115	B+ u bbb- u	Negative Negative	B++ bbb	Stable Stable	Lebanon
	C	Barents Reinsurance S.A. *Standard Capital Shareholdings, Inc.*	094889	A a	Negative Negative	A a	Stable Stable	Luxembourg
New	P	Insurance House P.S.C.	092966	B+ bbb-	Stable Stable	NR nr		United Arab Emirates
	C	Middle East Insurance Company Plc	089837	B+ bbb-	Negative Negative	B+ bbb-	Stable Stable	Jordan

Rating Action: (⊕) Upgrade; (–) Downgrade; (New) Initial Rating; (⚑) Under Review; (⇅) Change in Outlook; (⇦) Rating Withdrawal; (☑) Rating Affirmation.
Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type: P** = Property/Casualty (Non-Life); **L** = Life; **H** = Health; **T** = Title; **C** = Composite.

Rating Action	Business Type	Company Name/ *Ultimate Parent*	AMB#	Current FSR ICR	Current Outlook/ Implications	Previous FSR ICR	Previous Outlook/ Implications	Domicile
EUROPE, MIDDLE EAST AND AFRICA (CONTINUED)								
⇵	P	Qatar Insurance Company Q.S.P.C. *Qatar Insurance Company Q.S.P.C.*	078335	A a	Negative Negative	A a	Stable Stable	Qatar
⚑	C	TM hf. *TM hf.*	083936	B++ u bbb+ u	Developing Developing	B++ bbb+	Stable Stable	Iceland
New	P	Universal Insurance Co (Guernsey) Ltd	071705	B+ bbb-	Stable Stable			Guernsey
ASIA PACIFIC								
⇦	P	Asia Capital Reinsurance Group Pte. Ltd.* *ACR Capital Holdings Pte. Ltd.*	078461	NR nr		B++ u bbb+ u	Negative Negative	Singapore
⇦	P	Asia Capital Reinsurance Malaysia Sdn* *ACR Capital Holdings Pte. Ltd.*	090756	NR nr		B++ u bbb+ u	Negative Negative	Malaysia
⇦	P	Capital General Insurance Company Ltd** *Capital Insurance Group Limited*	092953	NR nr		C ccc	Negative Negative	Papua New Guinea
⇦	L	Capital Life Insurance Company Limited *Capital Insurance Group Limited*	092954	NR nr		C- cc	Stable Stable	Papua New Guinea
New	P	China Reinsurance (Hong Kong) Co Ltd	071783	A- a-	Stable Stable			Hong Kong
⊕	L	Lifetime Income Limited *Retirement Income Group Limited*	094359	B bb	Stable Stable	B- bb-	Stable Stable	New Zealand
☑	P	Pacific International Insurance Pty Ltd *Badger International (Pty) Ltd*	078302	B++ bbb	Stable Stable	B++ u bbb u	Developing Developing	Australia
☑	P	Provident Insurance Corporation Limited *HWI Nominees Limited*	092486	B bb+	Stable Stable	B u bb+ u	Negative Negative	New Zealand
CARIBBEAN AND LATIN AMERICA								
⚑	C	Acerta Compañía de Seguros, S.A. *Acerta Holdings, S.A.*	092691	B+ u bbb- u	Negative Negative	B+ bbb-	Stable Stable	Panama
⚑	P	Armour Secure Insurance S.A. de C.V. *Trebuchet Group Holdings Limited*	091459	B u bb u	Developing Developing	B bb	Stable Stable	Mexico
⇦	L	Aseguradora Patrimonial Vida, S.A. C.V.	078092	NR nr		C++ b+	Stable Stable	Mexico
⇵	P	Barents Re Reinsurance Company, Inc. *Standard Capital Shareholdings, Inc.*	091083	A a	Negative Negative	A a	Stable Stable	Cayman Islands
☑	C	Guardian General Insurance Limited *NCB Financial Group Limited*	086364	A- a-	Stable Stable	A- u a- u	Negative Negative	Trinidad and Tobago
☑	L	Guardian Life of the Caribbean Limited *NCB Financial Group Limited*	084191	A- a-	Stable Stable	A- u a- u	Negative Negative	Trinidad and Tobago
⊕	P	One Alliance Insurance Corporation *ATRIO Puerto Rico Holding Corporation*	022389	B bb+	Stable Stable	B bb	Negative Negative	Puerto Rico
⇵	L	Pacifico Compañia Seguros y Reaseguros *Credicorp Ltd.*	077318	A- a-	Positive Positive	A- a-	Stable Stable	Peru
⇦	P	Terra Brasis Resseguros *Brasil Plural*	092722	NR nr		B++ u bbb u	Developing Developing	Brazil

Holding Companies

Rating Action	Company Name	AMB#	Current ICR	Current Outlook/ Implications	Previous ICR	Previous Outlook/ Implications	Domicile
⇦	ACR Capital Holdings Pte. Ltd.***	051892	nr		bb+ u	Negative	Singapore
☑	Guardian Holdings Limited	087118	bbb-	Stable	bbb- u	Negative	Trinidad and Tobago
⊕	Sun Life Financial Inc	050913	a	Stable	a-	Stable	Ontario
⇵	UnitedHealth Group Incorporated	058106	a-	Positive	a-	Stable	Minnesota
⇦	XL Group Ltd	046310	nr		a-	Stable	Bermuda
⇦	XLIT Ltd.	058361	nr		a-	Stable	Cayman Islands

* Ratings were downgraded to B++/bbb+ from A-/a- and placed under review on December 9, 2019. Ratings were withdrawn on December 9, 2019.

** Ratings were downgraded to C/ccc from C+/b- on December 13, 2019. Ratings were withdrawn on December 13, 2019.

***Rating was downgraded to bb+ from bbb- and placed under review on December 9, 2019. Rating was withdrawn on December 9, 2019.

Rating Action: (⊕) Upgrade; (–) Downgrade; (New) Initial Rating; (⚑) Under Review; (⇵) Change in Outlook; (⇦) Rating Withdrawal; (☑) Rating Affirmation.
Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type: P** = Property/Casualty (Non-Life); **L** = Life; **H** = Health; **T** = Title; **C** = Composite.

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Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
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Many insurance buyers only want to consider buying insurance coverage from companies that they believe have sufficient financial capacity to provide the necessary policy limits to insure their risks. Although companies utilize reinsurance to reduce their net retention on the policy limits they underwrite, many buyers still feel more comfortable buying from companies perceived to have greater financial capacity.

Class	Adj. PHS ($ Millions)
I	Less than 1
II	1 to 2
III	2 to 5
IV	5 to 10
V	10 to 25
VI	25 to 50
VII	50 to 100
VIII	100 to 250

Class	Adj. PHS ($ Millions)
IX	250 to 500
X	500 to 750
XI	750 to 1,000
XII	1,000 to 1,250
XIII	1,250 to 1,500
XIV	1,500 to 2,000
XV	2,000 or greater

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Best's Long-Term Issuer Credit Rating (Long-Term ICR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Exceptional	aaa	-	Assigned to entities that have, in our opinion, an exceptional ability to meet their ongoing senior financial obligations.
Superior	aa	aa+ / aa-	Assigned to entities that have, in our opinion, a superior ability to meet their ongoing senior financial obligations.
Excellent	a	a+ / a-	Assigned to entities that have, in our opinion, an excellent ability to meet their ongoing senior financial obligations.
Good	bbb	bbb+ / bbb-	Assigned to entities that have, in our opinion, a good ability to meet their ongoing senior financial obligations.
Fair	bb	bb+ / bb-	Assigned to entities that have, in our opinion, a fair ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Marginal	b	b+ / b-	Assigned to entities that have, in our opinion, a marginal ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Weak	ccc	ccc+ / ccc-	Assigned to entities that have, in our opinion, a weak ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Very Weak	cc	-	Assigned to entities that have, in our opinion, a very weak ability to meet their ongoing senior financial obligations. Credit quality is very vulnerable to adverse changes in industry and economic conditions.
Poor	c	-	Assigned to entities that have, in our opinion, a poor ability to meet their ongoing senior financial obligations. Credit quality is extremely vulnerable to adverse changes in industry and economic conditions.

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Best's Short-Term Issuer Credit Rating (Short-Term ICR) Scale

Rating Categories	Rating Symbols	Category Definitions
Strongest	AMB-1+	Assigned to entities that have, in our opinion, the strongest ability to repay their short-term financial obligations.
Outstanding	AMB-1	Assigned to entities that have, in our opinion, an outstanding ability to repay their short-term financial obligations.
Satisfactory	AMB-2	Assigned to entities that have, in our opinion, a satisfactory ability to repay their short-term financial obligations.
Adequate	AMB-3	Assigned to entities that have, in our opinion, an adequate ability to repay their short-term financial obligations; however, adverse industry or economic conditions likely will reduce their capacity to meet their financial commitments.
Questionable	AMB-4	Assigned to entities that have, in our opinion, questionable credit quality and are vulnerable to adverse economic or other external changes, which could have a marked impact on their ability to meet their financial commitments.

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Designation Symbols	Designation Definitions
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e	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
f	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
s	Status assigned to rated entities to suspend the outstanding ICR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
nr	Status assigned to entities that are not rated; may include previously rated entities or entities that have never been rated by AM Best.

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Version 121719

Cyber Evolution

The industry breaks new ground by planting cyberrisk in the capital markets.

Cyberrisks are finding a home in the capital markets in the form of collateralized reinsurance.

Last month, Beazley and RenaissanceRe said they've launched a new product that provides Beazley with additional catastrophe cover for cyber events, provided by capital structured by RenaissanceRe. "I'm aware of four companies that have done ILS transactions in cyber," Tom Johansmeyer, head of PCS, said.

"This placing of cyber catastrophe risk into the capital markets opens up a new, larger source of capital to support Beazley's rapidly growing affirmative cyber offering in excess of levels currently available in the traditional reinsurance market," the companies said in a statement.

Also the week of Jan. 6, AkinovA, the electronic marketplace for the transfer and trading of reinsurance risk, completed what it referred to as a first-of-its-kind parametric cyberrisk transfer on Dec. 23, 2019, the company said in a statement. Hiscox developed, structured, and provided capital for the transaction with broker Guy Carpenter. It's a quarterly cyber parametric instrument, the companies said. PCS, a Verisk business, is the reporting agent. The transaction was carried out electronically with full regulatory oversight from the Bermuda Monetary Authority, the marketplace said. AkinovA has an insurance regulatory sandbox license that was issued by the BMA in May 2019.

Hudson Structured Capital Management has also underwritten cyberrisk transactions with collateralized reinsurance, in addition to other market participants who haven't been publicly named, Johansmeyer said. Property catastrophe coverage continues to represent the bulk of reinsurance in insurance-linked securities. While collateralized reinsurance isn't considered a traditional 144A cat bond—typically viewed as a more liquid instrument that can be traded in the secondary market—these collateralized cyber transactions are similar to a "private" cat bond, and a step in the right direction, Johansmeyer said.

—Meg Green

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A Repeat Performance

Munich Re: Typhoons in Japan are the costliest natural catastrophes for the second year in a row.

Global natural catastrophic insured losses declined to $52 billion last year as severe tropical storms, where much of the damage is caused by flooding, dominated, Munich Re said in a 2019 recap. That compared to $80 billion in 2018. Typhoons Faxai and Hagibis in Japan were the costliest natural catastrophes for insurers. Carriers incurred estimated losses of $17 billion from the Sept. 9 and Oct. 12 storms. Extreme rainfall in October from Hagibis inflicted insured losses of approximately $10 billion.

Insurers in Japan paid ¥746.4 billion (US$6.8 billion) in claims through Dec. 9 on claims related to Faxai and Hagibis, General Insurance Association of Japan Chairman Yasuzo Kanasugi said in December.

"The typhoon season shows that we must consider short-term natural climate variations as well as long-term trends due to climate change. In particular, cyclones are becoming more frequently associated with extreme precipitation, as with Hagibis in Japan in 2019 and Hurricane Harvey in 2017 in the U.S.," Munich Re Chief Climate and Geoscientist Ernst Rauch said in the report.

While it was the second year of record-setting losses from typhoons in Japan, U.S. insurers incurred far fewer wildfire losses and were largely spared losses from Hurricane Dorian, the most damaging Atlantic storm, which made landfall in the Bahamas Sept. 1. Insurers incurred about $4 billion of losses from Dorian, said Munich Re. Insured losses in the United States during the 2019 hurricane season reached about $2 billion, dropping the U.S. share of global catastrophe losses four points lower than the long-term average of 35%.

The number of tornadoes slightly exceeded the average and snow melt and severe storms in spring triggered severe flooding in the Midwest and other Mississippi River regions, Munich Re said, estimating insured losses at $14 billion.

—Renée Kiriluk-Hill

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For the People

Insurers and brokers are adding a new position to the C-suite—the chief people officer.

by Lori Chordas

Richard Branson understands the value of people. "A company's employees are its greatest asset and your people are your product," Branson, the co-founder of Virgin Group, has been widely quoted as saying.

That idea is gaining traction in the insurance industry. Insurers and brokers have been taking a closer look at their human resources departments and adding a new post—chief people officer—to the C-suite.

Aon in October named Lisa Stevens, formerly of Wells Fargo, as its first CPO. In her role, she will continue to build upon the work of Aon's human resources leadership team and define colleague engagement and culture strategy.

Aspen in September named Mohinder Kang, formerly with U.K.'s Post Office Ltd., chief people officer. Kang transitioned into his role in November and leads the human resources team.

Some may see the CPO as just another fancy title in the C-suite. But Valerie Frederickson, the founder and CEO of executive HR search and consulting firm Frederickson Partners, begs to differ. As the top rung on an organization's HR ladder, CPOs play an integral role in developing and recruiting best-in-class talent and creating a safe and successful company culture, she said.

While some organizations use the CPO title interchangeably with roles such as chief HR officer and senior vice president of HR, others draw a clearly defined line between the positions, Frederickson said.

There is a difference, said Allison McEachern, CPO of RogersGray, a top independent insurance agency based in Massachusetts. "At times the traditional HR function seems very black and white, focused largely on policy, process and rules. But the CPO position is a strategic shift in how companies view people, culture and workplace practices," she said.

After many lengthy discussions, RogersGray's senior management team made "the purposeful decision" to change the name of its senior-level HR position to CPO to reflect the company's culture and its core values that employees are the heart of its business, McEachern said.

Recruiting experts say CPOs need to possess a number of qualities, including empathy, authenticity, an innovative mindset, and leadership and storytelling skills. Companies also look for CPO candidates with competencies in data analytics, metrics and artificial intelligence, along with a full range of HR skills, including talent and recruitment.

"However, the focus on culture and digital transformation are the primary requirements innovative companies are now asking for in their chief people officers," said Frederickson.

A global shortage of HR talent, however, will force companies to compete for a "limited segment of experienced HR executives with these new modern skills," she said.

Frederickson anticipates that over the next five years the CPO title will replace the chief human resources officer title in nearly 90% of insurance companies. "And with that change in title," she said, "comes an increased focus on using employees and talent as a differentiator and tool used to outperform the competition." BR

Lori Chordas is a senior associate editor. She can be reached at *lori.chordas@ambest.com.*

A Global View of the Insurance Industry

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