Digital Edition PDF

BEST'S REVIEW®

www.bestreview.com

AM BEST'S MONTHLY INSURANCE MAGAZINE

Thank you for downloading this month's Edition of *Best's Review.*

License Reminder

Insurers Step Up Private Placement Investments
Page 35

Top US Life/Health Insurers
Page 52

Top Global Reinsurers
Page 56

ISSUES & ANSWERS:
Specialty Insurance and Climate Risk
Starting on Page 21

BEST'S REVIEW®

September 2022 • Volume 123 • Issue 9

www.bestreview.com

AM BEST'S MONTHLY INSURANCE MAGAZINE

Following Their Own Path

Dave Raszeja, chief financial officer of Penn Mutual, says a mutual structure's long-term focus offers a safe haven during volatile economic times. Page 40

***Best's Review*'s Online Archives**

Mutual Snapshot: Select Life, P/C Insurers Post Double-Digit Growth

The September issue includes rankings of the largest life and P/C mutuals, a ranking of the top U.S. private flood insurers, top global reinsurers and leading U.S. life/health writers. Asset management is also a focus.

Mutual insurers represent a significant segment of the insurance industry, providing coverage for many millions of policyholders and yet they tend to fly under the industry radar.

Mutual life insurers, for instance, had total admitted assets of $2.1 trillion in 2021 compared with $8.7 trillion for the entire life/health industry, or nearly 25% of the industry's total admitted assets, according to AM Best data.

While stock companies report quarterly earnings and their senior executives hold conference calls with investors on a regular basis, most mutuals tend to keep a low profile. A few big mutual insurers remain household names but many of the most prominent insurers converted to stock companies in the demutualization craze 20 years ago.

In the September issue, *Best's Review* turns its attention to the "old sleeping giants"—the under-covered mutual insurance segment and those insurers that posted strong growth in 2021.

In "US Mutuals Find Stability Key Amid Turbulence Following a Good 2021," *Best's Review* spoke with the CFO at Penn Mutual Life Insurance Co. about the company's growth and examined the performance of some of the other life mutual insurers with strong growth. Penn Mutual had its best sales year ever, posting 12.8% growth in total admitted assets to $37.7 billion and moving up one notch in the Top 25 US Mutual Life/Health rankings to No. 12.

In "Expansion Spurs Growth for US P/C Mutuals Moving Up the Charts," *Best's Review* spoke with Acuity CEO Ben Salzmann, Sentry CEO Pete McPartland and West Bend CEO Kevin Steiner about the growth at their companies.

"We were willing to spend significantly [to upgrade all technology and analytics systems]. We are ahead of the industry by a wide margin in terms of having replaced all of our legacy systems. Having replenished all of our technology has been a real boon to us," said Sentry's McPartland.

The September issue also includes a ranking of the top U.S. private flood insurers and the top 50 global reinsurers.

Some of the biggest movers in the ranking of flood insurers included Sompo Holdings with 2021 direct premiums written up 999.9% to No. 12 from No. 39, Munich-American Holdings up 196.8% to No. 14 from No. 16 and Trisura US Insurance Group, up 110.5% to No. 17 from No. 20.

The ranking is included in the article "Republican Senators Offer One-Year NFIP Extension Bill." The NFIP is currently authorized through Sept. 30.

The ranking of the top global reinsurers, meanwhile, showed Munich Re and Swiss Re returning to the No. 1 and No. 2 spots, respectively.

With interest rates marching higher, asset management is once again a key concern for insurers. In "Private Placements Likely to Remain in US Insurers' Portfolios Despite Rising Rates," AM Best examines the outlook for private placement investments. *Best's Review* spoke with experts from Conning, Income Research + Management and AM Best. BR

Patricia Vowinkel
Executive Editor
patricia.vowinkel@ambest.com

The Question:

What examples have you seen in which mutual insurers have effectively communicated the benefits of mutuality?

Email your answer to *bestreviewcomment@ambest.com* or scan the QR code to submit your response.
Responses will be published in What Readers Say in a future issue.

CONTENTS


Local expertise with
global capabilities.

CONTENTS (continued)

LIFE INSURANCE

BEST'S RANKINGS

Visit *news.ambest.com* for a full listing of Best's Rankings.

COLUMNS

DEPARTMENTS

ADVERTISERS

Cover photo by Kim Bjorheim.

AM Best to Hold Canada, Reinsurance Market Briefings

Sept. 9: AM Best's Canada Insurance Market Briefing, AM Best, Toronto, Ontario, Canada.

Sept. 10-14: Rendez-Vous de Septembre, RVS, Monte Carlo, Monaco.

Sept. 11: AM Best's Reinsurance Market Briefing – Rendez-Vous de Septembre, AM Best, Monte Carlo, Monaco.

Sept. 11-14: 2022 Annual Marketplace, Wholesale & Specialty Insurance Association, San Diego, CA, USA.

Sept. 12-14: HYBRID. Bermuda Captive Conference, Bermuda Business Development Agency, Hamilton, Bermuda.

Sept. 18-21: AICP Annual Meeting, Association of Insurance Compliance Professionals, Miami, FL, USA.

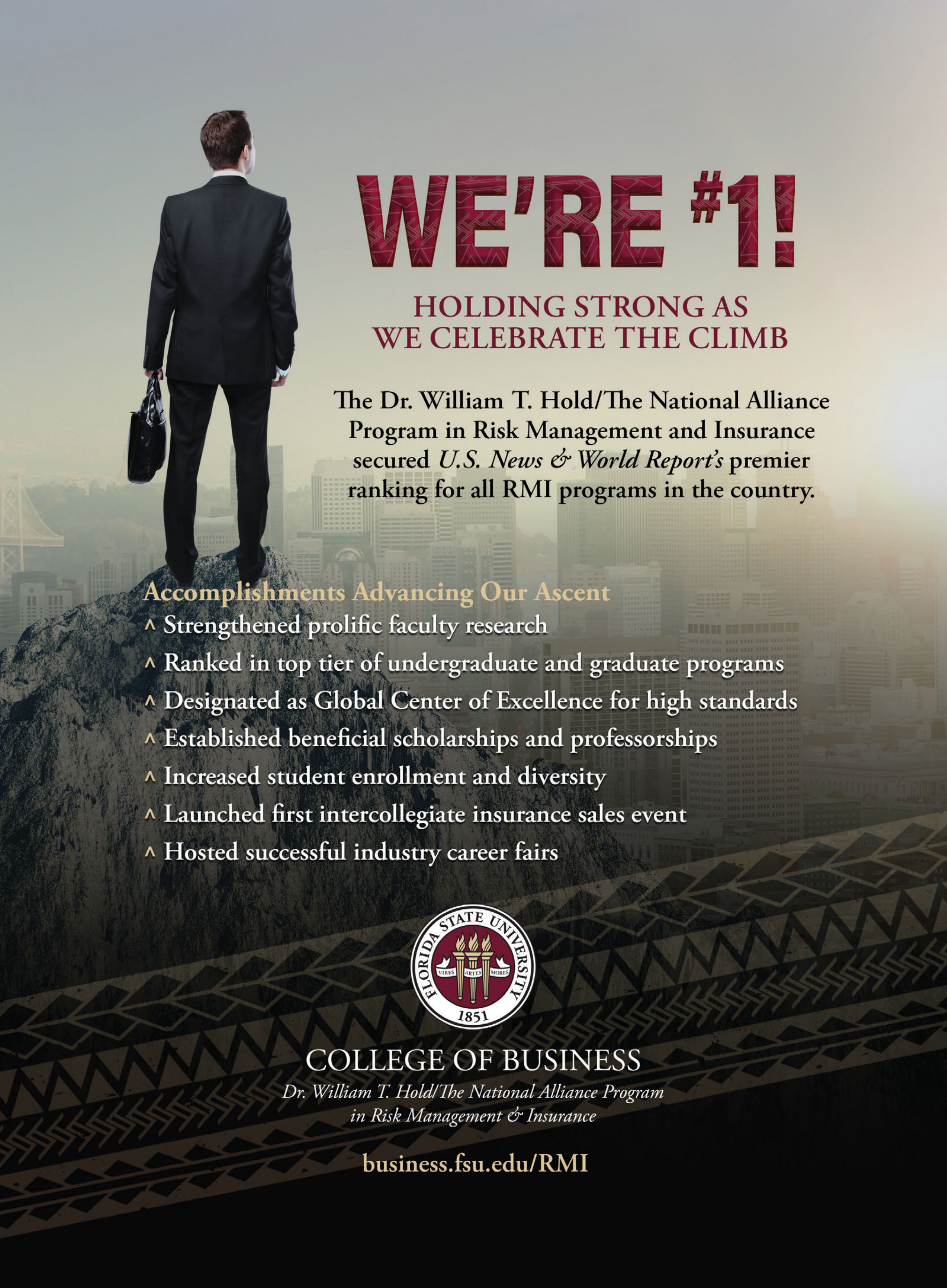
Sept. 18-21: HYBRID. NAMIC's 127th Annual Convention, National Association of Mutual Insurance Companies, Dallas, TX, USA.

Sept. 28-30: ACLI Annual Conference, American Council of Life Insurers, Washington, DC, USA.

All events subject to change as organizations monitor developments regarding COVID-19. For a full list of conferences and cancellations, visit *www.bestreview.com/calendar.*

Attending Exhibiting Speaking Hosting Sponsoring Video

September Is Mutual Insurance Awareness Month
Mutual insurers are owned by and run for the benefit of their policyholders. Some of the largest U.S. mutual insurers include New York Life Group, Massachusetts Mutual Life Group, State Farm Group and Liberty Mutual Insurance Group. Coverage of mutuals begins on page 40.



WE'RE #1!
HOLDING STRONG AS WE CELEBRATE THE CLIMB
The Dr. William T. Hold/The National Alliance Program in Risk Management and Insurance secured *U.S. News & World Report's* premier ranking for all RMI programs in the country.
Accomplishments Advancing Our Ascent
^ Strengthened prolific faculty research
^ Ranked in top tier of undergraduate and graduate programs
^ Designated as Global Center of Excellence for high standards
^ Established beneficial scholarships and professorships
^ Increased student enrollment and diversity
^ Launched first intercollegiate insurance sales event
^ Hosted successful industry career fairs
FLORIDA STATE UNIVERSITY
VIRES ARTES MORES
1851
COLLEGE OF BUSINESS
Dr. William T. Hold/The National Alliance Program in Risk Management & Insurance
business.fsu.edu/RMI

Convex Group Promotes Deputy Chief Executive Officer to Group CEO

Allianz Holdings and Hiscox each welcomes a new COO and former Prudential plc CEO comes out of retirement to join Athora.

The board of Convex Group Ltd. named Paul Brand as group chief executive officer. Brand founded the business in 2019 with Stephen Catlin, executive chairman.

Brand has 40 years of insurance industry experience, including 31 years at Catlin and XL Catlin. He was chief underwriting officer at Catlin between 2003 and 2015 and CUO (Insurance) at XL Group following the Catlin takeover from 2015 until 2017.

He was also chairman of Accelerate, XL Catlin's in-house innovation team, from 2016 until 2018.

Paul Brand

In 2018, he and Stephen Catlin began to work on the formation of Convex, which was launched in 2019. He became deputy CEO from its foundation, according to a company statement.

"I am truly delighted that Paul has been appointed CEO by the board," said Catlin in a statement. "When we launched Convex in 2019, the plan was that Paul would become CEO in due course and his appointment has been fully endorsed by our shareholders.

"He has led the team which has built Convex into a superb business with a strong competitive advantage and hard-to-replicate intellectual property. This promotion is very well deserved."

According to the company, Convex Group is an international specialty insurer and reinsurer focused on complex specialty risks across a diverse range of business lines. The company operates out of London, Bermuda, Luxembourg and New Jersey.

—Staff Report

Argo Group International Holdings Names Successor to CEO

Argo Group International Holdings Ltd. appointed Thomas Bradley to succeed Kevin J. Rehnberg as chief executive officer.

Bradley served as Argo's chairman since 2020 and as interim chief executive officer since March 2022. This appointment is effective immediately. Bradley also will continue in his role as executive chairman of the board of directors.

Thomas Bradley

In his new role, Bradley replaces Rehnberg, who has been out on leave for health reasons since March 2022, according to BestWire. Rehnberg also will resign from the company's board of directors, effective immediately, the company said.

Bradley is an industry veteran with extensive experience in the insurance industry. He previously served as the chief financial officer and executive vice president of Allied World Assurance Company Holdings AG, a global provider of insurance and reinsurance solutions, from 2012 until 2017.

Prior to that, Bradley served as executive vice president and CFO for two other public companies, Fair Isaac Corp. and the St. Paul Cos. He also held senior financial and operational positions at Zurich Insurance Group, including CFO for North America and CEO of the Universal Underwriters Group (now Zurich Direct Markets). He currently serves on the board of directors of Horace Mann Educators Corp. and previously served on the board of directors of Nuveen Investments Inc., according to a company statement.

Allianz Holdings Appoints Chief Operating Officer

Allianz Holdings promoted Ashish Patel to the position of chief operating officer. He also will join the Allianz Holdings executive committee.

In his new role, Patel will have responsibility for overseeing operations and technology, including Allianz's transformation program, the company said in a statement.

Patel has worked for the Allianz Group for nine years. He previously held the position of head of Allianz Technology India. Most recently, he led the global delivery network for Allianz Technology, where he was responsible for overseeing branches in India, Spain and Thailand. Prior to joining Allianz, Patel had a lengthy career in the banking sector, including six years as director at Barclays Bank India, according to a company statement.

Ashish Patel

Hiscox Names Group Chief Operating Officer, CUO in US

Hiscox appointed Stéphane Flaquet as the group's chief operating officer, effective Sept. 1 and subject to regulatory approvals.

In his new role, Flaquet will oversee a number of critical central functions, including group claims, group information technology, property services, procurement and group marketing to ensure the continued effective and efficient delivery of core services. He will be a member of the group executive committee and report to Aki Hussain, chief executive officer, Hiscox Group, according to a company statement.

Stéphane Flaquet

Flaquet has been with Hiscox since 2010 and has held a number of senior roles across the group. He initially joined Hiscox as COO for Hiscox Europe before moving on to become group IT Director in 2012 and then CEO for Hiscox Europe between 2016 and 2021. He is currently group chief transformation officer and interim CEO for Hiscox U.K.

In other company news, Hiscox named Steve Prymas as chief underwriting officer in the United States. He will be based in White Plains, New York.

Prymas has more than 25 years of specialty insurance experience. He joins Hiscox from Embroker, where he helped to grow the insurtech's business as chief insurance officer. Prymas also has held senior leadership roles at Gen Re and The Hartford, according to a company statement.

Hiscox USA provides a variety of specialty risk solutions, including a broad spectrum of errors & omissions, general liability, cyber and data security, media liability, management liability, crime, and terrorism insurance products.

Athora Taps Former Prudential Plc Chief Executive as Group CEO

European retirement services group Athora Holding Ltd. has named Mike Wells as group chief executive officer, subject to regulatory approvals, and Michele Bareggi to the newly created role of president and deputy CEO.

Mike Wells

Wells joins the company out of retirement from Prudential plc, where he worked for 26 years, including seven years as CEO. He retired from the company at the end of March 2022. As CEO, Wells delivered two strategic demergers, accelerating the development of an Asian shareholder base through a successful equity issuance on the Hong Kong Stock Exchange and transitioning the company into an Asian- and African-focused life and health insurer, according to a company statement.

Bareggi has been at Athora since its formation in 2018 and has successfully led the group and its significant growth over the last four years, the company said.

According to his company bio, Bareggi joined Athora in September 2017 as CEO and was responsible for the coordination and direction of the management executive committee and the Athora group subsidiaries. He was formerly managing director and head of Morgan Stanley's European insurance and pensions business as well as being responsible for Morgan Stanley's reinsurance operations globally. He joined Morgan Stanley in 2010 and also led the fixed income capital markets division in Italy.

"Athora has made significant progress since its creation in January 2018. The growth achieved in just over four years reflects the business' strong foundations and ambition to become a leading provider of retirement products and solutions in Europe. With Mike and Michele and their combined skills and experience, we have the ideal leadership team for this next stage of Athora's development," said Nikolaus von Bomhard, chairman of Athora's board of directors.

Canopius USA Names General Counsel-Chief Risk Officer

Serena Lee

Canopius Group, a global specialty insurer/reinsurer, hired Serena Lee in the newly created role as general counsel and chief risk officer, Canopius USA. This role is in response to the company's significant U.S. expansion.

Lee has 15 years of corporate governance, transactional, compliance and litigation experience in the insurance industry. Prior to joining Canopius, Lee held various senior legal positions, most recently as vice president, senior counsel - corporate and litigation with Ambridge Partners LLC, formerly Brit Global Specialty USA, and senior counsel for Allianz Global Corporate & Specialty, according to a company statement.

Axa XL Exec Joins Everest Reinsurance as Head of Claims and COO

Brent Hoffman

Everest Reinsurance, the reinsurance division of Everest Re Group Ltd., named Brent Hoffman as senior vice president, head of claims and chief operations officer.

Hoffman will have dual responsibility for overseeing key aspects of business operations and leading the global reinsurance claims function. He will help to drive operational efficiencies and best practices consistently across the organization, according to a company statement.

Hoffman joins the company with more than 25 years of industry and legal experience and a proven track record for managing high-performing teams. Most recently, he was Axa XL's chief claims officer, responsible for leading its global claims strategy and operations to support claims excellence across multiple business lines and geographies. Prior to joining Axa XL, Hoffman held several leadership positions at Hartford Financial Services Group Inc., where he led teams responsible for claims, litigation, and settlement strategies, according to the company.

Former World Bank Exec Appointed to Newly Created Role at Gallagher Re

Antoine Bavandi

Global reinsurance broker Gallagher Re named Antoine Bavandi to the newly created role of global head of public sector, parametric and climate resilience solutions.

Bavandi will lead Gallagher Re's newly established public sector and climate resilience solutions global practice, with responsibility for developing Gallagher Re's core offering globally and driving profitability as well as developmental impact. The new practice will work closely with the global climate and environmental, social and governance analytics and advisory function led by Ed Messer. Bavandi will be based in London and he will report to Printhan Sothinathan, chief executive officer, global analytics and advisory, Gallagher Re, according to a company statement.

Bavandi has more than 17 years of experience and joins Gallagher Re from his most recent position as senior climate and disaster risk finance specialist at The World Bank. In his previous role, he was responsible for advising governments and insurance and banking sector clients on the financial risk management of climate and catastrophe events through an analytics-driven approach to risk transfer strategies and derivative products, according to the company.

Prior to this, Bavandi worked at ArgoGlobal and Allianz Global Corporate & Specialty as a catastrophe risk portfolio manager and class underwriter. He has extensive experience with working across both public and private sectors with a focus on transactions, strategic and analytical advisory, the company said.

At-Bay Names Insurance Industry Veterans to Board

Cyber insurance provider At-Bay has appointed Scott Carmilani and David Lockton to its board of directors.

With nearly 60 years of experience between them, Carmilani and Lockton bring a strong track record of innovation and insurance expertise to At-Bay's board, the company said.

Carmilani currently serves as executive chairman of Vault Insurance Services. The former chairman and chief executive officer of Allied World Assurance

Company Holdings, he spent 20 years building the company from a small Bermuda operation into a worldwide reinsurance operation which was acquired by Fairfax in 2017. Prior to this, Carmilani held numerous executive positions at American International Group, including as the president and vice president of two major insurance divisions, according to a company statement.

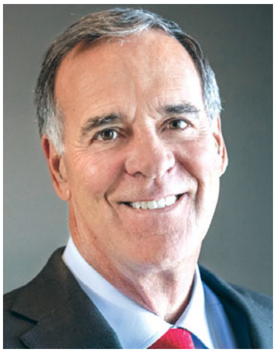


Photo: Business Wire

David Lockton

Lockton recently stepped down as executive chairman at Lockton Cos. after serving for almost 30 years as president, CEO and then chairman. He remains with Lockton as its lead director. For nearly 40 years, he led the firm's strategic vision and grew the company into the world's largest privately owned brokerage. A highly sought-after thought leader within the industry, Lockton is known for his transformational leadership and fostering a strong culture of entrepreneurship and commitment to service excellence, according to the company.

Mosaic Insurance Names Head of Americas, Global Chief Legal Officer

Mosaic Insurance promoted Stavan Desai to head of Americas, and Katherine Spenner to global chief legal officer.

Katherine Spenner

Desai joined the company from American International Group, where he was a senior underwriter, with a focus on transitional risk insurance for complex mergers and acquisitions and secondary transactions. Prior to AIG, he served as a senior attorney at Schulte Roth & Zabel, where he concentrated his domestic and cross-border practice on private equity, M&A, leveraged buyouts, and alternative asset management transactions, according to his company bio.

Spenner has played an integral role in leading innovative and consistent underwriting execution across the M&A insurance portfolio at Mosaic. She previously served as a senior transactional risk insurance underwriter at Everest Insurance. Spenner also brings nearly a decade of experience representing public and private-equity clients in a wide range of complex domestic and cross-border M&A transactions at White & Case and Torys, according to her company bio.

Lloyd's Europe Appoints CUO

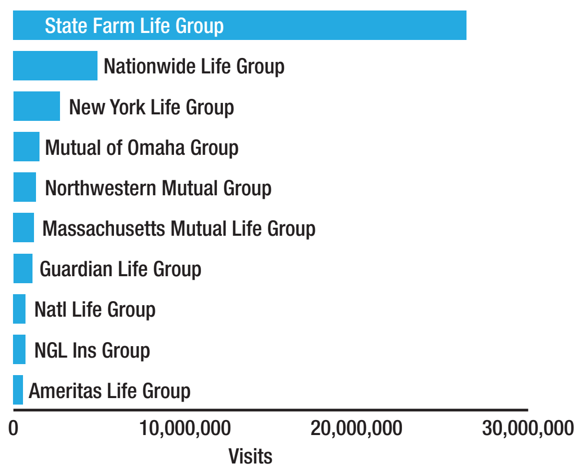
Lloyd's Europe hired Bertrand Heugues as chief underwriting officer. He is responsible for overseeing the strategic direction for underwriting, delegated authority management, claims and reinsurance business.

Bertrand Heugues

Heugues has more than 18 years of experience in the insurance industry as a nonlife actuary with a wide range and depth of experience in underwriting, pricing, and risk and portfolio management, the company said in a statement.He joins Lloyd's Europe from Ageas in Brussels, where he was global head of pricing and underwriting. BR

Web Traffic: Visits to Top Life/Health US Mutual Insurance Writers' Sites

State Farm Life Group leads web analytics provider Semrush's ranking of life/health mutual insurers.



Source: *www.semrush.com*
Reported traffic for July 2022.

Visit *news.ambest.com* for a full listing of Best's Rankings.

MASTHEAD
FORESTAY

Background illustrations on both mastheads are of HMS Victory. To learn more about The Nelson Collection at Lloyd's, visit *www.ambest.com/nelson*.

Monthly Insurance Magazine Published by AM Best

BEST'S REVIEW®

A.M. BEST COMPANY, INC.
Oldwick, NJ
CHAIRMAN, PRESIDENT & CEO **Arthur Snyder III**
SENIOR VICE PRESIDENTS **Alessandra L. Czarnecki, Thomas J. Plummer**
GROUP VICE PRESIDENT **Lee McDonald**

A.M. BEST RATING SERVICES, INC.
Oldwick, NJ
PRESIDENT & CEO **Matthew C. Mosher**
EXECUTIVE VICE PRESIDENT & COO **James Gillard** EXECUTIVE VICE PRESIDENT & CSO **Andrea Keenan**
SENIOR MANAGING DIRECTORS **Edward H. Easop, Stefan W. Holzberger, James F. Snee**

AMERICAS (NCSA)

WORLD HEADQUARTERS
1 Ambest Road,
Oldwick, NJ 08858
Phone: +1 908 439 2200

MEXICO CITY
Av. Paseo de la Reforma 412 Piso 23,
Col. Juárez, Alcadía Cuauhtémoc, C.P. 06600, México, D.F.
Phone: +52 55 1102 2720

EUROPE, MIDDLE EAST & AFRICA (EMEA)

LONDON
12 Arthur Street, 8th Floor,
London, UK EC4R 9AB
Phone: +44 20 7626 6264

AMSTERDAM
NOMA House, Gustave Mahlerlaan 1212,
1081 LA Amsterdam, Netherlands
Phone: +31 20 308 5420

DUBAI*
Office 102, Tower 2, Currency House, DIFC,
P.O. Box 506617, Dubai, UAE
Phone: +971 4375 2780
*Regulated by the DFSA as a Representative Office

ASIA-PACIFIC (AP)

HONG KONG
Unit 4004 Central Plaza,
18 Harbour Road, Wanchai, Hong Kong
Phone: +852 2827 3400

SINGAPORE
6 Battery Road,
#39-04, Singapore
Phone: +65 6303 5000

ADVERTISING

SENIOR ACCOUNT MANAGER
Brian McGoldrick: +1 908 894 9552, *brian.mcgoldrick@ambest.com*
ASSOCIATE DIRECTOR
Brian Schlesinger: +1 (908) 894-9586, *brian.schlesinger@ambest.com*
SALES INQUIRIES
+1 908 439 2200, ext. 5399 ***advertising_sales@ambest.com*** ***www.ambest.com/advertising***

EDITORIAL

EXECUTIVE EDITOR **Patricia Vowinkel, +1 908 439 2200, ext. 5540**
EDITOR **Lynna Goch** MANAGING EDITOR **Tom Davis** COPY AND PRODUCTION EDITOR **Amy Baratta**
SENIOR ASSOCIATE EDITORS **Lori Chordas, Terrence Dopp, John Weber** ASSOCIATE EDITORS **Anthony Bellano, Timothy Darragh, Renée Kiriluk-Hill**
NEWS EDITOR **David Pilla**
GROUP VICE PRESIDENT, PUBLICATION AND NEWS SERVICES **Lee McDonald**
CIRCULATION **Linda McEntee**
NEWS INQUIRIES ***news@ambest.com***

PRODUCTION SERVICES

SENIOR MANAGER **Susan L. Browne**
LEAD DESIGNERS **Andrew Crespo, Angel Negrón** DESIGNERS **Amy Herczeg, Barbara Marino, Laura-Ann Russello, Jenica Thomas**

ONLINE RESOURCES

BEST'S REVIEW EDITORIAL CALENDAR: *www.bestreview.com/editorialcalendar*
CONTRIBUTOR AUTHOR GUIDELINES: *www.bestreview.com/guidelines*
REPRINTS AND PERMISSIONS: *www.ambest.com/permissions*

BEST'S REVIEW, Issue 9, September 2022 (ISSN 1527-5914) is published monthly by A.M. Best Company, Inc. Editorial and executive offices: 1 Ambest Road, Oldwick, NJ 08858-9988. A one-year subscription is $72. A two-year subscription is $137. Subscriptions: *www.bestreview.com/subscribe.* Telephone: +1 908 439 2200. Fax: +1 908 439 3971.

When presented herein, Best's Ratings reflect AM Best's opinion as to the relative financial strength and performance of each insurer in comparison with others, based on analysis of the information provided to AM Best. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Printed and bound by Fry Communications, Inc.

Made in the USA

Life Insurers Ramp Up Plans to Address 'Social Infrastructure'

Companies involved in the program will start by focusing on affordable and workforce housing.

by Timothy Darragh

Life insurers are working on plans to do what they do best—invest for the long term—and find a way to do it in underserved and low-income communities.

The plans, discussed at the National Association of Insurance Commissioners' Summer Meeting, aim to address what company representatives are calling "social infrastructure," or the essentials of strong communities: housing, jobs, health and wellness.

The initiative will dovetail with the NAIC's Center for Insurance Policy and Research's efforts, already underway, to study the role of U.S. insurance companies as a source of physical infrastructure financing, said Director Jeff Czajkowski.

> "[The initiative] has to generate market returns."
>
> **Doug Wheeler**
> New York Life Insurance Co.

An umbrella for the social infrastructure initiative is 360 Community Capital, a new nonprofit led by the American Council of Life Insurers. Organizers are working on establishing the basics of the program, such as its governance and tax-exempt status, said Pat Reeder, ACLI deputy general counsel.

Companies involved in the program will start by focusing on affordable and workforce housing "because so much else flows from there," he said. "We think it's part of the mission of the life insurance industry."

Industry officials and regulators said the effort is not designed to be a giveaway. Investments have to fit in with insurers' overall investment strategies, they said, meaning that it is a program with a long-term focus.

"It has to generate market returns," said Doug Wheeler, senior vice president at New York Life Insurance Co.

As communities get stronger, more wealth comes with it and those people will want to buy life insurance, he said. "It's a win-win-win," Wheeler said.

New York Life already has a dedicated "impact investing team," he added.

Organizations such as the Robert Wood Johnson Foundation, which is deeply involved in community development, has provided "pre-development" funding to begin the process of determining where it can align with life insurers, said Kimberlee Cornett, director of Impact Investments.

Companies in some cases have already made investments that would fit the definition of social infrastructure without realizing it, Reeder said.

For example, an insurer may have made investments in school bonds that make financial sense while also benefiting target communities, he said.

The Connecticut Insurance Department began reaching out to insurers about impact investing in 2019, noted Kathy Belfi, special adviser to Commissioner Andrew Mais. BR

Timothy Darragh is an associate editor. He can be reached at *timothy.darragh@ambest.com*.

Regulatory Update

South Carolina court issues business interruption ruling and New Jersey governor signs new auto insurance legislation.

Business Interruption Insurance: South Carolina's highest court has ruled the COVID-19 virus has not caused direct physical damage to properties and upheld an insurer's denial of business interruption coverage caused by government-ordered restrictions on business operations.

The South Carolina Supreme Court ruled that claims for coverage by Sullivan Management LLC, which operates Carolina Ale House properties, were properly denied by Fireman's Fund and Allianz Global Risks. Sullivan sought coverage for losses after Gov. Henry McMaster temporarily prohibited restaurants from providing on-site dining to limit the spread of the virus, it said.

Auto Insurance: New Jersey Gov. Phil Murphy has signed legislation raising minimum auto insurance coverage levels.

Murphy signed S. 481, which will raise the minimum amount of liability insurance for drivers from its current \$15,000 coverage level to \$25,000 beginning in 2023, and a minimum of \$35,000 starting in 2026.

It would raise the limits again to \$35,000/\$70,000/\$25,000 in January 2026, it said.

Under the legislation, about 1.1 million drivers would see premium increases of \$120 to \$130 annually, the American Property Casualty Insurance Association said.

At Large

The Curious Case of Hypermature Markets

Insurers in these markets must accept competition.

By **Bill Pieroni**

This year in "At Large" we've been sharing insights generated by ACORD's Global Insurance Growth & Profit Pools study, which examined 94 of the world's insurance markets. Having explored developing markets, mature markets and the U.S. market in particular, I'd like to conclude this series by discussing an intriguing segment uncovered in our research: "hypermature markets."

Types of Markets: ACORD's research classified "mature" markets as those demonstrating higher-than-average insurance penetration relative to GDP, but lower-than-average growth. Within this category, four markets emerged as hypermature: the U.K., France, Italy, and Australia. In each of these countries, insurance penetration—premiums written, as a percentage of GDP—not only failed to match the global average growth rate, but actually shrank.

Yet, these four geographies remain key markets for the global insurance industry. What do insurers need to take into account when doing business in these hypermature markets?

Characteristics of Hypermature Markets: While hypermature markets are similar to other mature markets in most respects, they are overwhelmingly dominated by buyer demands around price and convenience. Insurers in these markets are caught in a spiral of price competition

and ongoing commoditization. Brand loyalty is almost absent, and customer due diligence across both personal and commercial lines is based almost entirely on price—how cheap can I get insurance, and how easily can I switch? The resulting market is characterized by:

Hypercompetition: Intense price competition forces insurers to constantly find ways of cutting costs—already lean operating models must be somehow made even more efficient. This is coupled with the nearly zero-sum nature of customer acquisition—insurance penetration in these markets is already so high that any potential customer will most likely need to be poached from a competitor.

Hypersegmentation: In an effort to find a non-price-based competitive advantage, insurers in hypermature markets often attempt to microsegment their brands to target extremely

Best's Review columnist **Bill Pieroni** is president and CEO of ACORD. He can be reached at *bestreviewcomment@ambest.com*.

granular niche markets—perhaps policies for very specific types of vehicles, or for members of one particular profession. While insurers often spend material amounts of money and effort to differentiate themselves in this way, they often meet only limited success functions.

Hyperaugmentation: Another common tactic in these challenging markets is driving income through "add-ons" to existing policies. This is not just typical cross-selling—insurers in hypermature markets are often found inventing additional products, services, and enhancements for policyholders that are rarely found even in other mature markets. In fact, these additional offerings are often completely outside core insurance functions.

Dealing With Hypermaturity: Insurers in nascent hypermature markets must attempt to avoid Theodore Levitt's "commodity magnet" and avert the downward spiral of price competition. By adding value in non-price-based ways—and educating consumers accordingly—they may be able to achieve meaningful differentiation.

However, insurers in these markets must unfortunately accept the necessity of intense price competition. They must adopt a "price-plus" strategy that, while not ignoring product leadership, customer intimacy, and innovation, prioritizes operational efficiency. Success in these markets requires a lean operating model, a deep understanding of the relevant economics, and corresponding capability alignment. BR

AM Best TV

Visit www.*bestreview.com* to watch an interview with Bill Pieroni.

Risk Adviser

It's Time for Life Insurers to Go on Offense

The pandemic showed consumers the importance of life insurance, creating an opportunity for insurers to make a play to close the coverage gap and bring financial protection to more people.

By Derek Kueker

It is said character is revealed in times of crisis. For the life insurance industry, the pandemic was such a crisis—and the industry demonstrated the true value and social good insurance brings to people in need. The challenge now is to turn the many achievements of the past two and half years into lasting benefits for the industry and the people it serves.

Rising to the Challenge

The pandemic was not a single event but a series of ever-changing challenges. While insurers focused on writing new business amid lockdown protocols and managing the claims impact of COVID-19, they were hit with a barrage of indirect business effects—financial market volatility, remote working, the Great Resignation, and the list goes on. Without missing a beat, companies created an improvised business-as-usual mode to continue to serve consumers.

An industry that relies on trends saw trends constantly evolving—where waves of the virus were hitting, who was being affected, what variants and sub-variants were emerging, how vaccine development and rollout were progressing. As things seemed to be winding down in the summer of 2021, the delta wave unleashed perhaps the worst phase of the pandemic for life insurers. But the industry continued to push forward.

Insurers found creative and innovative solutions to ensure that access and affordability to products remained constant. They accelerated changes to underwriting approaches to balance timeliness and consumer safety with risk management, condensing years of major advances into just months. Despite resource and workforce disruption, they met increased demand for protection products and paid billions of dollars in claims, fulfilling commitments to policyholders and providing much-needed financial support amid so much loss.

Best's Review contributor **Derek Kueker** is vice president and senior actuary, Experience Studies Analytics and chief data officer, U.S. Mortality Markets at Reinsurance Group of America Inc. (RGA). He can be reached at *CMSTeam@rgare.com.*

Embracing the Opportunity

As laudable as these accomplishments may be,

now is not the time for the industry to rest on its laurels. It is time to go on offense. COVID-19 left consumers with a whole new understanding of and appreciation for the value of protection products, creating an opportunity for insurers to close the coverage gap and bring financial protection to more people.

Key adaptations made at the height of the pandemic should be evaluated as potential steps to progress and, if compatible with sound risk discipline, incorporated into new ways of doing business. Advances made in areas such as digital distribution and accelerated underwriting, for example, need to be carried forward and built on. Forward-thinking companies must find ways to sustain momentum in both consumer engagement and solution development.

Tomorrow's leading insurers will be those optimists now envisioning the limitless potential ahead and positioning their businesses accordingly. This will require both securing the financial strength to absorb future impacts and fostering the operational nimbleness to pivot quickly as new opportunities arise.

With companies expecting to move on to a new phase of COVID-19, the energy and urgency put into the pandemic should not be abandoned but redirected toward building the future. The life insurance safety net held strong for families around the world in the face of a global crisis, and the trust engendered as a result must now be leveraged to make coverage accessible to as many people as possible. If insurers embrace emerging opportunities with the same determination with which they faced the challenges of the pandemic, the industry's future will be bright indeed. BR

Regulatory/Law

Lead Paint Litigation Raises Coverage Questions for Policyholders

A recent California decision tackles one issue: Is a public nuisance claim based on the willful acts of the insured's predecessor barred from coverage?

By Rob Tugander

State and local governments have been pursuing "public nuisance" claims against companies responsible in some way for societal problems. We've seen cases against manufacturers and distributors of guns, lead paint and opioids. And this theory is being tested in climate change cases against energy companies.

As new legal theories and trends emerge, so do insurance cases addressing coverage for those liabilities. A recent California decision tackles one issue: Is a public nuisance claim based on the willful acts of the insured's predecessor barred from coverage?

The case—Certain Underwriters at Lloyd's London v. ConAgra Grocery Products Co.—addresses California Insurance Code Section 533. That law says an insurer is not liable for a loss caused by the policyholder's willful act. The ruling derives from a California statute, but the court's reasoning can be applied to similar disputes elsewhere involving "expected or intended" policy language.

Best's Review contributor **Rob Tugander** is a partner with Rivkin Radler. He can be reached at *Robert.Tugander@rivkin.com*.

ConAgra was one of several paint manufacturers accused of creating a public health crisis by promoting the use of lead paint for interior use despite knowing that lead was hazardous to humans. After a trial, ConAgra was ordered to pay into a lead paint abatement fund.

ConAgra itself did not promote lead paint for interior use. But its predecessor, W.P. Fuller & Co., did. And evidence showed Fuller knew that using lead paint indoors would likely harm children.

The coverage dispute centered on whether Fuller's knowledge could be imputed to ConAgra and whether the findings in the underlying case were sufficient to meet the willfulness standard under Section 533.

ConAgra argued that Section 533's deterrence policy didn't apply to it, an innocent insured on the hook for a predecessor's conduct over which it had

no control. It analogized to vicarious liability cases that allowed innocent insureds to be indemnified for the wrongful acts of others. But the court disagreed that the successor's knowledge mattered. ConAgra became liable for the public nuisance that Fuller caused, and thus stood in Fuller's shoes for purposes of Section 533.

With Fuller's knowledge imputed to it, ConAgra proffered two reasons why Section 533's willful standard wasn't met. The court rejected both.

The first rested on causation. ConAgra contended that Section 533 required a direct causal relationship and a close temporal connection between the willful act and the loss. As Fuller's conduct happened decades ago, the loss was too attenuated from Fuller's lead paint promotions. The court disagreed, finding that Section 533 applies whenever the loss is caused by a willful act. Fuller's willful conduct was adjudged to be a substantial factor in creating a public nuisance; there's no reason why Section 533 should not apply.

ConAgra next argued that Section 533 applies only if it was shown that Fuller's high-level managers knew of the hazards. Again, the court was unpersuaded. It was established that Fuller, the corporate entity, knew that lead paint was highly likely to cause harm when it promoted it for residential use. This was enough to trigger Section 533's prohibition against insurance coverage.

The point here is straightforward. Policyholders in the cross hairs of public nuisance litigation should not expect to be bailed out by their insurers. This is so, even where an insured's liability arises solely from the deliberate acts of its corporate predecessor. BR

EQUITABLE

TermOne® Rate Card

Equitable Financial Life Insurance Company One-Year Term (TermOne®)
Equitable Financial Life Insurance Company of America One-Year Term (TermOne®)

One year, non-participating, non-renewable, convertible - $25,000 minimum face amount.
The maximum face amount varies by issue age. Annual premium mode only and no policy fee.
Standard Uni-Tobacco is the only underwriting class.

Annual premium rates per $1,000 face amount based on Age at Nearest Birthday.
Premium rates are same for Tobacco and Non-Tobacco Use. Issue ages are 20 to 99 in all jurisdictions.
Policy is convertible for issue ages 20 through 79.

Rates shown are current and are subject to change and state availability.
All coverage is subject to underwriting and approval of the Equitable Financial Life Insurance Company and Equitable Financial Life Insurance Company of America.

Age at Nearest Birthday	Unisex	Male	Female	Age at Nearest Birthday	Unisex	Male	Female
20	0.58	0.65	0.39	60	1.59	1.70	1.44
21	0.55	0.61	0.37	61	1.74	1.85	1.57
22	0.52	0.58	0.37	62	1.88	2.00	1.68
23	0.49	0.54	0.35	63	2.00	2.13	1.81
24	0.45	0.49	0.35	64	2.14	2.27	1.93
25	0.40	0.44	0.33	65	2.34	2.49	2.12
26	0.39	0.42	0.33	66	2.51	2.68	2.27
27	0.38	0.40	0.32	67	2.72	2.89	2.46
28	0.38	0.40	0.32	68	2.99	3.18	2.70
29	0.38	0.40	0.32	69	3.35	3.56	3.03
30	0.37	0.39	0.32	70	3.83	4.10	3.42
31	0.37	0.38	0.32	71	4.40	4.71	3.93
32	0.37	0.38	0.32	72	5.33	5.57	4.41
33	0.38	0.39	0.33	73	6.11	6.46	5.16
34	0.39	0.40	0.34	74	7.06	7.57	6.03
35	0.40	0.42	0.34	75	8.17	8.47	6.08
36	0.41	0.43	0.34	76	8.47	9.08	6.88
37	0.42	0.45	0.37	77	8.83	9.35	7.77
38	0.44	0.47	0.40	78	9.45	9.89	8.41
39	0.47	0.49	0.42	79	10.09	10.59	9.00
40	0.49	0.52	0.42	80	14.03	14.48	12.23
41	0.51	0.54	0.42	81	15.22	15.65	13.54
42	0.53	0.56	0.44	82	16.68	17.11	14.96
43	0.56	0.58	0.48	83	18.63	19.19	16.39
44	0.59	0.61	0.52	84	21.58	22.17	19.24
45	0.63	0.66	0.54	85	25.35	26.11	22.31
46	0.68	0.70	0.59	86	29.98	30.62	26.58
47	0.74	0.76	0.65	87	34.87	35.87	30.85
48	0.79	0.81	0.71	88	41.20	42.18	37.29
49	0.83	0.85	0.74	89	49.25	50.38	44.70
50	0.89	0.92	0.76	90	59.52	62.98	51.95
51	0.96	1.00	0.81	91	80.31	85.02	58.07
52	1.03	1.08	0.85	92	101.10	113.08	64.48
53	1.08	1.12	0.90	93	126.85	141.34	71.41
54	1.12	1.16	0.95	94	136.12	150.46	78.76
55	1.16	1.21	0.98	95	145.95	160.79	86.59
56	1.21	1.27	1.07	96	155.01	170.07	94.76
57	1.30	1.38	1.17	97	164.57	179.88	103.34
58	1.40	1.49	1.27	98	174.70	190.28	112.39
59	1.49	1.59	1.35	99	185.41	201.28	121.90

The one-year term (TermOne®) policy is issued by Equitable Financial Life Insurance Company, NY, NY; and by Equitable Financial Life Insurance Company of America, an Arizona stock corporation with its main administrative office in Jersey City, NJ. Distributed by Equitable Network, LLC (Equitable Network Insurance Agency of California in CA; Equitable Network Insurance Agency of Utah in UT; Equitable Network of Puerto Rico, Inc. in PR), and Equitable Distributors, LLC, (NY, NY). When sold by New York state-based (i.e., domiciled) Equitable Advisors financial professionals, TermOne® is issued by Equitable Financial Life Insurance Company, 1290 Avenue of the Americas, New York, NY 10104.

The TermOne® policy has a conversion privilege that permits the policy owner to exchange the TermOne® policy with a new permanent life insurance policy before the final conversion date without evidence of insurability. The new policy may be on any plan of life insurance, except for term insurance, that we or an affiliate of ours offer on the date of exchange subject to our or our affiliate's rules then in effect as to plan, age and class of risk. This exchange is subject to the requirements stated in TermOne® policy form number ICC07-148-51, 148-51, or state variations.

Equitable is a brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc., including Equitable Financial Life Insurance Company (NY, NY), Equitable Financial Life Insurance Company of America, an AZ stock company with main administrative headquarters in Jersey City, NJ, and Equitable Distributors, LLC. Equitable Advisors is the brand name of Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI and TN).

GE-3676446.2 (8/22) (Exp 8/24)

BEST'S REVIEW® ISSUES & ANSWERS:

- Specialty Insurance Perspective
- Climate Risk Disclosure

Experts discuss the new opportunities in the specialty lines market and how insurers' approaches to investing are evolving due to climate change exposure.

Interviewed Inside:

John Anthony
Nationwide E&S Wholesale

Bryan Clark
WSIA

Sabrina Hart
Munich Re Specialty Insurance

Tim Antonelli
Wellington Management

View past Issues & Answers sections at
www.bestreview.com/issuesanswersarchive.asp

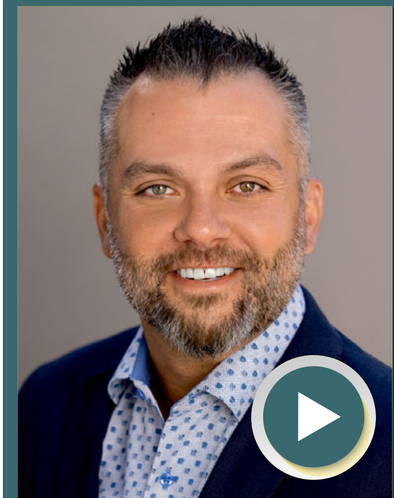
Providing E&S Solutions

John Anthony, Senior Vice President of Contract P&C and Excess Umbrella for Nationwide E&S Wholesale, said the company has a large investment in advanced analytical models that can glean valuable insights from data. "We're providing information for our partners to select the right risks and opportunities that we should be pursuing together," he said. Following are excerpts from an interview.

Nationwide®

John Anthony

Senior Vice President of Contract P&C and Excess Umbrella
Nationwide E&S Wholesale



"At Nationwide E&S, we measure our success by our ability—year in and year out—to provide relevant and viable solutions and products to our partners and policyholders."

Visit the Issues & Answers section at *www.bestreview.com* to watch an interview with John Anthony.

Does the current economic climate offer an opportunity to E&S insurers?

I believe it does. Inherently, the E&S marketplace is poised to take advantage of different climates and economic marketplaces. Having a dynamic product offering and the ability to quickly develop and launch new products allows us the opportunity to take advantage of emerging opportunities in the changing environment. Economic and social changes always provide the E&S marketplace with unique and new opportunities for those positioned to take advantage of them. With the breadth and appetite and the product that the E&S marketplace provides, and the wide range of resources that we have, we're able to capitalize on the changes in the external environments as they present themselves.

What factors does Nationwide look at when considering risk?

First, we have a world-class team of distribution partners that we know confidently transact business on our behalf, providing the best solutions to the best risks. Then we underwrite the insured. Good insureds that are safety conscious and really invested in their business usually perform better than those that aren't as focused on providing a safe environment. Additionally, we look at individual risk characteristics. We have large amounts of data that we run through analytical models, and we have a specialized underwriting team with expertise that can help identify which risk characteristics are going to perform to our standards.

How can carriers help distribution partners be mutually successful while maintaining profitability?

One of the biggest things is the financial stability that a carrier can offer—providing a peace of mind that the carrier will be there in the client's time of need, which would be a great selling point when you're looking to select which carrier to put your risk solutions through. Additionally, having a national footprint where we can aggregate and glean information that may be outside of what the purview of our individual agents are provides a lot of solutions that may not be readily apparent to our distribution partners.

How does Nationwide E&S measure success?

At Nationwide E&S, we measure our success by our ability—year in and year out—to provide relevant and viable solutions and products to our partners and policyholders, while bolstering the financial strength of our organization. We pride ourselves on the breadth of product and specialized expertise in both underwriting and claims handling, and delivering world-class solutions in a dynamic and ever-changing environment.

Share this edition at ***www.bestreview.com/issuesanswersarchive.asp.***

Meeting the Insurtech Challenge

Bryan Clark, President, Wholesale & Specialty Insurance Association (WSIA), and President, Gorst & Compass Insurance, said WSIA's Insurtech Conference features exhibitors who come with technology solutions that are specific to the insurance industry. "The opportunity to meet with them, share specific needs, see demos, and hear about their services and products is great," he said. Following are excerpts from an interview.

Bryan Clark
President
Wholesale & Specialty Insurance Association (WSIA)

"Many of us wear a lot of hats in our firms and having peers and experts all in one place to share ideas and best practices is an efficient way to make sure you're not being left behind in this race to digitize."

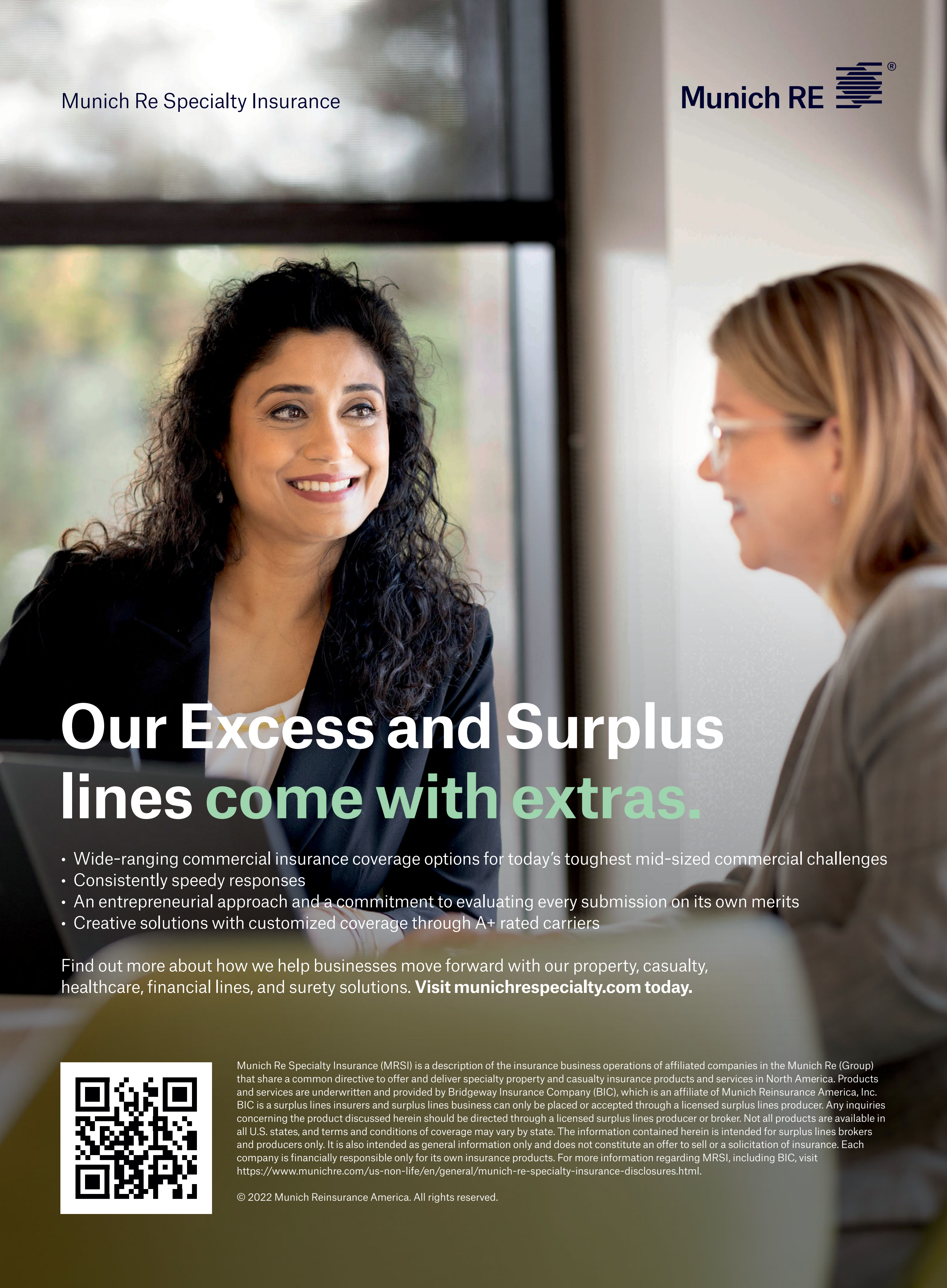
"Insurtech" can be literally defined as the use of technology to improve the efficiency of the insurance industry. Can you touch on how you see it impacting wholesale, specialty and surplus lines right now?
The term certainly has become a buzz word, but rightfully so because it is, and should be, an integral part of everything we do in surplus lines insurance. As the market for emerging risks, it's appropriate that we would be aggressively leveraging insurtech in our businesses. We are finding that adopting digital solutions is good for everyone involved in the transaction and can be beneficial to the bottom line as it makes us more efficient across the board. I think it's becoming necessary to get up to speed on solutions to remain competitive.

What are some of the challenges of adopting insurtech?
They vary by size and type of firm. In general, like with any new technology adoption, it can be challenging to integrate existing IT infrastructure with a new platform or technology. The key is to find ways to digitalize processes that have historically been more manual and to get help integrating them. There are a lot of solutions out there that can help with that process, but when you're busy with client relationships and managing other aspects of business, it can be difficult to find and leverage them. It's also obviously critical to keep data and cybersecurity in mind with adoption of these tools.

How does WSIA's Insurtech Conference help firms overcome these challenges?
I think the real value comes in merging that exhibitor piece with great education opportunities targeted specifically to our segment of the industry. Many of us wear a lot of hats in our firms and having peers and experts all in one place to share ideas and best practices is an efficient way to make sure you're not being left behind in this race to digitize. The sessions are varied and target people at different levels of expertise, and there is great content for CEOs, IT professionals, underwriters, brokers and HR professionals. It's all technology-based, but technology is impacting the entirety of our organizations, and it's nice to have a one-stop for people across our businesses to learn.

Tell us about the 2023 Insurtech Conference.
The next conference is April 2-5 in Nashville. I think that the basic structure of the conference will remain unchanged because it works so well to marry education with exhibitors there, but I would also anticipate more dedicated time for private meetings and networking opportunities because we know that attendees appreciate being able to interact outside of the structured sessions also. This is the only WSIA event that also welcomes nonmember attendees, so it's an opportunity for those registrants to learn more about the industry and the association and interact as well. I would encourage anyone who is impacted by their firm's technology in any way to save those dates and consider attending.

To learn more about WSIA, please *visit www.wsia.org.*


Munich Re Specialty Insurance
Munich RE
Our Excess and Surplus lines come with extras.
• Wide-ranging commercial insurance coverage options for today's toughest mid-sized commercial challenges
• Consistently speedy responses
• An entrepreneurial approach and a commitment to evaluating every submission on its own merits
• Creative solutions with customized coverage through A+ rated carriers
Find out more about how we help businesses move forward with our property, casualty, healthcare, financial lines, and surety solutions. Visit munichrespecialty.com today.
Munich Re Specialty Insurance (MRSI) is a description of the insurance business operations of affiliated companies in the Munich Re (Group) that share a common directive to offer and deliver specialty property and casualty insurance products and services in North America. Products and services are underwritten and provided by Bridgeway Insurance Company (BIC), which is an affiliate of Munich Reinsurance America, Inc. BIC is a surplus lines insurers and surplus lines business can only be placed or accepted through a licensed surplus lines producer. Any inquiries concerning the product discussed herein should be directed through a licensed surplus lines producer or broker. Not all products are available in all U.S. states, and terms and conditions of coverage may vary by state. The information contained herein is intended for surplus lines brokers and producers only. It is also intended as general information only and does not constitute an offer to sell or a solicitation of insurance. Each company is financially responsible only for its own insurance products. For more information regarding MRSI, including BIC, visit https://www.munichre.com/us-non-life/en/general/munich-re-specialty-insurance-disclosures.html.
© 2022 Munich Reinsurance America. All rights reserved.

Dynamic E&S Market

Sabrina Hart, Munich Re Specialty Insurance President, Excess and Surplus, said the E&S market has historically been among the most dynamic. "The current market really is no exception to that. At Munich Re, we are working very closely with brokers to see where we can capitalize on these opportunities," she said. Following are excerpts from an interview.

Munich RE

Sabrina Hart
President, Excess & Surplus
Munich Re Specialty Insurance

"Those operating in the E&S space tend to be at the forefront of industry trends, driving innovation, as it relates to coverage, along with the superior service that the community provides to brokers and clients."

Visit the Issues & Answers section at *www.bestreview.com* to watch an interview with Sabrina Hart.

How important is creativity when it comes to E&S business?

It's extremely important. With the world getting riskier by the day, the industry requires creativity in a number of areas, but specifically in critical coverage areas such as pandemic, cyber, wildfire, just to name a few. That especially holds true for the E&S market, where we are looking to create bespoke solutions for clients' risk management needs. That's being creative with respect to terms and conditions, program structures, risk appetite, and bringing creativity with the launch of new products. Even more critical is the value proposition that the E&S market brings to brokers. Creativity becomes even more important as demand grows.

Where do you see the growth coming from in the specialty market, particularly in E&S lines?

We see a market poised for substantial growth across all product lines, bolstered by the launch of new products and also enhancing some of our existing products. We believe in the coming years there will be even stronger growth in the specialty insurance solutions than we'll find in the more traditional standard insurance markets. The trends that we see related to such critical issues around climate change and liability, as well as the need for our clients to manage those difficult risks are much stronger than they are when compared to more standard risk.

Are there any particular emerging and challenging risks that you're keeping an eye on?

The ever-changing market conditions have created several emerging and challenging risks for our industry. Most notable is inflation, especially social inflation. We're certainly seeing a trend of rising claims and insurance costs that are tied to increased litigation, along with extremely friendly judgments in favor of plaintiffs and nuclear jury awards. I would say cyber is top-of-mind as it relates to products. Cyber is candidly a very young business that lacks robust data. If you think about it, as an industry, we've been modeling property and casualty risk for hundreds of years. In comparison, we have such a relatively small amount of data for cyber. We also need to think about climate change and the repercussions of how the climate crisis directly affects insurance and reinsurance industries. When we think about the loss potentials from natural disasters, such as our storms, floods and wildfires, we see them increasing at such alarming rates, due in large part to climate change.

How does Munich Re Specialty Insurance engage with broker partners?

It's all about a focused distribution approach. We refer to that as our select broker strategy. We have an outstanding team of broker relationship leaders who manage each of these select relationships. We engage with our valued brokers from the executive level to the producer marketing level, and everywhere in between. In addition to quarterly business reviews, we are in continual contact with our brokers. Broker engagement is a strategic pillar for us as we aspire to be a top E&S market. Our mission is to create a preferred-broker experience and a level of engagement that will differentiate us in the marketplace.

Learn more about Munich Re Specialty Insurance's E&S team and their creative coverage for tough middle-market risks at *https://www.munichre.com/us-non-life/en/solutions/specialty-insurance/excess-and-surplus.html.*


Where climate research meets economic reality
InsuranceERM
Americas Awards 2022
Winner
Insurance asset manager of the year
We see opportunity.
Because we believe understanding the effects of climate change on capital markets leads to better insights, and investment decisions.
WELLINGTON MANAGEMENT®
Professional investors only. Capital at risk.

A Climate of Change

As the momentum behind decarbonization and net-zero objectives builds around the world, insurers are increasingly trying to understand and address the investment implications of climate change on investment policy and asset allocation decisions. The need for insurers to take action on climate science just keeps building, says Tim Antonelli, who leads Wellington Management's global insurance portfolio solutions. Following are excerpts from an interview with Tim.

WELLINGTON MANAGEMENT®

Tim Antonelli, CFA, FRM, SCR
Insurance Portfolio Strategist
Wellington Management

"Don't just use climate as a risk-off exercise. You should use it as a way to capture alpha sources as well."

Visit the Issues & Answers section at *www.bestreview.com* to watch an interview with Tim Antonelli.

What is the lay of the land as it relates to insurers' progress on integrating and assessing climate change?

At the highest level, real best practices have emerged from who I think are the furthest along on their journey, generally European insurers. Some of the trademarks of that group include a consistent, top-down organizational philosophy, a broken-down silo construction across all functions at the firm. We also see a shift from just exclusionary-based investing to trying to maintain the broadest investable asset universe, and understanding that things such as engagement can become a very valuable tool in this journey.

How can insurers evolve their investing approach to tackle these issues?

First and foremost, you should ensure that the investment professionals are in line with what your corporate philosophy is. The second thing is establish your baseline exposure. To do that means you should have a full assessment of your exposures, both from the transition risk perspective. Then, third, you should keep your opportunity set for investing as broad as possible. Then, finally, lean into thematic opportunities. Don't just use climate to avoid risk.

How is Wellington helping insurance clients on this journey to better understand and incorporate climate impact?

Five years ago, we started partnering with the Woodwell Climate Research Center, who is one of the foremost physical risk climate science centers in the world. We've used their research to model heat, wildfire, flooding, hurricanes, etc., to understand what the long-term structural changes could be to our investable asset universe for insurers that are going to be affected by the inevitable climate risk that's likely to occur. At the beginning of 2022, we partnered with the Joint Program on the Science and Policy of Global Change at the Massachusetts Institute of Technology to work on transition risk specifically.

What it will allow us to do is explore a whole host of policy projections as it relates to implementing things such as a carbon tax or shifting sectoral bases as economies move toward a more green, forward-looking state, and will allow us to consider and understand some of those risks, not only through an engagement lens with the portfolio companies we have, but also through some stress testing as well.

At the end of last year, we also moved our capital market assumption process to be wholly-ingrained from a climate-aware fashion, meaning we have transition risks and physical risks embedded in all of our asset class returns for the next 10 years.

Republican Senators Offer One-Year NFIP Extension Bill

The Biden administration earlier this year gave Congress 17 proposals to reform the NFIP, including measures to end NFIP coverage to properties that repeatedly flood, prohibit new construction in flood-prone areas and require sellers and renters to make full disclosure of a property's flood history.

by Timothy Darragh

A group of Republican senators has released a proposal to extend the National Flood Insurance Program by one year. Bill Cassidy and John Kennedy, both of Louisiana, Marco Rubio of Florida and Cindy Hyde-Smith of Mississippi introduced legislation to reauthorize NFIP, which now is authorized through Sept. 30.

Florida is home to 1.7 million NFIP policies, more than any other state, Rubio said in a statement. "The National Flood Insurance Program is a lifeline for many Floridians," he said. "We need to pass this legislation quickly so that no one experiences a lapse in coverage."

Democratic Sen. Robert Menendez of New Jersey already has introduced a bill to extend the program an additional five years. He said his National Flood Insurance Program Reauthorization and Reform bill would put the program back on

Timothy Darragh is an associate editor. He can be reached at *timothy.darragh@ambest.com*.

Florida is home to 1.7 million NFIP policies, more than any other state. "The National Flood Insurance Program is a lifeline for many Floridians."

Sen. Marco Rubio
Florida

solid fiscal ground and reframes the nation's entire disaster paradigm to one that focuses more on prevention and mitigation to spare the high cost of rebuilding after flood disasters.

Risk Rating 2.0

One thing the Democrat and Republicans have in common: They oppose Risk Rating 2.0. Cassidy called the program "disastrous."

Earlier this year, Cassidy released a statement on the Federal Emergency Management Agency acknowledging an internal study finding that the implementation of Risk Rating 2.0 to the NFIP could cause 20% of policyholders to drop out of the program due to higher premiums.

Menendez said he hears from FEMA and special interest groups "who are completely out of touch with disaster victims, that premiums need to be raised sky high on policyholders to bring down costs. But these calls to raise premiums foolishly ignore the fact that FEMA's huge administrative costs should be reformed to provide premium savings."

The Biden administration earlier this year gave Congress 17 proposals to reform the NFIP, including measures to end NFIP coverage to properties that repeatedly flood, prohibit new construction in flood-prone areas and require sellers and renters to make full disclosure of a property's flood history.

In December, Congress approved a stopgap funding measure to keep the government running past a Dec. 3 deadline as well as a short-term extension of NFIP.

The main property/casualty insurance trade groups, the American Property Casualty Insurance Association and the National Association of Mutual Insurance Companies, support long-term extensions of the program. In a position statement, NAMIC said it favors the shift toward risk-based rates, policies designed to increase private-sector involvement in the program and provisions to address affordability, increase mitigation and address repetitive loss properties.

At the APCIA, Don Griffin, vice president of policy, research, and international, said flooding is a bipartisan issue, but "strangely enough, there's still not agreement on how to reform it." The legislative proposals at least provide a discussion point, but they need study, he said.

"While the Biden administration flood insurance proposals have interesting components, we need to evaluate them based on the impact on consumers, communities, insurers, and the financial health of the National Flood Insurance Program," Griffin said. "However, APCIA has long advocated for no lapse in the NFIP, disclosure of previous losses and showing the true risk costs, and transparency in disclosure."

The administration's plan would extend NFIP through Sept. 30, 2031, and would ensure FEMA is able to sell and service policies, even during a lapse of appropriations.

According to FEMA, the proposals would address four main goals: ensuring more Americans are covered by flood insurance by making it more affordable to low-and-moderate income policyholders; building climate resilience by transforming the communication of risk and providing Americans with tools to manage their flood risk; reducing risk, losses and disaster suffering by strengthening local flood-plain management minimum standards and addressing extreme repetitive loss properties; and instituting a sound and transparent financial framework that allows the NFIP to balance affordability and fiscal soundness. BR

Best's Rankings

Top 25 Writers - US Private Flood – 2022 Edition

Ranked by 2021 direct premiums written.

($ Thousands)

2021 Rank	2020 Rank	Company / Group	AMB#	2021 Direct Premiums Written	% Change in Premiums	Market Share (%) 2021	Market Share (%) 2020	Market Share (%) 2019	Adjusted Loss Ratios 2021	Adjusted Loss Ratios 2020	Adjusted Loss Ratios 2019	% of Company Premiums
1	1	Zurich Ins US PC Group	018549	$168,788	70.9	16.1	13.4	15.2	85.2	367.0	34.8	1.1
2	3	Amer Intl Group	018540	156,871	108.3	14.9	10.3	9.9	54.8	32.9	28.1	1.1
3	2	Assurant P&C Group	018523	107,151	10.0	10.2	13.3	16.3	34.6	10.1	16.3	1.2
4	4	XL Reins America Group	018557	71,163	3.6	6.8	9.3	6.7	22.2	34.0	12.3	0.9
5	5	Swiss Reins Group	003262	60,763	-9.9	5.8	9.2	12.7	14.3	8.0	56.3	2.4
6	8	Liberty Mutual Ins Cos	000060	59,941	55.3	5.7	5.3	4.3	35.0	-6.7	-48.2	0.1
7	7	Berkshire Hathaway Ins	000811	52,113	25.8	5.0	5.6	4.3	14.2	16.7	-86.9	0.1
8	6	Arch Ins Group	018484	48,821	-1.7	4.7	6.8	6.6	8.4	9.2	5.3	0.9
9	12	Chubb INA Group	018498	44,221	188.4	4.2	2.1	0.9	61.9	0.5	22.8	0.2
10	9	Allstate Ins Group	000008	33,664	-5.4	3.2	4.8	3.0	24.1	21.6	14.1	0.1
11	10	Allianz US PC Ins Companies	018429	33,217	22.5	3.2	3.7	3.8	28.0	-20.2	107.6	0.6
12	39	Sompo Hldgs US Group	018878	33,024	999.9	3.1	0.0	0.0	7.2	0.0	0.0	0.5
13	11	Alleghany Corp Group	018640	26,862	2.8	2.6	3.6	3.8	3.1	-0.1	-0.8	1.0
14	16	Munich-Amer Hldg Corp Cos	018753	23,568	196.8	2.2	1.1	1.4	37.0	27.1	31.6	0.7
15	57	Transverse Ins Group	018931	17,322	0.0	1.7	0.0	0.0	96.5	0.0	0.0	7.8
16	13	MAPFRE North America Group	018801	15,367	5.9	1.5	2.0	2.3	4.5	1.7	10.7	0.7
17	20	Trisura US Ins Group	018944	12,084	110.5	1.2	0.8	0.0	261.0	69.3	59.7	1.5
18	15	Palomar Hldgs US Group	018954	11,653	42.5	1.1	1.1	0.9	36.9	-2.3	34.2	2.5
19	14	Progressive Ins Group	000780	10,175	7.7	1.0	1.3	1.3	3.9	2.7	0.2	0.0
20	18	United Surety & Indemnity Co	011138	6,458	1.2	0.6	0.9	1.1	0.2	1.2	1.2	8.3
21	19	Tokio Marine US PC Group	018733	5,782	-8.6	0.6	0.9	1.3	86.2	0.4	41.0	0.1
22	17	Markel Corp Group	018468	5,267	-25.0	0.5	1.0	1.4	87.6	52.9	36.7	0.1
23	21	Nationwide Group	005987	5,240	21.3	0.5	0.6	0.6	84.7	132.3	8.3	0.0
24	25	W. R. Berkley Ins Group	018252	5,078	166.4	0.5	0.3	0.0	285.7	0.8	0.0	0.1
25	22	Cincinnati Ins Cos	004294	4,754	23.0	0.5	0.5	0.6	152.0	18.3	13.0	0.1
		Top 25 Writers		**$1,019,347**	**41.1**	**97.0**	**98.3**	**99.4**	**43.7**	**62.8**	**22.5**	**0.3**
		Total U.S. P/C Industry		**$1,050,352**	**42.9**	**100.0**	**100.0**	**100.0**	**43.3**	**62.0**	**22.8**	**0.1**

Reflects Grand Total (includes Canada and U.S. Territories).
Source: BESTLINK - State/Line (P/C Lines) - P/C, US; data as of July 29, 2022.

PLACE OF INTEREST: The Federal Reserve Bank in New York City's financial district.

Private Placements Likely to Remain in US Insurers' Portfolios Despite Rising Rates

Direct lending outside the publicly traded realm of corporate bonds found greater favor amid low interest rates. Don't look for that to change overnight as the Federal Reserve enacts inflation-fighting increases. Lack of trading opportunities, diversification and investment patterns may make it a crawl rather than a rush for the door.

by Terrence Dopp

Insurers stepped up their investments in private placements—direct lending done outside of the public bond market—as interest rates hovered at historic lows for a decade following the 2008 financial crisis.

Terrence Dopp is a senior associate editor. He can be reached at *terry.dopp@ambest.com*.

Key Points

Instrument: Private placements are essentially corporate loans governed by maturities, yields and covenants that don't involve public bonds.

Market: They took on a greater role in insurers' portfolios, particularly to back long-tail life and annuities obligations, as the Federal Reserve kept benchmark interest rates at or near zero.

Shift: The qualities that made private placements attractive to start with—relative safety and higher yields, as well as longer maturities—mean they'll stick around even as the Fed inches rates up and bonds become more attractive.

> "As long as issuers come to market providing that excess spread that is expected by those that are wiling to lend to private placement issuers, this market can continue to function very well."
>
> **Cindy Beaulieu**
> Conning

Although the Federal Reserve has been increasing those benchmarks on several occasions this year, industry watchers don't see the asset class losing favor in the near future.

Really a broad category rather than one specific investment product, private placements are typically debt instruments in which the borrowers raise money in a debt sale outside of public markets. They allow insurers to obtain yields above those they would see with more traditional bonds, while also featuring in some cases protective covenants more favorable than bonds.

"As long as issuers come to market providing that excess spread that is expected by those that are willing to lend to private placement issuers, this market can continue to function very well through volatility, through market changes and spread changes in public markets as long as you're continuing to provide that excess spread," said Cindy Beaulieu, a managing director and portfolio manager at investment management firm Conning.

"As long as valuations make sense I don't see a problem for borrowers coming to this market. There's a natural home in insurance companies for these securities."

Length, Liquidity

Also affecting the allocation is the buy-and-hold nature of private placements, which have a higher yield partially because they offer an "illiquidity" premium compared to public investments that are more easily traded. Any shift in investor behavior is likely to take place in new dollar investments rather than a wholesale rejigging of companies' portfolios.

Rob Lund, senior client portfolio manager at Income Research + Management, said the scenarios he sees as most likely, given rising interest rates that have raised the yields on more traditional publicly traded bonds, are either a leveling off of the upward trend toward private placement investing or a slight drop. Think a churn as older investments mature rather than an immediate change in behavior.

"Insurance company allocations tend not to be huge moves on day one—they're gradual shifts," he said. "It's more about where that next incremental dollar is getting invested. You might see that next incremental dollar gets invested at the higher rate ultimately bringing up book yields."

Investment money follows yield and rather than a wholesale shift, a more likely case is at most a gradual movement as new money "instead of going into privates in some cases going back into the public markets where we're seeing some attractive opportunities," Lund said.

Lund's firm has $88 billion in assets under management. He said he concentrates primarily on public markets in his role and as such keeps an eye on all fixed-income markets in order to watch trends.

Upward Trajectory

The insurance industry more than doubled private placement investment in the decade from 2009 to 2019, reaching almost $1.4 trillion in the final year, according to a September 2020 *Best's Special Report: Private Placement Assets Double in Decade, Now Face Pandemic Pressure.* The growth rate of private placement holdings held by insurers increased by an average 8.4%

“Insurance company allocations tend not to be huge moves on day one–they’re gradual shifts.”
Rob Lund
Income Research + Management

annually over the final five years of that span.

About 84% of that amount was held by the life and annuity sector, according to the research.

Beaulieu said the number of Conning’s insurance clients dipping their toes into the asset class has doubled in recent years.

The traditional role of private placement investments within an insurance portfolio isn’t likely to shift as interest rates go up, she said. Where she does see movement is in the size of allocations on the part of companies that participate.

“It just changes,” Beaulieu said, referring to the investments’ value proposition. “The thing about the private placement market is it always takes some time to change. So one of the things that is very important is to stick with your discipline if you expect to achieve a certain spread over public market.”

Also shifting, she said, is the nature of the borrowers themselves.

Utilities providers and so-called industrials were early borrowers on the private market with maturities stretching out 15 years or more—making them a strong fit for life insurance and annuities obligations. With longer-term liabilities, the illiquid aspect wasn’t such a factor.

Full Decade

Interest rates hit an all-time high of 20% in 1980 as inflation spiked in the double digits. It was all downhill from there.

Benchmark interest rates effectively hit zero amid the Great Recession in 2008 and stayed there until 2015, a span that coincided with the rise of private placements as a go-to investment as companies sought to push up yields.

The Federal Reserve uses a target of between 2% and 5% that is deemed a good level to keep the U.S. economy chugging along but diverges from that figure at times to regulate conditions. And in the near past, the central bank embraced that divergence and for an extended period.

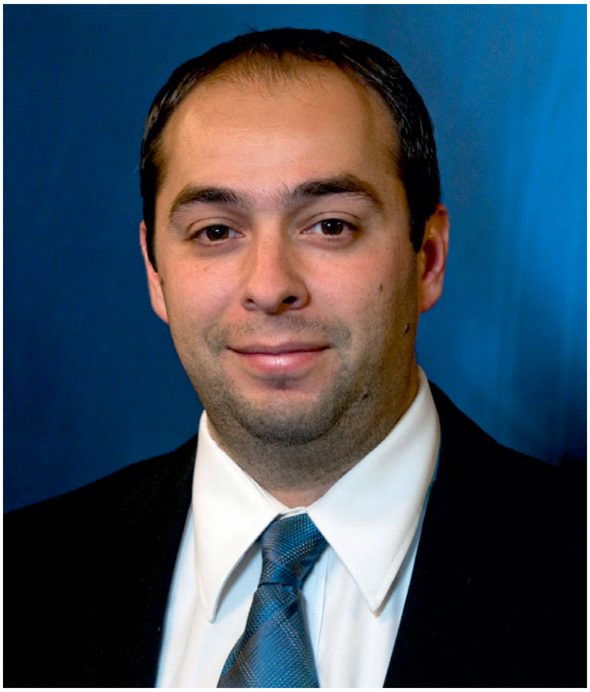
After hovering at various levels of low for about a decade after the crisis, benchmark interest rates scratched zero again in March 2020 as the COVID-19 pandemic put a collar on economic activity. With blinking lights warning of recession and inflation again rising as a top-of-mind concern, the Fed raised rates four times during the first eight months of 2022, including a 0.75 percentage point increase in July.

Lund, of IRM, said part of the increased interest in private placements had been a pure reaction to the low rates. Now for the first time in recent memory, a high-quality corporate bond with a 5% yield isn’t out of the realm of possibility, he said.

“You could make the argument that now might be a time when you could see more start to go up in liquidity, maybe up in quality,” he said. “There’s a lot of uncertainty in the markets. We’ve seen an uptick in conversations around the public markets just given the more attractive yield levels we’re at today.”

New Borrowers

In recent years, the market also has seen the entrance of financial firms such as business development corporations that borrow directly rather than issue a public bond offering, Beaulieu said. Because these firms often issue medium-duration maturities of as little as three years, the market has seen more interest from property and



"The traditional players might not still be in that spot where they feel they need to increase that private placement allocation. It depends company by company and by liability profile."

Ed Kohlberg
AM Best

casualty carriers in addition to life companies, she said.

"When you start to talk about some of those financials, that gets into an area where you really need some deep expertise to really understand what's going on inside the entity—what type of lending they're doing and how you as the lender will ultimately get paid back," Beaulieu said.

Ed Kohlberg, an AM Best director, said that sort of investing is tailor-made for newer players in life insurance.

The admitted assets of private equity-owned insurers swelled since the 2008 financial crisis, while at the same time, traditional insurers, stymied by low rates and on a hunt for yield, grew more willing to enter into investment partnerships with PE firms. The interplay became symbiotic, as the firms saw insurers both in-house and external as a new market for the credit and lending products they sell.

"Not so much for the current players, I think it's new players in the marketplace that have an expertise about private placements," Kohlberg said. "I'm talking about the investment managers, companies that come and start getting into the insurance business. They might have a more aggressive allocation to private placements than traditional companies."

A traditional life insurer that has a hypothetical 10% allocation in the asset class may not see as much utility for the investments as yields rise in the public market, Kohlberg said. At the same time, they could comprise 15%-20% of portfolios for the newer companies that may have a greater appetite for private placements.

"The traditional players might not still be in that spot where they feel they need to increase that private placement allocation," Kohlberg said. "It depends company by company and by liability profile."

In its research, AM Best found during the period 2009-2019 purchases of private placement actually exceeded the number of public bonds bought in the life and annuity, property and casualty, and health segments.

In life and annuity, the portion of bond holdings consisting of private placements reached 35.5% from 24.9% at the start of the period. Property and casualty also saw an increase to 16.3% compared to just 5.1% in 2009.

"You wonder how high that number can get," Lund said. "Now there are some more attractive numbers in the public markets, so I think potentially you can start to see that number slow down."

Kohlberg of AM Best said there's another factor at work that guarantees private placements will remain: lack of tradeability. He was quick to point out that the market has remained solid and companies have grown more comfortable in the relative safety of the loans.

Still, nothing comes without even a small level of risk.

"There isn't a public market for this like a stock where if you aren't happy you sell it," he said. "There is no marketplace like that and sometimes you're stuck with a nonperforming one." BR

L/H Mutual Insurers

US Mutuals Find Stability Key Amid Turbulence Following a Good 2021

Penn Mutual Life Insurance Co. led its mutual peers in growth of 2021 admitted assets. A mix of stability, investment returns and the mutual structure itself earned the company a place alongside two other mutuals posting double-digit returns.

by Terrence Dopp

Dave Raszeja, chief financial officer at Penn Mutual Life Insurance Co., ticks off a list of the company's achievements in 2021: It registered its best sales year ever with $275 million worth of life products distributed; admitted assets grew; and it celebrated over a decade with consecutive annual revenue growth of 9%.

At the heart of the company—and why it was able to perform so well in a turbulent year—is its structure as a mutual company, he said.

"In some respects my job as a mutual company CFO is easier than the same position at a public company," Raszeja said. "We both look to maximize value for our stakeholders but at a public company, they also need to allocate that value between their clients and stock ownership."

He continued: "Folks in the distribution space understand the Penn Mutual story—and the mutual story more broadly—and I think in volatile markets like during the pandemic or all of the things we've seen externally, the safe havens of the mutual structure and the long-term decision making really resonate."

In the mutual structure, each policyholder essentially owns a piece of the company, meaning the company's sole purpose is providing insurance protection to them without a concern over shareholders. The insured population shares any profit, buying them some degree of independence from a focus on quarterly earnings and share price.

Igor Bass, a senior financial analyst with AM Best who analyzes life and annuity insurers, said 2021 was a good year to be a mutual life insurer. The structure essentially allows them to remain focused on policyholders rather than stock owners. Additionally, mutual companies tend to have higher levels of capitalization than their publicly traded counterparts, he said. That capitalization allows some freedom in the way they invest that their publicly traded peers don't always have. Mutuals generally don't have the pressure to meet return on equity or return on revenue targets and improve book value to generate a higher share price quarter over quarter.

For Penn Mutual, its admitted assets grew by 12.8% to $37.7 billion in the biggest yearly gain among mutual insurers in the Best's Rankings of the Top 25 US Life/Health Mutual Insurers—2022 Edition ranked by 2021 admitted assets. Penn Mutual was among a trio that saw double-digit growth in the metric, with Pacific Life and Securian Financial each posting gains of 11.5%, according to the ranking.

All of this comes at a time when the later stages of the COVID-19 pandemic, along with the rise of

Key Points

Yield: Penn Mutual, Pacific Life and Securian Financial all posted double-digit growth in admitted assets to lead mutuals in the category.

Turnover: In the cases of both Penn Mutual and Pacific Life, 2022 saw transitions at the top that were filled in-house.

Structure: By nature of their structure, mutual companies are unfettered from some of the short-term financial reporting and quarterly earnings requirements of publicly traded carriers. This fosters longer-term thinking, company officials said.

Terrence Dopp is a senior associate editor. He can be reached at *terry.dopp@ambest.com*.

Photo by Kim Bjorheim

"One of the things the mutual structure really allows is that it allows us to focus on the long term … when you're focused on the long term you really make decisions that pay off during times of market volatility."

Dave Raszeja
Penn Mutual Life Insurance Co.

inflation and market volatility as balance sheet forces, caused uncertainty across the life industry and entire economy.

"So they are able to take a little bit more risk and get rewarded for it," Bass said. "They have room to do that because of the structure and the capitalization they have versus the stock companies. They are under pressure from shareholders—price and performance-wise. These mutual insurers are not."

Higher capitalizations can often translate into a willingness to accept risk of credits a little further down the ratings scale, remaining safe but carrying a slightly higher yield as a way to deploy excess capital, according to Bass. At the same time, being free from mandatory reporting under the Securities and Exchange Commission can free up some resources. "You used to talk about mutuals as the old sleeping giant," he said. "They're just moving along and making money and not just going with what the market is doing."

Raszeja said the company's format was key to allowing it to look beyond "accounting noise" and approach what turned out to be a rocky year with a longer-term outlook that paid off. "One of the things the mutual structure really allows is that it allows us to focus on the long term," Raszeja said. "And when you're focused on the long term you really make decisions that pay off during times of market volatility."

In a turbulent 2021 and 2022, it can't be overlooked that turnover in the top-ranked leadership came from within in the case of both Penn Mutual and Pacific Life.

After serving as chief risk officer, Raszeja took the chief financial officer's chair in March 2020, two weeks before the pandemic forced the closure of Penn Mutual's Horsham, Pennsylvania, campus and sent employees into remote-work mode. Former Chairman and Chief Executive Officer Eileen McDonnell announced in September 2021 that she was assuming the position of executive chairman of the Penn Mutual board of trustees and David O'Malley would assume her role at the start of 2022.

The Big Picture

To put three mutuals' performances in perspective, the life insurance industry as a whole saw a drop of 0.9% in 2021 to $3.28 trillion in total life issued, according to AM Best data. At the same time, while admitted assets grew 6.3% to $8.7 trillion, Penn Mutual—ranked No. 45 on that list—saw about double that rate, as reported in the Best's Rankings Top 200 U.S. Life/Health Insurers — 2022 Edition. Topping the wider industry list of admitted assets was Prudential of America Group, which saw its admitted assets grow 7.3% to about $560.1 billion. The largest annual growth was No. 48 Resolution Life US Group, whose admitted assets jumped 124.4% to $34.9 billion.

Raszeja cites two factors for driving Penn Mutual's performance in 2021.

In April, the company borrowed $500 million in a 40-year surplus note at 3.8%, bolstering capital at attractive rates before the rise of interest rates and increased costs associated with such a move. At the same time, the investment portfolio posted strong returns. Specifically, he said the return on partnerships—alternative investments where the company is a limited partner investing with general partners—was 40%-50%. Returns of that size allowed the schedule BA asset class, which is about 5% of Penn Mutual's portfolio, to push it to an overall 7% return.

Raszeja points out that the mutual structure isn't a Get Out of Jail Free card allowing the company to shirk its responsibility to its trustees and policyholders. He calls mutuals the ultimate in stakeholder capital—an enterprise that strives for more than profit for the sake of profit.

"I think we still need to answer to quarterly and annual numbers, but management is able to look trustees and policyholders in the eye and explain when there is an accounting noise problem that has to do with short-term volatility," he said. "It doesn't give us a pass, but it gives us a path to make the right decisions."

Looking back, 2021 was a colorful year dominated by supply chain issues and inflation. The Consumer Price Index for All Urban Consumers, a common gauge of inflation, rose 7.5% from January 2021 to January 2022, a nearly four-decade high. Reacting to rising inflation, which has proven to be stickier than initial presumptions, has been top of mind for insurers and economists throughout 2022. The Federal Reserve raised interest rates on July 27 by 0.75 percentage point, its fourth interest rate increase of 2022 meant to curb inflation.

While insurers had long bemoaned persistently low interest rates, the increases brought their own set of problems as rising benchmarks created volatility and Russia's Feb. 24 invasion of Ukraine brought more uncertainty. In addition, concerns grew over a recession in the United States.

Another Mutual's Story

At Pacific Life, which saw an 11.5% growth in admitted assets to $186.2 billion, strong stock market performance propelled the growth even as the company paid out a record $3.4 billion in coronavirus-related life claims. Pacific Life spokesman Steve Chesterman referred to an annual letter to policyholders. "As a mutual holding company, we have the benefit of long-horizon thinking, which aligns with our products and services, and allows us to invest in and focus on the needs of the future," the letter said. "We are focused on markets and areas that present growth opportunities across our businesses while continuing an unwavering prioritization of the needs of our customers."

On April 1, Darryl Button took over as president and chief executive officer following the retirement of long-time CEO Jim Morris. Button, formerly chief financial officer, is just the 15th chief executive in the company's 154-year history, according to Pacific Life.

"Our company and industry were built to manage and respond in times of crisis, backed by a long-term promise that we will be here when you need us the most," Button said in the letter.

Going Forward

While being a mutual company has its benefits, Raszeja said it doesn't free Penn Mutual from economic realities. In the remainder of 2022, he sees geopolitical risk as a big question for the industry but said with no business outside the United States and no meaningful foreign investments the company is on solid footing. He doesn't see any wholesale shift in how the company manages its portfolio in response to the economic climate going forward, but there could be a shift in new investments.

"I would say the decision making that the mutual structure allows is to really keep your strategy unchanged even in volatile markets even though your tactics will switch," Raszeja said. BR

Best's Rankings

Top 25 US Life/Health Mutual Insurers – 2022 Edition

Ranked by 2021 admitted assets.

($ thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Total Admitted Assets ($000)	% Change
1	1	New York Life Group	069714	$392,916,326	5.8
2	2	Massachusetts Mutual Life Group	069702	365,446,331	3.8
3	3	Northwestern Mutual Group	069515	334,756,177	8.4
4	4	Nationwide Life Group	070350	230,283,703	9.2
5	5	Pacific Life Group	069720	186,151,281	11.5
6	6	Guardian Life Group	069685	90,630,409	4.9
7	7	State Farm Life Group	070126	89,801,873	5.5
8	8	Securian Finl Ins Group	069565	68,586,241	11.5
9	9	Western & Southern Finl Group	069754	57,924,589	8.3
10	10	OneAmerica Group	070399	49,553,362	6.8
11	11	Mutual of Omaha Group	070203	40,887,288	9.0
12	13	Penn Mutual Group	069722	37,688,202	12.8
13	12	Natl Life Group	069953	36,549,920	5.3
14	14	CMFG Life Group	070262	33,193,837	7.3
15	15	Ameritas Life Group	069790	29,192,448	6.5
16	16	Mutual of America Life Ins Co	008851	28,283,361	9.2
17	17	Sentry Life Ins Group	070125	10,114,582	8.8
18	18	NGL Ins Group	070358	5,100,351	5.7
19	19	Physicians Mutual Group	069724	4,395,667	5.2
20	21	Savings Bank Mutual Life Ins Co of MA	006696	3,563,519	2.2
21	20	Pan-Amer Life Ins Group	069617	3,510,716	0.5
22	22	Homesteaders Life Co	006534	3,451,572	6.2
23	23	Security Mutual Life Ins Co of New York	007034	2,996,838	3.2
24	24	Amer Enterprise Group	070369	2,849,827	7.0
25	25	BCBS of Kansas Cos	070031	2,291,896	3.1
		Total Top 25		**$2,110,120,316**	**7.1**
		Total U.S. Life/Health Mutual Companies		**$2,120,006,895**	**7.0**
		Total U.S. Life/Health Industry		**$8,667,525,668**	**6.3**

Note: Data for some companies in this report has been received from the NAIC.
Source: BESTLINK - Statement File - L/H, US; data as of June 21, 2022.

Expansion Spurs Growth for US P/C Mutuals Moving Up the Charts

Three property/casualty mutual insurers say the use of the independent agents distribution channel, tech upgrades and careful geographic risk spread are key to their increase in business.

by Anthony Bellano

Business growth is measured by many factors, and in the insurance industry, an increase of net premiums written is one of them. Three mutual carriers, Acuity Insurance, Sentry Insurance Co. and West Bend Mutual, appearing in Best's Rankings of the Top 25 US Property/Casualty Mutual Insurers in 2021, cited

Anthony Bellano is an associate editor. He can be reached at *anthony.bellano@ambest.com*.

Key Points

The Standings: Four property/casualty mutuals in this year's top 25 made double-digit gains in net premium growth in 2021, but the rankings for the top six insurers remained the same from last year.

Strategies: Two companies that were founded in Wisconsin have expanded beyond the Midwest in recent years. Acuity Insurance is now available in 30 states, and West Bend Mutual is growing through independent agents.

Business Plan: Sentry saw big gains in four of its five commercial line segments last year and has spent $600 million in the last 15 years to upgrade all of its technological and analytical systems.

several trends that fueled their double-digit growth in net premiums written.

However, it's not just adding more business but how you add it that is important. Two of the three insurers said expansion into new states was the reason for their NPW growth.

Acuity President and CEO Ben Salzmann said expansion is more of a logistical challenge but it pays to have all of your products available in each state in which you have a presence. "You can enter a lot of states with a single product. When we enter a new state, we enter with all the personal and commercial lines products," Salzmann said.

Other business strategies cited are the expanded use of independent agents and the creation of new technology to support that partnership.

The Companies

Acuity Insurance had an 11.5% change in net premiums written, up from $1.7 billion in 2020 to $1.9 billion in 2021, according to Best's Rankings. A company spokesman reports that $6.5 million in written premium came from Oregon, a state the company entered for the first time last year.

West Bend Mutual Insurance Co., which started in Wisconsin in 1894, has added 10 states in which it does business since 2017. At the end of 2021, those states represented 17% of the company's $1.5 billion in written premiums, according to a company spokesperson. In 2021, West Bend recorded a 12.9% change in net premiums written from 2020.

Sentry Insurance Co. also expanded in 2021, although President and Chief Executive Officer Pete McPartland said the expansion came within states where the company already had a presence. The company saw an 11.2% increase in net premiums written, from $2.6 billion in 2020 to $2.8 billion in 2021.

FM Global also saw double-digit growth in 2021. It had a 12.3% change in net premiums written, up from $4.7 billion in 2020 to $5.3 billion in 2021.

The company, which declined to be interviewed about the increase, was the highest ranked of the four companies, at No. 6. Sentry was ranked No. 7, Acuity was ranked No. 14, and West Bend was ranked No. 16. State Farm Group topped the overall list with $69.6 billion in net written premiums, up 6.1% from 2020.

In fact, the top six companies in Best's Ranking of the Top 25 US P/C Mutual Insurers all maintained their ranking from last year, while Sentry moved up one spot, West Bend jumped three spots and Acuity remained unchanged.

"We were willing to spend significantly [to upgrade all technology and analytics systems]. We are ahead of the industry by a wide margin in terms of having replaced all of our legacy systems. Having replenished all of our technology has been a real boon to us."

Pete McPartland
Sentry Insurance Co.

How Expansion Works

Successful growth in new markets can mean offering new products, building relationships with independent agents and considering the spread of risk in new geographic locations.

"When you enter with workers' comp, general liability, commercial property, commercial auto, along with homeowners and personal auto, it would be like taking one product into eight new states," Salzmann said. "Different insurance department personnel are looking at each of the different products."

In 2022, Acuity expanded into Georgia, its 22nd state in the last 20 years. Founded in 1925 in Wisconsin, the company is now set up in 30 states, with a move into Arkansas targeted for January. The ultimate goal is to be set up in almost every state, Salzmann said.

At the same time, the company is working on rolling out six new products, Salzmann said. Acuity Vice President of Sales & Communications Wally Waldhart said its current product line already allows the company to "handle virtually any type of commercial or personal lines account."

West Bend Mutual also was founded in Wisconsin. It initially expanded into Minnesota, Illinois, Iowa and Indiana, where it operated for many years before expanding further, President and CEO Kevin Steiner said. He said its relationship with independent agents helped fuel the company's growth into states such as Tennessee, North Carolina, Virginia and Arizona—locations that were unaware of what West Bend was all about.

There was a question as to whether the strategy they had in place in their core states could work in these new states, but they have seen tremendous success because they've built strong relationships, Steiner said.

"We find ourselves in the No. 1, 2 or 3 spot for all of our independent agent partners," Steiner said. Those relationships also give them greater access as the independent agent landscape changes due to mergers and acquisitions.

"Some of our traditional independent agents have sold to national brokers, private equity firms or become part of an aggregator," Steiner said. "Even though they become a little different when they're part of a national broker, we've put ourselves in a good position with [those entities]."

It's paid off, financially. Over the last 10 years, West Bend's combined annual growth has been more than 8%, while the company has recorded a combined ratio of less than 100 each of those years, according to a company spokesman. In seven of the last 10 years, it has been under 95.

West Bend also offers all of its products in each state in which it has a presence. "Initially, we just took our specialty division to the new states, but in the last five years, our strategy has been to take our entire company," Steiner said.

"We have a commercial lines division, our personal lines division and we have a specialty division. Now we're taking all those, which has also helped our growth."

He said they started with geography when considering expansion. "When you write business in Indiana, when you get to southern Indiana, you're right by Louisville [Kentucky]," Steiner said. "Well, of course the agents all want you to write business there. Initially, it was expansion just by expanding our Midwest footprint, but now it's expansion to look at spread of risk. For example, we're now in Arizona. Arizona doesn't have the same conductive storms and hail that you would see in the Midwest. Now we're looking at geography to help us diversify our company."

Even as it has expanded outward, though, Steiner said West Bend has not forgotten where it came from.

"We still are really focused on how we grow in Wisconsin," Steiner said. "In those other states I mentioned, we still are interested in growing our relationships with our agents, in growing our premium volume in those states. It's not like these new states are going to take over. We have a good mixture of growth in our core states and growth in our expansion states."

The Tech Connection

West Bend works with 1,500 independent agents across 15 states, according to a company spokesman. Acuity and Sentry also expressed their strong ties with their independent agents as reasons for their success.

Acuity relies heavily on independent agents, who prefer to work with Acuity, in part, because the company writes its own software, Salzmann said.

"Acuity's building the latest, greatest cutting-edge software that you can imagine. Independent agents want to choose the software they like the most," Salzmann said.

"Instead of buying one software out of 100, we built a headless architecture that can work with all 100, so that the agents can say 'I want this one instead of that one.' OK, we interface with that one, too."

Wisconsin-based Sentry offers a full line of property, casualty, and life insurance products, as well as personal insurance through its Dairyland brand, which provides non-standard auto, motorcycle, and off-road insurance.

It recently branched out into the independent agent regional business. "That's middle market commercial insurance written through independent agents who have strong market shares in the communities they are in," McPartland said. "That is a startup business for us, and it's now approaching $300 million. It will continue to grow."

Over the last 15 years, Sentry has dedicated more than $600 million to upgrade all technology and analytics systems, according to a company spokesperson. This makes it easier for independent agents to access their systems and do business with them, McPartland said. He said it also makes the company more efficient and competitive.

"We were willing to spend significantly on that initiative. We are ahead of the industry by a wide margin in terms of having replaced all of our legacy systems," McPartland said. "Having replenished all of our technology has been a real boon to us."

In 2021, Sentry saw growth across all its target markets. Highlighted by growth in its regional and trucking businesses, the company saw double-digit growth in net premiums written across its commercial lines.

It saw 30.3% growth in inland marine; 22.7% growth in general liability; 19.6% growth in commercial auto; and 11.5% growth in commercial property, according to a chart provided by the company. Adding in the 5.8% increase in personal auto brings the company to the 11.2% overall premium growth number.

The commercial auto growth was largely in the trucking business, McPartland said.

"We're one of the largest insurers of long-haul trucking in the country," McPartland said. "We sell that business through about 75 independent agencies, and all those agencies do is sell long-haul trucking, for Sentry and one or two other carriers. We have someone who runs a long-haul trucking business for us. That person will have an actuarial team, an underwriting team, a product development team that focuses exclusively on long-haul trucking. They have underwriters, and distribution that is dedicated exclusively to it. By having these businesses be separate from each other, we're able to specialize and drill down."

"You can enter a lot of states with a single product. When we enter a new state, we enter with all the personal and commercial lines products."

Ben Salzmann
Acuity Insurance

The regional initiative resulted in Sentry opening an office in Portland, Oregon, a little more than a year ago, and it is currently opening a new office in Colorado.

"We'll get disproportionate growth in the Rocky Mountain states, but we're not moving into those states for the first time as a company," McPartland said.

While Sentry has expanded within the states in which it already exists, McPartland said the true story of its growth is found in its climb within the Fortune 1000. This year, the company was ranked No. 650 in the magazine's annual ranking of the 1,000 largest companies in America. That's an upward movement of 167 spots since 2012.

Sentry also converted to a full mutual holdings company in 2021, which McPartland said "gives us a lot more flexibility, and it helps us organize our results more illustratively. It doesn't affect how we run the company at all. It gives us, technically, more mutual policyholders." He said it's become a trend among mutual companies.

"It's a more evolved, sophisticated structure within the mutual than a mutual company structure, but it's happening quite a bit," McPartland said. BR

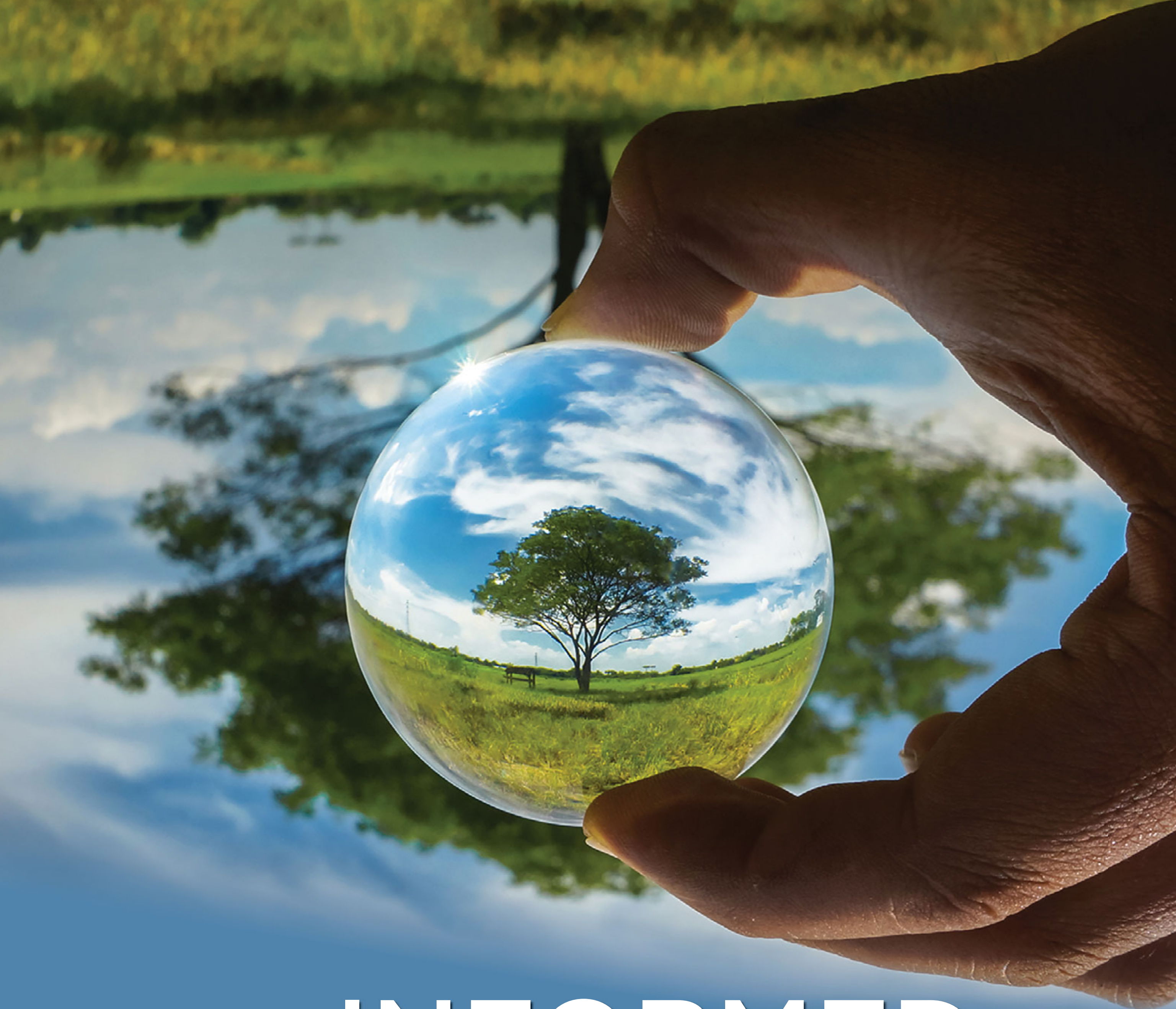
Best's Rankings

Top 25 US Property/Casualty Mutual Insurers – 2022 Edition

Ranked by 2021 net premiums written.
($ thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Net Premiums Written	% Change
1	1	State Farm Group	000088	$69,647,810	6.1
2	2	Liberty Mutual Ins Cos	000060	36,138,703	3.1
3	3	Nationwide Group	005987	18,823,680	4.9
4	4	Amer Family Ins Group	000124	12,660,817	9.7
5	5	Auto-Owners Ins Group	004354	9,654,047	7.6
6	6	FM Global Group	018502	5,274,947	12.3
7	8	Sentry Ins Group	000086	2,849,732	11.2
8	7	COUNTRY Financial PC Group	000302	2,671,280	3.3
9	9	Amica Mutual Group	018522	2,236,398	-2.9
10	10	Shelter Ins Cos	000598	2,046,658	4.7
11	11	EMC Ins Cos	000346	2,029,002	4.4
12	12	Federated Mutual Group	004284	1,970,109	8.4
13	13	Westfield Group	000730	1,920,682	7.3
14	14	Acuity, A Mutual Ins Co	000468	1,888,911	11.5
15	15	State Ins Fund WC Fund	004029	1,733,104	7.6
16	19	West Bend Mutual Ins Co	000964	1,536,116	12.9
17	16	TN Farmers Ins Cos	018154	1,508,309	4.1
18	17	Farm Bureau P&C Group	004233	1,495,096	6.6
19	18	Alfa Ins Group	000106	1,445,883	3.9
20	20	Grange Ins Pool	003917	1,374,160	3.8
21	22	Utica Natl Ins Group	004202	1,314,665	10.2
22	21	Texas Farm Bureau Group	018754	1,276,833	1.3
23	24	State Compensation Ins Fund	004028	1,221,227	14.9
24	25	KY Farm Bureau Group	003281	1,096,411	3.5
25	23	Encova Mutual Ins Group	018236	1,095,688	2.1
		Top 25 Writers		**$184,910,268**	**5.9**
		Top 50 Writers		**$203,818,568**	**5.7**
		Top 100 Writers		**$218,126,370**	**5.8**
		Total U.S. P/C Mutual		**$226,229,354**	**5.7**
		Total U.S. P/C Industry		**$720,205,691**	**9.3**

Note: Data for some companies in this report has been received from the NAIC.
Source: BESTLINK - Statement File - PC, US; data as of June 21, 2022.



Total Life Issued Down in 2021; Ordinary Life Climbs in Mixed Year

Looking back, 2021 was a year in which COVID-19 mortality was up, then down, then up again. Life insurers brought in some new customers. And it was a year in which market volatility and inflation started to rear their heads for the first time in recent memory.

by Terrence Dopp

MetLife Insurance Cos. saw its total life insurance issued jump by 93% in 2021 to $301.44 billion, moving it up five spots to top a list of carriers ranked by that metric, according to a Best's Rankings report looking back on the prior year's performance. (See Best's Rankings beginning on page 52.)

The company's strong performance defied an industrywide slump amid COVID-19 and inflation that saw a drop of 0.9% in 2021 to $3.28 trillion in total life issued across the total U.S. life/health industry. U.S. group life issued saw a drop of 11.5%, even as ordinary life issued was up by 6.9%.

Third-ranked Lincoln Financial Group posted the only drop of the top five total life issued with its issuance of about $197 billion, down 21.4% compared to a year earlier.

A Bird's Eye View

For the U.S. economy as a whole—and life insurers didn't stray too much from the pattern—2021 was a year in which mortality due to COVID-19 came down even as it remained elevated. However, it also aimed a spotlight on the virtues of insurance and brought in some new customers. It was also a year in which markets began seeing some volatility and inflation starting to creep into the economy for the first time in decades.

Terrence Dopp is a senior associate editor. He can be reached at *terry.dopp@ambest.com*.

Key Points

Rankings: The AM Best rankings detailed life insurance as an industry, as well as on an individual carrier basis, on several key metrics used to quantify policies in force, policies issued and persistency.

Movement: While total life insurance issued was down slightly, other areas, such as ordinary life issued, painted a more positive picture.

Year: In all fairness—between an economic sprint out of the COVID-19 doldrums and the lingering presence of the virus, which hung over virtually every aspect of the U.S. economy—2021 wasn't a normal year.

The rankings showed a growth in some areas and corresponding drops in others. In short, it was a year of conflicting messages, which were illustrated by the rankings tables.

Michael Porcelli, a senior director in the life/annuity ratings division of AM Best, said the underpinnings of companies remained solid in 2021, even though there was downward movement in some areas.

"If you look at it from top line, it was a record year; it was a great year for top line growth," said Porcelli. "But if you look at it from the point of view of mortality, that was clearly elevated. It really depends on which business you were in."

Porcelli said the heart of the life insurance business is capitalization, which remained strong in 2021.

Stripping away any growth or business changes, capitalization remains one of the bedrock measures for determining the health of a life insurance carrier, he said. That one measure tends to determine a company's ability to pay off claims, and provide the fuel for growth.

"If you look at it from top line it was a record year; it was a great year for top line growth. But if you look at it from the point of view of mortality, that was clearly elevated. It depends on which business you were in."

Michael Porcelli
AM Best

More Rankings

In terms of term life in force, Swiss Re Life Group topped the list among companies in 2021, with growth of 18.8% to $1.76 trillion. Swiss Re Life had been ranked fourth in 2020, but jumped over Scor Life US Group, formerly No. 1, as well as RGA Group, which held its second-place position in 2021, and Prudential of America Group. RGA's $1.75 trillion was up 0.9% from the prior year.

For the total U.S. life/health industry, term life in force increased 2.9% in the year to $26.29 trillion. Genworth Financial Cos. posted the largest drop among the top 25 writers, with its $450 billion of term life in force down by 8.5%.

U.S. group life issued saw the biggest total drop of the ranked business segments at 11.5% to $1.26 trillion, according to the rankings.

Drilling down, MetLife Insurance Cos. defied the trend to see group life issued in 2021 jump by 94.9% to $294.1 billion, taking the top spot. Hartford Life & Accident Insurance Co. fell to No. 3 from first a year earlier with a 71.7% drop to $91.2 billion in the largest decrease among the top 25 writers.

Porcelli said the group life numbers in the past had been steadier, and in a year such as 2021, results can be skewed by larger macroeconomic developments and other factors such as reinsurance, making it hard to glean any true rationale.

"It sticks out, but does it overly surprise us?" said Ed Kohlberg, an AM Best director. "Maybe not, because of the economic challenges and employment challenges that have occurred because of COVID."

On the positive side, ordinary life issued for U.S. life/health insurers increased 6.9% to $1.97 trillion in 2021, with top-ranked Northwestern Mutual Group issuing $197.91 billion for a gain of 20.7%. No. 16 Pacific Life Group had the steepest decrease among the top 25 writers with its $45.34 billion down by 16.3% from a year earlier.

Kohlberg said growth in ordinary life issued presented "a strong story" for the life insurance industry as it showed the 2021 efforts to reach the so-called middle market had paid off on some level.

"That's a line of business that the industry has been trying to grow for a long time and now they've achieved significant growth in what was viewed as a mature marketplace where you're lucky to get 2% or 3% growth." BR

Best's Rankings

Top 25 US Life/Health Insurers – 2022 Edition

US Life/Health – 2021 Ordinary Life Average Policy Size and Lapse Ratios – 2022 Edition

Ranked by 2021 ordinary life business issued.

2021 Rank	2020 Rank	Company/Group	AMB#	Ordinary Life Issued ($000)	Average Policy Issued 2021	2020	2019	2018	2017
1	1	Northwestern Mutual Group	069515	$197,913,592	$517,016	$516,626	$508,864	$487,848	$480,903
2	2	Lincoln Finl Group	070351	117,217,581	1,122,043	869,272	981,709	691,053	606,706
3	3	State Farm Life Group	070126	115,355,930	164,081	165,583	162,815	139,471	138,400
4	5	New York Life Group	069714	100,249,919	334,316	331,452	313,567	301,030	298,924
5	4	Primerica Group	070183	97,842,676	322,942	300,785	315,563	304,378	295,939
6	6	Massachusetts Mutual Life Group	069702	96,822,888	676,152	705,506	647,847	617,719	539,165
7	9	Protective Life Group	069728	86,627,129	583,513	517,912	478,503	488,749	533,454
8	7	Prudential of America Group	070189	69,830,315	697,104	713,767	691,323	692,409	519,244
9	13	Legal & Gen America Group	069539	62,854,807	599,731	587,988	597,227	581,041	592,218
10	8	Principal Finl Group Inc.	020516	59,819,916	996,999	945,584	994,954	1,033,078	974,796
11	14	Natl Life Group	069953	58,030,554	360,528	336,133	324,221	320,263	298,299
12	11	Aegon USA Group	069707	56,774,580	311,085	310,079	168,050	160,178	174,857
13	10	AIG Life & Retirement Group	070342	55,861,187	425,088	424,712	512,298	512,810	469,168
14	18	Sammons Finl Group	069731	50,166,172	522,042	485,065	410,926	373,517	361,325
15	16	Guardian Life Group	069685	46,016,919	938,470	920,268	851,307	832,647	823,756
16	12	Pacific Life Group	069720	45,342,621	786,106	766,915	729,822	741,646	806,492
17	15	Globe Life Group	070443	41,868,666	22,948	21,631	20,577	21,269	20,919
18	17	John Hancock Life Insurance Group	069542	38,853,792	1,025,734	1,051,728	913,924	1,028,934	1,121,371
19	20	Penn Mutual Group	069722	36,540,830	1,171,030	1,022,404	934,996	804,305	771,295
20	21	Nationwide Life Group	070350	28,786,621	481,519	462,969	480,852	465,616	430,602
21	19	USAA Life Group	070364	27,062,629	475,843	460,370	451,378	403,098	400,425
22	26	Mutual of Omaha Group	070203	22,220,256	43,088	40,099	48,298	61,868	69,000
23	23	Equitable Life Group	070194	21,084,187	736,026	760,282	804,458	744,593	714,472
24	25	Farmers New World Life Ins Co	006373	19,689,522	240,383	239,809	238,287	231,489	214,273
25	28	Southern Farm Bureau Life Ins Co	007053	18,897,420	273,539	263,189	262,151	273,590	218,737
		Total U.S. L/H Stock Cos		**$1,097,529,625**	**$169,549**	**$163,215**	**$157,611**	**$149,582**	**$145,626**
		Total U.S. L/H Mutual Cos		**$836,779,832**	**$233,331**	**$229,881**	**$229,013**	**$214,342**	**$209,825**
		Total U.S. L/H Fraternal Cos		**$40,088,353**	**$118,530**	**$114,949**	**$117,414**	**$112,547**	**$106,741**
		Total U.S. Life/Health Industry		**$1,974,397,810**	**$189,889**	**$183,108**	**$178,204**	**$167,987**	**$163,441**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Best's Rankings

US Life/Health – Group Life Issued – 2022 Edition

Ranked by 2021 group life business issued.

($ Thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Group Life Issued	% Change
1	2	MetLife Life Ins Companies	070192	$294,098,611	94.9
2	8	Prudential of America Group	070189	96,588,227	77.0
3	1	Hartford Life & Accident Ins Co	007285	91,209,088	-71.7
4	5	New York Life Group	069714	82,732,468	-2.8
5	4	Lincoln Finl Group	070351	79,775,199	-44.9
6	6	Unum Ins Group	069743	76,756,535	-7.9
7	7	Meiji Yasuda US Life Group	070499	71,780,196	-6.1
8	3	Securian Finl Ins Group	069565	56,887,579	-62.2
9	13	Principal Finl Group Inc.	020516	55,351,642	81.8
10	9	Sun Life Finl Group	069740	51,715,114	8.1
11	10	Mutual of Omaha Group	070203	44,209,606	6.6
12	11	Guardian Life Group	069685	44,137,955	15.4
13	14	Voya Finl Group	070153	43,550,574	45.2
14	12	Tokio Marine US Life Group	069195	27,501,273	-13.4
15	17	UnitedHealth Life Companies	069973	15,730,510	30.0
16	15	AAA Life Group	070388	11,797,420	-11.3
17	16	Dearborn Life Ins Group	069637	10,992,450	-15.9
18	20	Equitable Life Group	070194	9,988,978	10.6
19	18	Symetra Life Group	070123	8,152,759	-22.6
20	21	5 Star Life Ins Co	008069	7,657,040	6.8
21	29	Trustmark Ins Group	069845	6,438,972	130.6
22	36	MedMutual Life Ins Co	006275	5,820,537	273.9
23	33	Allstate Life Companies	070596	4,878,256	135.5
24	19	Elevance Health Life Companies	070064	4,843,298	-54.0
25	23	Life & Specialty Ventures Group	070430	4,706,017	-24.1
		Top 25 Insurers		**$1,207,300,304**	**-12.9**
		Total U.S. Life/Health Industry		**$1,263,094,951**	**-11.5**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Best's Rankings

US Life/Health – Group Life In Force – 2022 Edition

Ranked by 2021 group life business in force.

($ Thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Group Life In Force	% Change
1	1	MetLife Life Ins Companies	070192	$4,275,116,986	6.5
2	2	Great-West Life Group	070366	3,939,047,382	15.9
3	4	Prudential of America Group	070189	2,110,680,574	4.9
4	3	New York Life Group	069714	1,898,650,405	-6.2
5	5	Securian Finl Ins Group	069565	1,599,234,367	0.9
6	7	Hartford Life & Accident Ins Co	007285	1,133,257,265	-1.8
7	6	Lincoln Finl Group	070351	808,571,178	-31.6
8	8	Unum Ins Group	069743	784,660,720	3.6
9	10	Meiji Yasuda US Life Group	070499	475,558,821	2.5
10	9	Munich Amer Group	069170	369,452,713	-36.5
11	11	Guardian Life Group	069685	318,274,309	9.2
12	12	Sun Life Finl Group	069740	314,586,611	9.2
13	13	Mutual of Omaha Group	070203	303,783,576	11.1
14	14	Tokio Marine US Life Group	069195	258,745,761	7.5
15	15	Voya Finl Group	070153	211,978,106	0.0
16	16	Principal Finl Group Inc.	020516	154,488,785	3.8
17	19	Dearborn Life Ins Group	069637	109,296,812	3.3
18	17	Elevance Health Life Companies	070064	107,393,120	-10.3
19	20	UnitedHealth Life Companies	069973	98,919,877	14.3
20	18	Swiss Re Life Group	070469	97,436,570	-9.8
21	21	AAA Life Group	070388	91,554,125	7.6
22	23	Zurich Amer Life Group	070470	78,464,351	2.3
23	25	Symetra Life Group	070123	75,420,246	10.1
24	22	RGA Group	069611	74,662,514	-8.9
25	24	John Hancock Life Insurance Group	069542	67,717,318	-5.2
		Top 25 Insurers		**$19,756,952,492**	**1.7**
		Total U.S. Life/Health Industry		**$20,730,583,187**	**1.8**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Average Policy In Force					Lapse Ratio Published					Renewal Premium Persistency				
2021	2020	2019	2018	2017	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
$340,162	$328,888	$319,320	$309,535	$300,869	2.9	3.3	3.7	3.9	3.9	95.3	94.5	94.2	93.8	94.5
286,669	254,129	230,448	211,165	199,242	5.0	4.6	5.7	4.8	4.3	80.5	71.0	71.3	73.0	74.4
128,372	124,863	121,177	117,468	114,846	4.6	4.5	5.5	5.0	5.4	94.5	94.1	93.9	92.9	93.2
202,745	195,154	188,824	182,497	173,930	3.8	4.1	4.8	4.4	5.0	94.8	94.3	93.3	93.6	94.1
294,618	289,610	287,465	282,587	277,802	6.0	6.2	7.6	7.8	7.6	92.9	92.2	91.2	91.2	91.4
414,120	395,835	373,385	342,291	321,648	3.5	3.3	-1.4	4.7	4.8	95.7	94.0	94.1	95.2	94.9
281,021	265,113	259,116	253,415	266,405	5.0	6.2	4.9	5.2	4.1	124.4	78.0	92.0	86.8	86.4
316,983	313,471	310,451	297,609	286,392	2.6	3.5	3.1	4.3	4.1	80.1	78.0	78.4	76.5	79.6
578,122	573,827	568,719	563,642	560,529	4.4	3.5	3.9	3.5	3.7	97.9	94.7	96.8	94.8	95.3
775,489	751,221	723,089	688,869	650,138	1.5	1.6	1.8	2.1	2.1	96.5	93.3	92.1	91.9	91.8
291,357	276,079	262,049	247,580	234,006	5.0	5.7	6.2	6.1	6.2	94.8	85.4	86.1	89.0	88.6
144,350	137,610	133,719	128,509	127,200	4.4	5.4	7.0	5.9	6.4	97.6	84.7	96.5	93.7	92.6
254,395	241,179	226,272	203,837	183,108	3.4	3.0	3.1	2.9	3.6	92.3	90.9	89.6	92.0	92.2
303,067	282,202	265,936	258,067	252,504	4.9	4.7	5.0	5.1	4.5	58.2	69.2	63.0	51.9	55.0
370,367	343,672	318,169	300,450	276,668	3.5	3.9	4.0	3.8	3.6	95.1	95.0	94.6	95.7	95.4
113,562	99,722	85,520	75,476	71,769	4.9	3.8	6.0	5.9	5.0	84.5	78.7	75.3	72.2	74.5
15,113	15,103	15,239	15,479	15,546	12.8	14.4	14.0	16.7	18.1	92.9	92.4	91.2	90.9	91.0
361,403	343,268	325,852	328,802	296,642	4.0	4.4	9.7	-0.3	4.8	84.5	77.1	81.0	83.5	79.2
588,376	528,499	480,057	459,411	427,721	2.8	3.0	3.6	4.3	3.7	88.1	85.5	79.0	76.9	78.2
285,058	269,316	255,086	240,148	227,506	2.9	3.3	3.9	4.5	4.0	82.2	78.2	85.2	78.5	78.5
372,658	366,750	360,122	353,804	349,126	2.7	2.7	3.1	3.0	2.8	96.5	96.2	95.5	95.3	95.1
64,173	65,068	67,202	68,069	66,997	4.5	4.8	5.7	5.6	4.8	90.8	89.3	90.0	89.2	88.9
99,465	95,110	95,168	92,102	91,137	4.1	4.4	4.3	4.8	4.4	89.6	84.9	87.4	85.8	87.9
192,554	188,812	184,901	180,512	176,027	4.5	4.7	5.2	5.5	5.5	96.8	96.0	94.8	94.5	94.2
152,431	146,901	141,058	134,725	127,136	4.1	3.5	4.3	4.7	4.6	95.0	94.2	94.0	93.6	93.7
$126,462	**$117,909**	**$112,831**	**$108,329**	**$108,171**	**4.1**	**5.5**	**5.2**	**5.8**	**5.3**	**89.7**	**83.8**	**85.4**	**82.2**	**85.1**
$172,400	**$163,820**	**$155,618**	**$147,023**	**$124,020**	**3.8**	**3.9**	**4.2**	**4.7**	**4.7**	**92.2**	**90.0**	**90.0**	**89.8**	**90.6**
$67,552	**$65,075**	**$62,804**	**$60,464**	**$60,062**	**3.4**	**3.5**	**4.1**	**4.0**	**3.5**	**90.5**	**90.5**	**92.7**	**92.9**	**93.3**
$132,823	**$124,147**	**$118,457**	**$113,248**	**$109,795**	**4.1**	**5.1**	**5.0**	**5.6**	**5.2**	**90.7**	**86.4**	**87.3**	**85.2**	**87.2**

Best's Rankings

US Life/Health – Total Life Issued – 2022 Edition

Ranked by 2021 total life business issued.

($ Thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Total Life Issued	% Change
1	6	MetLife Life Ins Companies	070192	$301,443,351	93.0
2	5	Northwestern Mutual Group	069515	198,538,494	20.5
3	2	Lincoln Finl Group	070351	196,992,780	-21.4
4	3	New York Life Group	069714	182,982,387	0.5
5	7	Prudential of America Group	070189	166,418,542	20.7
6	8	State Farm Life Group	070126	115,541,477	15.1
7	10	Principal Finl Group Inc.	020516	115,171,558	16.5
8	12	Massachusetts Mutual Life Group	069702	100,055,312	13.7
9	9	Primerica Group	070183	97,842,676	-1.7
10	1	Hartford Life & Accident Ins Co	007285	91,239,757	-71.7
11	13	Guardian Life Group	069685	90,154,873	14.5
12	15	Protective Life Group	069728	88,363,277	32.4
13	11	Unum Ins Group	069743	87,255,831	-6.4
14	4	Securian Finl Ins Group	069565	80,721,969	-53.1
15	14	Meiji Yasuda US Life Group	070499	71,862,134	-6.1
16	17	Mutual of Omaha Group	070203	66,429,862	10.7
17	20	Legal & Gen America Group	069539	62,897,584	19.0
18	18	Aegon USA Group	069707	60,407,650	2.1
19	21	Natl Life Group	069953	58,030,554	12.0
20	16	AIG Life & Retirement Group	070342	55,862,717	-10.3
21	22	Sun Life Finl Group	069740	51,732,256	8.1
22	25	Sammons Finl Group	069731	50,194,968	33.8
23	19	Pacific Life Group	069720	45,342,621	-16.3
24	23	Globe Life Group	070443	44,113,601	1.7
25	27	Voya Finl Group	070153	43,853,093	45.0
		Top 25 Insurers		**$2,523,449,324**	**-2.8**
		Total U.S. Life/Health Industry		**$3,284,372,557**	**-0.9**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Best's Rankings

US Life/Health – Total Life In Force – 2022 Edition

Ranked by 2021 total life business in force.

($ Thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Total Life In Force	% Change
1	1	MetLife Life Ins Companies	070192	$4,726,925,459	5.4
2	2	Prudential of America Group	070189	4,535,144,157	2.0
3	3	Great-West Life Group	070366	4,246,280,030	13.6
4	4	New York Life Group	069714	3,042,328,946	-2.6
5	6	Northwestern Mutual Group	069515	2,119,103,105	6.1
6	5	Lincoln Finl Group	070351	1,969,777,888	-14.2
7	7	RGA Group	069611	1,901,038,099	0.0
8	11	Swiss Re Life Group	070469	1,865,760,628	16.9
9	9	Securian Finl Ins Group	069565	1,826,090,402	1.3
10	8	SCOR Life US Group	070253	1,739,256,981	-4.4
11	10	Munich Amer Group	069170	1,591,286,381	-5.7
12	12	AIG Life & Retirement Group	070342	1,325,919,136	3.9
13	13	Aegon USA Group	069707	1,239,283,024	-2.4
14	14	Hannover Life Reassur America	068031	1,212,730,426	-2.8
15	15	Hartford Life & Accident Ins Co	007285	1,135,035,533	-1.8
16	16	State Farm Life Group	070126	1,065,438,425	5.8
17	18	Principal Finl Group Inc.	020516	1,041,009,094	9.0
18	17	Protective Life Group	069728	1,024,776,710	2.8
19	19	Massachusetts Mutual Life Group	069702	901,517,975	7.5
20	20	Unum Ins Group	069743	852,308,377	3.3
21	21	Legal & Gen America Group	069539	807,453,066	3.2
22	22	Primerica Group	070183	795,777,706	5.1
23	23	Guardian Life Group	069685	775,872,550	7.4
24	25	John Hancock Life Insurance Group	069542	666,925,421	0.4
25	24	Voya Finl Group	070153	641,433,152	-4.0
		Top 25 Insurers		**$43,048,472,671**	**2.3**
		Total U.S. Life/Health Industry		**$56,880,799,944**	**2.7**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Best's Rankings

US Life/Health – Ordinary Life Issued – 2022 Edition

Ranked by 2021 ordinary life business issued.

($ Thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Ordinary Life Issued	% Change
1	1	Northwestern Mutual Group	069515	$197,913,592	20.7
2	2	Lincoln Finl Group	070351	117,217,581	10.7
3	3	State Farm Life Group	070126	115,355,930	15.0
4	5	New York Life Group	069714	100,249,919	3.4
5	4	Primerica Group	070183	97,842,676	-1.7
6	6	Massachusetts Mutual Life Group	069702	96,822,888	13.1
7	9	Protective Life Group	069728	86,627,129	32.3
8	7	Prudential of America Group	070189	69,830,315	-16.2
9	13	Legal & Gen America Group	069539	62,854,807	18.9
10	8	Principal Finl Group Inc.	020516	59,819,916	-12.5
11	14	Natl Life Group	069953	58,030,554	12.0
12	11	Aegon USA Group	069707	56,774,580	1.7
13	10	AIG Life & Retirement Group	070342	55,861,187	-10.3
14	18	Sammons Finl Group	069731	50,166,172	33.8
15	16	Guardian Life Group	069685	46,016,919	13.7
16	12	Pacific Life Group	069720	45,342,621	-16.3
17	15	Globe Life Group	070443	41,868,666	0.7
18	17	John Hancock Life Insurance Group	069542	38,853,792	2.5
19	20	Penn Mutual Group	069722	36,540,830	24.5
20	21	Nationwide Life Group	070350	28,786,621	9.0
21	19	USAA Life Group	070364	27,062,629	-9.7
22	26	Mutual of Omaha Group	070203	22,220,256	20.1
23	23	Equitable Life Group	070194	21,084,187	1.9
24	25	Farmers New World Life Ins Co	006373	19,689,522	4.1
25	28	Southern Farm Bureau Life Ins Co	007053	18,897,420	14.4
		Top 25 Insurers		**$1,571,730,709**	**6.9**
		Total U.S. Life/Health Industry		**$1,974,397,810**	**6.9**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Best's Rankings

US Life/Health – Ordinary Life In Force – 2022 Edition

Ranked by 2021 ordinary life business in force.

($ Thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Ordinary Life In Force	% Change
1	1	Prudential of America Group	070189	$2,420,616,715	-0.3
2	2	Northwestern Mutual Group	069515	2,112,732,992	6.1
3	4	RGA Group	069611	1,785,402,653	0.8
4	5	Swiss Re Life Group	070469	1,768,324,058	18.8
5	3	SCOR Life US Group	070253	1,700,933,329	-4.8
6	6	AIG Life & Retirement Group	070342	1,317,990,548	4.0
7	10	Munich Amer Group	069170	1,221,596,441	10.5
8	8	Aegon USA Group	069707	1,211,788,544	-2.5
9	7	Hannover Life Reassur America	068031	1,210,827,716	-2.8
10	9	Lincoln Finl Group	070351	1,161,190,217	4.3
11	11	New York Life Group	069714	1,143,678,541	3.8
12	12	State Farm Life Group	070126	1,052,314,615	5.9
13	13	Protective Life Group	069728	984,241,800	3.2
14	15	Principal Finl Group Inc.	020516	886,520,309	9.9
15	14	Massachusetts Mutual Life Group	069702	870,214,919	7.7
16	16	Legal & Gen America Group	069539	807,265,335	3.2
17	17	Primerica Group	070183	795,770,129	5.1
18	19	John Hancock Life Insurance Group	069542	599,208,041	1.1
19	18	Genworth Finl Companies	070527	597,531,660	-7.8
20	21	Pacific Life Group	069720	560,553,327	2.7
21	20	Brighthouse Ins Group	070516	556,676,743	-3.2
22	23	Equitable Life Group	070194	481,066,114	-0.2
23	25	USAA Life Group	070364	472,037,755	2.2
24	22	Everlake Life Group	070106	465,602,334	-5.2
25	27	Guardian Life Group	069685	457,598,241	6.2
		Top 25 Insurers		**$26,641,683,076**	**2.8**
		Total U.S. Life/Health Industry		**$36,018,427,922**	**3.2**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Best's Rankings

US Life/Health – Term Life Issued – 2022 Edition

Ranked by 2021 term life business issued.

($ Thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Term Life Issued	% Change
1	1	Northwestern Mutual Group	069515	$142,381,541	15.8
2	3	Lincoln Finl Group	070351	103,025,162	11.1
3	4	State Farm Life Group	070126	99,334,217	12.2
4	2	Primerica Group	070183	97,842,676	-1.7
5	7	Protective Life Group	069728	69,877,109	23.6
6	9	Legal & Gen America Group	069539	62,766,742	18.9
7	6	New York Life Group	069714	60,606,273	-4.1
8	5	Principal Finl Group Inc.	020516	56,218,530	-12.5
9	11	Massachusetts Mutual Life Group	069702	53,422,663	5.9
10	8	AIG Life & Retirement Group	070342	50,152,152	-9.0
11	16	Sammons Finl Group	069731	37,074,090	29.6
12	10	Prudential of America Group	070189	36,556,924	-28.2
13	12	Pacific Life Group	069720	36,046,245	-19.3
14	15	Guardian Life Group	069685	30,542,178	5.7
15	13	Aegon USA Group	069707	30,238,288	-15.7
16	17	Natl Life Group	069953	26,195,360	6.4
17	14	USAA Life Group	070364	26,077,248	-10.2
18	19	Penn Mutual Group	069722	24,503,899	22.6
19	20	Globe Life Group	070443	19,376,189	-0.2
20	18	John Hancock Life Insurance Group	069542	19,304,183	-14.4
21	22	Farmers New World Life Ins Co	006373	17,058,597	4.2
22	23	Southern Farm Bureau Life Ins Co	007053	16,722,282	14.1
23	24	Amer Natl Group	070166	12,494,556	-9.9
24	26	AAA Life Group	070388	12,232,035	-8.0
25	29	Ameritas Life Group	069790	12,141,104	21.4
		Top 25 Insurers		**$1,152,190,243**	**2.3**
		Total U.S. Life/Health Industry		**$1,400,895,423**	**3.3**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Best's Rankings

US Life/Health – Term Life In Force – 2022 Edition

Ranked by 2021 term life business in force.

($ Thousands)

2021 Rank	2020 Rank	Company/Group	AMB#	Term Life In Force	% Change
1	4	Swiss Re Life Group	070469	$1,763,044,011	18.8
2	2	RGA Group	069611	1,757,551,508	0.9
3	1	SCOR Life US Group	070253	1,700,696,530	-4.8
4	3	Prudential of America Group	070189	1,485,825,735	-2.3
5	5	Northwestern Mutual Group	069515	1,327,548,604	5.9
6	6	Hannover Life Reassur America	068031	1,179,767,346	-2.6
7	7	Munich Amer Group	069170	1,178,618,258	6.7
8	8	AIG Life & Retirement Group	070342	1,144,441,397	4.8
9	9	Aegon USA Group	069707	878,670,058	-4.2
10	12	State Farm Life Group	070126	804,898,996	6.9
11	10	Legal & Gen America Group	069539	800,078,329	3.3
12	11	Primerica Group	070183	793,837,960	5.1
13	13	Lincoln Finl Group	070351	777,681,305	6.4
14	14	Principal Finl Group Inc.	020516	739,235,334	11.6
15	15	Protective Life Group	069728	600,295,700	2.8
16	16	New York Life Group	069714	582,236,143	3.7
17	17	Genworth Finl Companies	070527	450,035,611	-8.5
18	18	USAA Life Group	070364	446,305,259	2.3
19	21	Massachusetts Mutual Life Group	069702	421,503,929	7.7
20	23	Berkshire Hathaway Group	070158	418,314,093	10.3
21	19	Brighthouse Ins Group	070516	403,773,840	-3.3
22	22	Pacific Life Group	069720	395,096,764	2.1
23	20	Voya Finl Group	070153	387,661,269	-5.9
24	24	Everlake Life Group	070106	332,355,680	-5.9
25	26	Guardian Life Group	069685	256,193,149	6.7
		Top 25 Insurers		**$21,025,666,808**	**2.8**
		Total U.S. Life/Health Industry		**$26,293,296,087**	**2.9**

Source: BESTLINK – Statement File – L/H, US; data as of July 11, 2022.

Best's Rankings

Top 50 Global Reinsurers – 2022 Edition

Ranked by unaffiliated gross premiums written in 2021.

(USD millions)[1]

		Reinsurance Premiums Written				Total Sharholders' Funds[2]	Ratios[3]		
		Life & Non-Life		Non-Life Only					
Rank	Company Name	Gross	Net	Gross	Net		Loss	Expense	Combined
1	Munich Reinsurance Company	46,836	44,417	32,610	31,482	35,047	68.7	30.9	99.6
2	Swiss Re Ltd.	39,202	36,965	23,131	22,381	23,678	67.4	29.7	97.1
3	Hannover Rück SE[4]	31,443	27,344	21,773	18,827	14,447	69.3	28.7	98.0
4	Canada Life Re	23,547	23,514	N/A	N/A	23,854	N/A	N/A	N/A
5	SCOR S.E.	19,933	16,242	9,319	7,939	7,251	72.0	28.6	100.6
6	Berkshire Hathaway Inc.	19,906	19,906	14,285	14,285	514,930	71.9	23.3	95.1
7	Lloyd's[5,6]	19,343	14,263	19,343	14,263	48,242	65.8	29.4	95.2
8	China Reinsurance (Group) Corporation	17,808	16,181	6,956	6,608	16,104	66.6	28.4	95.1
9	Reinsurance Group of America Inc.	13,348	12,513	N/A	N/A	13,014	N/A	N/A	N/A
10	Everest Re Group Ltd.	9,067	8,536	9,067	8,536	10,139	71.6	26.5	98.1
11	PartnerRe Ltd.	8,204	7,134	6,557	5,511	7,544	64.6	25.9	90.5
12	RenaissanceRe Holdings Ltd.	7,834	5,939	7,834	5,939	7,078	74.6	27.5	102.1
13	Korean Reinsurance Company	7,145	5,102	6,043	4,078	2,126	86.4	14.2	100.6
14	Transatlantic Holdings, Inc	6,034	5,387	6,034	5,387	5,398	69.2	30.2	99.5
15	General Insurance Corporation of India[7]	5,821	5,172	5,630	4,987	7,938	88.8	19.3	108.1
16	AXA XL	5,480	4,313	5,480	4,313	13,139	72.6	31.2	103.8
17	Arch Capital Group Ltd.	5,094	3,254	5,094	3,254	13,546	67.8	26.4	94.2
18	MS&AD Insurance Group Holdings, Inc.[7,8,12]	4,393	N/A	4,393	N/A	14,668	N/A	N/A	97.7
19	Pacific LifeCorp	4,098	3,620	N/A	N/A	17,005	N/A	N/A	N/A
20	Sompo International Holdings, Ltd.	3,855	3,417	3,855	3,417	7,433	63.5	29.5	93.1
21	MAPFRE RE, Compañía de Reaseguros S.A.[10]	3,719	3,165	3,080	2,534	2,035	69.3	28.7	98.1
22	Assicurazioni Generali SpA	3,670	3,670	1,242	1,242	36,101	83.5	27.9	111.4
23	R+V Versicherung AG[9]	3,421	3,421	3,421	3,421	2,435	76.0	26.3	102.2
24	Validus Reinsurance, Ltd.	3,171	2,452	3,171	2,452	3,548	72.4	28.6	101.0
25	The Toa Reinsurance Company, Limited[7,8]	2,988	2,453	2,127	1,690	2,614	77.6	32.5	110.2
26	Liberty Mutual[13]	2,945	N/A	2,945	N/A	27,848	62.0	33.2	95.2
27	Odyssey Group Holdings, Inc.	2,842	2,709	2,842	2,709	5,220	75.1	24.9	100.0
28	AXIS Capital Holdings Limited	2,823	2,032	2,823	2,032	5,411	73.2	26.5	99.7
29	Taiping Reinsurance Co. Ltd[8]	2,339	2,051	1,447	1,229	1,507	71.0	32.9	103.9
30	Peak Reinsurance Company Ltd	2,145	1,794	1,899	1,591	1,470	75.8	26.2	102.1
31	Caisse Centrale de Réassurance	2,144	1,964	1,968	1,792	3,191	50.0	16.8	66.9
32	Qianhai Reinsurance Co., Ltd.	1,994	1,154	410	350	521	75.5	25.1	100.5
33	QBE Insurance Group Limited	1,662	1,482	1,662	1,482	8,882	66.6	6.1	72.8
34	Aspen Insurance Holdings Limited	1,597	1,199	1,597	1,199	2,775	63.0	30.6	93.6
35	Deutsche Rückversicherung AG	1,577	1,042	1,475	1,000	351	76.3	29.2	105.5
36	IRB - Brasil Resseguros S.A.	1,552	984	1,552	984	644	101.5	30.5	132.0
37	Tokio Marine & Nichido Fire Insurance Co., Ltd.[7,12]	1,483	1,178	1,483	1,178	17,148	N/A	N/A	100.9
38	SiriusPoint Ltd.	1,350	1,125	1,350	1,125	2,503	82.6	33.7	116.2
39	Fidelis	1,289	573	1,289	573	2,078	84.0	27.6	111.6
40	Markel Corporation	1,246	1,126	1,246	1,126	14,695	73.9	31.4	105.3
41	W.R. Berkley Corporation[12]	1,228	1,119	1,228	1,119	6,653	61.0	29.7	90.7
42	Lancashire	1,225	816	1,225	816	1,413	67.6	41.3	108.9
43	Allied World Assurance Company Holdings, AG	1,201	1,106	1,201	1,106	4,792	75.4	25.7	101.1
44	American Agricultural Insurance Company[11]	927	247	927	247	672	82.6	4.1	86.7
45	Chubb Limited	873	873	873	873	59,714	79.2	29.4	108.6
46	African Reinsurance Corporation	845	666	783	612	1,001	56.8	36.7	93.5
47	Hiscox Ltd	808	274	808	274	2,539	40.8	29.7	70.6
48	Somers Re Ltd.	783	705	783	705	943	80.6	23.7	104.3
49	DEVK Re	759	699	754	694	14,447	76.3	28.4	104.7
50	Central Reinsurance Corporation	755	702	645	595	698	67.9	27.6	95.5

[1] All non-USD currencies converted to USD using foreign exchange rate at company's fiscal year-end.
[2] As reported on balance sheet, unless otherwise noted.
[3] Non-Life only.
[4] Net premium written data not reported; net premium earned substituted.
[5] Lloyd's premiums are for reinsurance only. Premiums for certain groups in the rankings also may include Lloyd's Syndicate premiums when applicable.
[6] Shareholders' funds includes Lloyd's members' assets and Lloyd's central reserves.
[7] Fiscal year ended March 31, 2022.
[8] Net asset value used for shareholders' funds.
[9] Ratios are as reported and calculated on a gross basis.
[10] Premium data excludes intergroup reinsurance.
[11] Data and ratios based on U.S. statutory filing.
[12] Ratios are based on the group's operations.
[13] Ratios are based on Liberty Mutual Insurance Europe SE financial statements.
N/A = Information not applicable or not available at time of publication.
Source: AM Best data and research

AM Best: Premiums Surge for US Crop Insurers

For crop year 2021, the multi-peril crop insurance program covered more than 444 million acres, with an estimated value of more than $150 billion.

Editor's Note: The following is an excerpt from the *Best's Market Segment Report: US Crop Writers Benefit from Rising Commodity Prices and Innovation.* Visit *www.ambest.com* to access the full report.

In 2021, U.S. crop insurers achieved favorable results, with record high premium volume, relatively benign weather conditions, and strong commodity pricing producing solid underwriting profitability. Commodity prices reached unprecedented levels and continued to rise throughout the growing season, diminishing the likelihood of indemnities on revenue policies, which make up the majority of the premium.

U.S. crop insurers play a critical role in delivering risk transfer solutions to America's farmers. The primary mechanism is the federal multi-peril crop insurance (MPCI) program, which provides agricultural producers in the U.S. protection against a broad array of naturally occurring perils, as well as commodity price declines. For crop year 2021, the MPCI program covered more than 444 million acres, with an estimated value of more than $150 billion.

Private crop products largely consist of crop hail insurance and other covers that are not government-subsidized. Crop hail insurance protects against damage caused by hail and fire, as well as wind or theft in certain markets. Private products can be combined with MPCI or other protections to reduce deductibles and increase coverage up to the actual cash value of the crop. Private crop policies are more flexible, as they can be purchased during the growing season.

Results for the MPCI segment have improved significantly the past two years, with solid underwriting profitability in 2021. A significant portion of the 2022 growing season is still to come and the potential for yield losses from a broad array of natural perils remains high. Claims activity as a result of significant commodity price volatility is possible. Crop insurers are an integral part of the agricultural community and are prudent managers of risk as it relates to geographic diversification, fund selection, precision analytics, risk modeling, and the use of third-party reinsurance. However, even as strong risk managers, the risk-reward trade that crop insurers accept will always be subject to wide variability as climate risk and commodity pricing have no boundaries.

2021 Premiums Surge

Premiums in 2021 reached record levels for both MPCI ($14.9 billion) and private products

Best's Rankings

US Multi-Peril Crop – Top 20 Carriers – 2022 Edition

Ranked by 2021 multi-peril crop direct premiums written.

			DPW ($ millions)			Market Share (%)	
Rank	AMB#	Company Name	2020	2021	YoY Change (%)	2020	2021
1	018498	Chubb INA Grp	1,934	2,643	36.6	17.9	17.7
2	005658	QBE North America Insurance Grp	1,636	2,517	53.9	15.1	16.9
3	018878	Sompo Holdings US Grp	1,919	2,376	23.8	17.7	16.0
4	018549	Zurich Insurance US PC Grp	1,584	2,241	41.5	14.6	15.1
5	004835	Great American P & C Insurance Grp	914	1,144	25.2	8.4	7.7
6	018171	FMH Insurance Grp	654	954	45.9	6.0	6.4
7	003116	Fairfax Financial (USA) Grp	597	867	45.1	5.5	5.8
8	018540	American International Grp	520	780	50.0	4.8	5.2
9	018733	Tokio Marine US PC Grp	527	701	33.1	4.9	4.7
10	018557	XL Reinsurance America Grp	163	179	10.2	1.5	1.2
11	004233	Farm Bureau Property & Casualty Grp	119	164	37.7	1.1	1.1
12	000302	COUNTRY Financial Property Casualty Grp	76	118	55.0	0.7	0.8
13	003133	American Agricultural Insurance Company	46	58	27.0	0.4	0.4
14	018887	Church Mutual Insurance Grp	38	43	14.4	0.3	0.3
15	018543	Nodak Insurance Grp	36	41	13.3	0.3	0.3
16	000088	State Farm Grp	24	32	29.6	0.2	0.2
17	004232	United Farm Bureau of Indiana Grp	15	23	54.3	0.1	0.2
18	002445	Rural Mutual Insurance Company	4	5	19.3	0.0	0.0
19	002903	Farm Bureau of Idaho Grp	3	3	12.7	0.0	0.0
20	018783	Aspen US Insurance Grp	17	1	-96.9	0.2	0.0
		Total Multi-Peril Crop	**10,826**	**14,888**	**37.5**	**100.0**	**100.0**

Source: AM Best data and research

($1.3 billion). MPCI rates are closely tied to agricultural commodity futures prices and their implied volatility. Since 2019, commodity prices have risen significantly, driving the increases in the MPCI rates. In addition, the Risk Management Agency (RMA), part of the U.S. Department of Agriculture (USDA), implemented a new hurricane policy endorsement in 2020, with over $1 billion attributable to this new cover in 2021.

The Federal Crop Insurance Corporation (FCIC) reinsured 131 types of commodities under its reinsurance agreements for the 2021 crop year. The majority of MPCI premium is attributable to corn, which accounted for $5 billion of premium in 2021. The top four crops (corn, soybeans, wheat, and cotton) account for over $10 billion, or approximately 75%, of total MPCI premium. All other agricultural commodities insured are included in the remaining 25%. Commodity prices of the top four crops each had double-digit increases year-over-year, led by soybeans at 27.6%.

Texas led all other states with $1.4 billion of MPCI premium in 2021, about 10% of the entire MPCI program. Iowa and North Dakota both reported over $1 billion, followed by Illinois at $979 million. The Standard Reinsurance Agreement (SRA) assigns each state to one of three groups. Group 1, consisting of Illinois, Indiana, Iowa, Minnesota, and Nebraska, accounted for more than $4.1 billion of premium in 2021. The majority of premium, at $9.2 billion, comes from the 28 states in Group 2, led by Texas, North and South Dakota, California, and Kansas. Group 3 features the remaining 17 states, largely located in the Northeast region, as well as Utah, West Virginia, Wyoming, and Hawaii. These are significantly smaller markets for crop insurance products, with a combined $405 million of MPCI premium in 2021. Revenue products drive premium volume, with more than 70% of total premium attributable to this coverage type in each of the most recent five years. In 2021, $10.6 billion of premium came from revenue policies, 77% of the total.

In 2021, private products reached a record $1.3 billion of premium, likely a byproduct of farmers looking for risk transfer solutions after significant hail activity in 2020. BR

Tennis, Anyone? How Insurance Can Be a Major Player in the Game

Best's Underwriting Reports and *Best's Loss Control Reports* provide insight into the lines of coverage, exposures and loss control for tennis clubs.

The U.S. Open Tennis Championship commenced at Flushing Meadows, New York, on Aug. 29. Over the years, the tournament has been filled with memorable moments, such as Arthur Ashe becoming the first African-American man to win the Open in 1968, the battle between sisters Venus and Serena Williams in 2001 and the "18 minutes of chaos" in the match between John McEnroe and Ilie Nastase in 1979.

There also are those who miss tournaments due to injury. Earlier this summer, Rafael Nadal was forced to withdraw from Wimbledon in the semifinals with an abdominal injury. Athletes can get insurance to protect themselves, but there are other ways in which the worlds of tennis and insurance intersect.

Tennis centers and clubs also can be at risk for potential lawsuits in the case of employees and players getting injured. In 2014, the Randolph Tennis Center in Morris County, New Jersey, was forced to close temporarily after a partial collapse. The center was awarded $4.9 million to cover the cost of repairs, upgrades and business interruption, according to the Cohen Seglias Pallas Greenhall & Furman law firm.

Editors from AM Best's Underwriting and Loss Control Resources recently examined one such risk, associated with recreational and training tennis centers.

The biggest liability is injury, Tom Fontana of World Insurance Associates told AM Best TV. Facilities also need to make sure the insurance company covers the club, the pro and the facility.

Best's Underwriting Reports identifies eight lines of coverage for tennis clubs: Automobile Liability, General Liability: Premises and Operations, Professional Liability, Workers' Compensation, Crime, Property, Business Interruption, and Inland Marine.

Best's Hazard ranks the risk exposure for the lines of business as Low (1-3) and Medium (4-6).

Following are excerpts from the Lines of Coverage reports that have the highest hazard index rankings.

Best's Hazard Index

Line of Coverage	Best's Hazard Index
General Liability: Premises and Operations	5
Workers' Compensation	5
Professional Liability	4
Business Interruption	4

Lines of Coverage

General Liability: Premises and Operations

Premises and operations exposure for tennis clubs will be moderate. Although most injuries will come from slips, trips, and falls, there is the potential for player injuries. Tennis players could run and crash into walls or fences that too closely surround the court. Sponsorship signs hanging on walls surrounding tennis courts could potentially fall on visitors. The exposure will increase if the insured holds overnight tennis camps, tournaments, or other events that draw large crowds. A cyber insurance liability exposure also will exist for most clubs. Also, tennis clubs that sell food and/or tennis equipment (rackets) will experience a slight General Liability: Products — Completed Operations exposure.

Workers' Compensation

Tennis clubs will have a moderate Workers' Compensation exposure. Most claims will arise from injuries received while maintaining tennis courts. Employees also may have to work at heights while repairing lights. Employees who give tennis instruction may be injured by slips, trips, and falls on the court, from the use of automatic ball machines, or accidentally getting struck by a student wielding a racket. Employees performing administrative tasks could experience repetitive motion injuries as well as eye strain from working at computers. The exposure will be increased for clubs that hold large tournaments or sponsor tennis camps. The exposure will also be increased for clubs with swimming pools or fitness facilities on the premises.

Professional Liability

Tennis clubs generally will have at least one tennis professional on hand to instruct members and to teach classes to beginners. Many clubs also run summer tennis camps, which may have several professionals on hand to teach a larger number of students, often young children. Some facilities operate exclusively as a tennis school with several tennis professionals present at all times. The injuries that will occur from improper instruction will be small, consisting primarily of strains, sprains, and shoulder and arm injuries (e.g., rotator cuff tears and repetitive motion injuries like tennis elbow). Claims of abuse and molestation are possible. Tennis clubs generally will have a minor Professional Liability exposure. Because a gray area exists between General Liability: Premises and Operations and Professional Liability, it is recommended that they be written by the same carrier for the same amounts.

Business Interruption

The Business Interruption exposure for tennis clubs will be minor. Because of the large size of the facilities that usually will be required to house them, finding a satisfactory temporary or permanent location may be difficult. Therefore, most clubs will probably prefer to rebuild rather than relocate in the event of a total loss. The time it takes to rebuild depends on the size of the insured's facilities. Large tennis clubs may have several buildings on the premises (e.g., retail shop, restaurant); a loss to more than one structure will extend the time needed to rebuild. There also may be a peak season.

Loss Control

Some Aspects of On-Site Inspection Related to General Liability: Premises and Operations:

- What is the layout of the premises?
- Is there adequate aisle space between desks in office areas?
- What is the condition of the insured's floors and floor coverings?
- Are the insured's public restrooms easily accessible to all visitors?
- Number of tennis courts, locations (indoors or outdoors).
- What surface materials are the insured's courts made of?
- For indoor courts, shock-absorbing padding applied to any support columns and other fixed obstructions, along with walls, that surround courts.
- Evacuation routes posted where they can be easily seen by visitors.

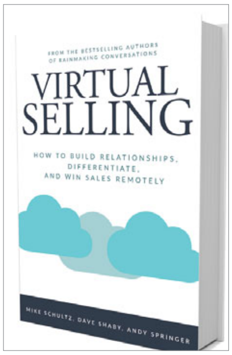
– *Best's Review* Staff

For more on this and other risk classifications, visit Best's Underwriting & Loss Control Resources.

Author: Pandemic Has Changed How Agents and Brokers Sell

Rain Group's Andy Springer said buyers prefer the digital landscape because they can control that environment.

Virtual Selling: How to Build Relationships, Differentiate, and Win Sales Remotely



The pandemic and other recent global events have changed the sales landscape and created a greater shift into virtual interaction. Today's sellers face more challenges than ever and can no longer sell the way they did before the pandemic, said Andy Springer, chief client officer at global sales training company Rain Group and co-author of the book, *Virtual Selling: How to Build Relationships, Differentiate, and Win Sales Remotely*.

The following is an edited transcript of an AM Best TV interview with Springer.

How did the idea for the book come about?

The landscape in early 2020, particularly from a seller's perspective, changed almost overnight. In just a few months, many sellers were forced out of their normal face-to-face interactions with buyers and were thrust into what we define as the new normal of virtual selling—moving from a three-dimensional environment into two dimensions.

That shift involves a completely different skill set and approach for sellers. But what we saw very quickly from our global client base was that sellers were struggling.

AM Best TV

Visit *www.bestreview.com* to watch the interview with Andy Springer.

What should insurance agents and brokers do to adapt and win more sales via virtual selling?

Sellers in the insurance space were thrust onto a screen. In some cases, they've never met the people with which they're engaging and building business.

That loss of dimension needs to be taken into account in terms of making that human connection. How do we do that on a screen instead of in person? How do we engage and evolve a conversation in a way that keeps people wanting to stay connected? And then, how do we progress the relationship in this virtual world so we're able to realize a successful outcome for the buyer and they get what they want, solve their problems, realize their objectives and make the purchase?

Everything I did before may now have to change, and I may need to develop new skills. So it's having that awareness, understanding and openness to learning, and then providing the platform sellers need to build successful virtual selling interactions.

How can producers lead successful virtual sales conversations?

The four most important areas of virtual selling are connect, engage, collaborate and influence. Many sellers are going to miss that time between the lobby meet-and-greet and the casual chatter in the conference room that eases them into the business conversation. Sellers now need to make a purposeful effort to work rapport building and casual conversation into their agendas. And with virtual, you often get less time so you need to create more impact. You need to plan for it and have your questions ready to make that human connection. BR

—Lori Chordas

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

App Helps Empower Households to Manage Insurance, Risk

Marble provides a platform for people to earn rewards for protecting their property.

Self-Management App

The insurance industry says it wants to empower people to proactively manage their insurance and risk—and one company says it's found a way to help households organize and optimize their insurance needs all in one space. Marble, a company that provides a platform for people to self-manage their insurance, now has an app that also allows households to earn rewards such as gift cards or cryptocurrencies. *Best's Review* discussed the app with Adi Sundar, chief technical officer, Marble. Following is an edited transcript of an AM Best TV interview with Sundar.

What was the inspiration for the app?

In the last five to 10 years you've seen a lot of innovation in the fintech space, a lot of really good products that have made investing a lot easier. But that hasn't really been done in the insurance space. It's been a lot of innovation and distribution but not a lot in actually organizing and building tools to help consumers.

So once we realized that we knew that was sort of where we wanted to go. We started off in 2020 building a web app. But then once we built the mobile app we really were inspired by a lot of our users telling us they wanted to be able to see all their insurance policies, all the coverage details, the payment details, everything in one place, in one app.

Does providing that all-in-one insurance rewards platform make it user-friendly?

The reason people stay and why we have some of the best retention numbers in the industry is because we think it makes it so much easier to have all your documents, all your information, all your coverage details in one place.

How does it provide a secure service so that people can protect their households and what they love, particularly when there is a catastrophe?

We've sort of put a lot of these terms in layman's terms. Insurance is a very dense and sometimes a hard-to-understand financial product that you often have, even though it's required by law to have it. If you have a mortgage or obviously if you drive, many people don't really understand what is and is not covered.

Could you elaborate on how the app helps take control of issues using one account and how it helps people shop for lower rates using the spam-stopping tools?

We allow you to come on to the platform whenever and not just when you're shopping at your insurance policies by giving us either your credentials or uploading your declarations page. And then we save that securely in our back end and display that to you and you can shop whenever you're ready. BR

—Tom Davis

Tom Davis is managing editor. He can be reached at *tom.davis@ambest.com.*

AM Best TV

Visit *www.bestreview.com* to watch the interview with Adi Sundar.

Top Content Includes Top Global Brokers, Standing the Test of Time and Other AM Best Rankings

Trending content also includes coverage of the Florida property market and Progressive's second-quarter net loss.

Trending: *Best's Review*

1. Top Global Insurance Brokers - 2022 Edition
2. Standing the Test of Time - 2022 Edition
3. Stormy Weather: In Florida, Property Claims Face Litigation Backlog
4. World's Largest Insurance Companies - 2022 Edition
5. AM Best: US Medical Professional Liability Faces Headwinds as Outlook Is Negative

Global Brokers

Trending: BestWire $

1. Best's Rankings: Progressive Surpasses State Farm to Become Largest US Total Auto Writer in 2021
2. Field of Nine Candidates Vying for California Insurance Commissioner Nod
3. DeSantis Signs Florida Insurance Reforms, but Concern Remains for Hurricane Season
4. Florida House OKs Property Insurance Bill, Sends It to Governor's Desk
5. Progressive Posts $542.9M Second-Quarter Net Loss on Property Goodwill Impairment

Auto Insurance

Trending: AM Best Webinars

1. How Insurers Are Countering Climate Change by Building Resiliency
2. How Layered Protection Supports Insurance Identity Fraud Management

Climate Change

Trending: AM Best TV - News Coverage

1. Vlogging, Work Pressures Accelerate Potential for Distracted-Driving Accidents
2. Aon's Bowen: La Nina Conditions Could Create Another Above-Average Hurricane Season in 2022
3. Travelers' Ives: New Hires at Greater Risk of Workplace Injury
4. Author: When Integrating Technology, Companies Risk Becoming Tech-Shackled
5. Federal Reserve Issues Largest Rate Hike in Nearly Three Decades

Distracted Driving

These were the top trending items from May 23-July 22, 2022. Features, news articles and videos were based on page views. Webinars were based on webinar attendance.

The above content can be viewed on demand at *www.bestreview.com* or by visiting AM Best's home page at *www.ambest.com*.

$ Payment or subscription required.

Go to *www.ambest.com/advertising* to learn more about how to advertise in *Best's Review*, BestWire, AM Best Webinars and AM Best TV.

Trending Research Includes Reports on Mortality Risk, the US Cyber Market and Florida Property Insurers

Other trending research covers reports on hedge funds, Japan's life market and embedded insurance.

Trending: Best's Special Reports


Impairment

1. Best's Impairment Rate and Rating Transition Study – 1977 to 2021 $
2. First Look: Three-Month 2022 US Property/Casualty Financial Results $
3. First Look: Three-Month 2022 US Life/Annuity Financial Results $
4. Mortality Risk Worsening Due to COVID-19 $
5. Favorable Hedge Fund Returns Lead to Book Value Increases for Insurers $

Trending: Best's Market Segment Reports


Cyber

1. US Cyber: The Hardest of the Property/Casualty Markets $
2. Market Segment Outlook: Japan Life Insurance
3. Market Segment Outlook: Mexico Insurance
4. Kazakhstan Insurance: Business Lines Demonstrate Resilience and Growth as Economy Recovers
5. Market Segment Outlook: Peru Insurance

Trending: Best's Commentary

Property Market

1. Despite New Reform Law, Florida Property Insurers to Face Continued Financial Pressures $
2. Market Preparedness for IFRS 17 in the MENA Region Varies
3. Embedded Insurance Gradually Gains Traction
4. Spike in Pandemic-Related Claims for Taiwan's Non-Life Segment
5. Pandemic Spurs Innovation Initiatives Among Caribbean Insurers

Trending: AM Best TV - Research Coverage


Florida

1. AM Best's Briefing - The Florida Property Market in Flux
2. AM Best's Briefing - Cyber: Increasing Demand, Skyrocketing Prices, Accelerating Risks. How Do Insurers React?
3. AM Best: Mortality Risk Will Continue to Be Fueled by Pandemic
4. AM Best's Briefing - Ratings Perspective on Non-Catastrophe ILS
5. AM Best: Vertical Integration Growth Continues in US Health Care Industry

---

These were the top trending research and commentary reports from June 23-Aug. 4, 2022.

$ Payment or subscription required.

Best's News & Research Service subscribers can download PDF copies of all Best's Special Reports, Best's Commentaries and Best's Market Segment Reports along with supporting spreadsheet data at *www.ambest.com.*

Panel to Discuss the State of the Surplus Lines Sector

Professionals also examine the captive insurance market as well as explore emerging cyberrisks and telematics.

Streaming Live

Inside Today's Surplus Lines Market

A panel of industry leaders in the surplus lines sector of the U.S. insurance market will review the market as well as highlights of a new report on that sector. **This complimentary AM Best Webinar is co-sponsored by the WSIA Education Foundation and Lexington Insurance Co.**

Thursday, Sept. 8, 11:30 a.m. ET.

On Demand

AM Best's Briefing – Captives: Stepping in Amidst Capacity and Pricing Challenges

AM Best and industry experts discuss the current state of the captive market, delving into such issues as capacity constraints in the marketplace, hardening market conditions, increased social and economic inflation, and the innovative solutions various types of captives can provide. Moderator John Weber, senior associate editor, AM BestTV, is joined by Andrew Baillie, program director, global insurance, AES Corp.; Colin Donovan, president, STICO Mutual Insurance Co., RRG; Nancy Gray, regional managing director, Americas, Aon; and Dan Teclaw, associate director, AM Best.

Webinar Highlights

What Insurers Need to Know About Next-Gen Cyber Threats

Cyberrisk continues to evolve as scams, ransomware and phishing exploits become more sophisticated, targeting new areas of vulnerability. Covering these exposures means better understanding of the threats and the insured. Experts in (re)insurance and digital forensics explore emerging cyberrisks and what insurers must do to address them. **This complimentary AM Best Webinar was sponsored by Munich Re**.

Dishing on Data: Advice From Data Scientists on How to Leverage Traditional and Nontraditional Data Sources

A panel of industry experts examines the current data landscape, explores new data sources and discusses how to use existing data sources in new ways. The conversation includes such topics as advances in entity resolution, attributes and algorithm selection. T**his complimentary AM Best Webinar was sponsored by LexisNexis Risk Solutions**.

How Next-Gen Telematics and Vehicle Build Data Are Driving Better Risk Assessment for Auto Insurers

Panelists discuss how telematics data from connected vehicles and vehicle build information from advanced driver-assistance systems can work together to provide more power to predict driving risk. **This complimentary AM Best Webinar was sponsored by LexisNexis Risk Solutions**.

View These and Other AM Best Webinars

- How Insurers Are Countering Climate Change by Building Transparency
- Rating Perspective on Non-Catastrophe ILS BR

For details or to register for webinars, go to *http://www.ambest.com/conferences/webinars.asp*

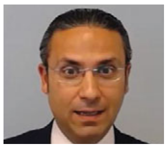
LIMRA: Fraud, Financial Crimes on the Rise in Life Insurance, Annuity, Retirement Sectors

Also, industry professionals discuss ESG and natural catastrophe recovery, global resilience and wildfire risk.

On Demand

LIMRA: Account-Takeover Fraud Rises in Life Insurance, Annuity, Retirement Plans

David Levenson



Maroun Mourad

LIMRA and Verisk are partnering to help insurers combat fraud and financial crimes in life insurance, annuity and retirement, said David Levenson, president and CEO, LIMRA, LOMA and LL Global, and Maroun Mourad, president, global claims, Verisk.

SageSure's Nelson: Insurers' ESG Objectives Should Include Nat Cat Recovery, Rebuilding

Tammy Nelson

Insurers, MGUs and MGAs must stay focused on catastrophe-stricken communities, especially prone areas, after public attention has turned its focus to the next natural disaster, said Tammy Nelson, chief marketing officer, SageSure Insurance Managers.

FM Global's Tofte: Denmark, Switzerland, Luxembourg Among the Most Resilient

Pentti Tofte

Improvements in cyberrisk quality is one of the drivers moving Thailand and Vietnam higher up in the rankings of the 2022 FM Global Resilience Index, said Pentti Tofte, staff senior vice president, head of analytics, FM Global.

Wildfire Is Burning a Hole in Insurers' Pockets

Jeff Huebner

Insurance executives, risk modelers and analysts examine the growing peril of wildfire, and what must be done to combat one of the hottest risks facing the industry.

Visit *www.ambest.com/ambtv* to see new and archived video from AM Best TV.

Catastrophe Models Must Catch Up to Science, According to Karen Clark Founder

Also, AM Best audio explores crypto liability and quantum computing cybersecurity threats, deemed emerging risks by Swiss Re.

Karen Clark & Co.: Models Must Catch Up to Science

Expected annual aggregate hurricane loss today is about $22 billion, said Karen Clark, founder, Karen Clark & Co. She said an individual event with a loss equal to the aggregate amount can be expected every five years.

Swiss Re's Bodenschatz: Crypto Liability, Quantum Computing Among Emerging Risks

Insurers shoulder some of the risks individuals and businesses face, and by doing so can contribute to making the world more resilient while also fostering innovation, said Swiss Re Risk Manager Maren Bodenschatz. BR

Visit *www.ambest.com/ambaudio* to listen to new and archived audio from AM Best Audio.

This edition lists all Credit Rating actions that occurred between July 1 and July 31, 2022. 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
AMERICAS LIFE/HEALTH								
Rating Affirmation	L	American National Insurance Company Brookfield Asset Mgmt Re Partners Ltd.	006087	A a+	Stable Stable	A u a+ u	Developing Developing	Texas, USA
Rating Affirmation	L	American National Life Ins Co of NY Brookfield Asset Mgmt Re Partners Ltd.	006365	A a+	Stable Stable	A u a+ u	Developing Developing	New York, USA
Rating Affirmation	H	American National Life Ins Co of Texas Brookfield Asset Mgmt Re Partners Ltd.	007417	A a+	Stable Stable	A u a+ u	Developing Developing	Texas, USA
Outlook Change	L	Annuity Investors Life Insurance Company Massachusetts Mutual Life Insurance Co	009088	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Ohio, USA
Outlook Change	L	Censtat Life Assurance Company Central States Health & Life Co of Omaha	060246	A- a-	Stable Stable	A- a-	Negative Negative	Arizona, USA
Outlook Change	L	Central States Health & Life Co of Omaha Central States Health & Life Co of Omaha	006206	A- a-	Stable Stable	A- a-	Negative Negative	Nebraska, USA
Outlook Change	H	Colonial Life & Accident Insurance Co Unum Group	006238	A a	Stable Positive	A a	Stable Stable	South Carolina, USA
Outlook Change	H	First Unum Life Insurance Company Unum Group	006514	A a	Stable Positive	A a	Stable Stable	New York, USA
Rating Affirmation	L	Garden State Life Insurance Company Brookfield Asset Mgmt Re Partners Ltd.	006436	A a	Stable Stable	A u a u	Developing Developing	Texas, USA
Outlook Change	L	Great American Life Insurance Company Massachusetts Mutual Life Insurance Co	006474	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Ohio, USA
Outlook Change	H	Paul Revere Life Insurance Company Unum Group	006899	A a	Stable Positive	A a	Stable Stable	Massachusetts, USA
Outlook Change	H	Provident Life and Accident Insurance Co Unum Group	006968	A a	Stable Positive	A a	Stable Stable	Tennessee, USA
Outlook Change	H	Provident Life and Casualty Insurance Co Unum Group	006969	A a	Stable Positive	A a	Stable Stable	Tennessee, USA
Rating Affirmation	L	Standard Life and Accident Insurance Co Brookfield Asset Mgmt Re Partners Ltd.	007070	A a+	Stable Stable	A u a+ u	Developing Developing	Texas, USA
Outlook Change	H	Starmount Life Insurance Company Unum Group	009370	A a	Stable Positive	A a	Stable Stable	Maine, USA
Upgrade	L	Unum Insurance Company Unum Group	006900	A a	Stable Positive	A- a-	Stable Stable	Maine, USA
Outlook Change	H	Unum Life Insurance Company of America Unum Group	006256	A a	Stable Positive	A a	Stable Stable	Maine, USA
Under Review	H	Western Health Advantage	064577	B+ u bbb- u	Developing Developing	B+ bbb-	Stable Stable	California, USA

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type: P** = Property/Casualty (Nonlife); **L** = Life; **H** = Health; **T** = Title; **C** = Composite.
Opinion Modifiers: u = Under Review; **sf** = Structured Finance; **i** = Indicative Credit Rating Modifier; **s** = Syndicate Credit Rating Modifier

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current FSR ICR	Current Outlook/ Implications	Previous FSR ICR	Previous Outlook/ Implications	Domicile
AMERICAS PROPERTY/CASUALTY								
Rating Affirmation	P	Accredited Specialty Insurance Company R&Q Insurance Holdings Ltd	020930	A- a-	Stable Stable	A- u a- u	Negative Negative	Arizona, USA
Rating Affirmation	P	Accredited Surety and Casualty Co, Inc. R&Q Insurance Holdings Ltd	004937	A- a-	Stable Stable	A- u a- u	Negative Negative	Florida, USA
Rating Affirmation	P	American National County Mutual Ins Co Brookfield Asset Mgmt Re Partners Ltd.	010255	A a+	Stable Stable	A u a+ u	Developing Developing	Texas, USA
Rating Affirmation	P	American National General Insurance Co Brookfield Asset Mgmt Re Partners Ltd.	002803	A a+	Stable Stable	A u a+ u	Developing Developing	Missouri, USA
Rating Affirmation	P	American National Lloyds Insurance Co Brookfield Asset Mgmt Re Partners Ltd.	011700	A a+	Stable Stable	A u a+ u	Developing Developing	Texas, USA
Rating Affirmation	P	American National Property & Casualty Co Brookfield Asset Mgmt Re Partners Ltd.	003533	A a+	Stable Stable	A u a+ u	Developing Developing	Missouri, USA
Rating Affirmation	P	ANPAC Louisiana Insurance Company Brookfield Asset Mgmt Re Partners Ltd.	012472	A a+	Stable Stable	A u a+ u	Developing Developing	Louisiana, USA
Downgrade	P	Associated Mutual Insurance Cooperative	004829	B+ bbb-	Stable Stable	B++ bbb	Negative Negative	New York, USA
Under Review	P	California Insurance Company Steven Menzies	002637	A u a u	Negative Negative	A a	Negative Negative	California, USA
Upgrade	P	CAMICO Mutual Insurance Company	010748	B++ bbb+	Stable Stable	B++ bbb	Stable Positive	California, USA
Rating Withdrawal	P	Capacity Insurance Company* PEAK6 LLC	010738	NR nr		C++ b	Negative Negative	Florida, USA
Outlook Change	P	Censtat Casualty Company Central States Health & Life Co of Omaha	012550	A- a-	Stable Stable	A- a-	Negative Negative	Nebraska, USA
Under Review	P	Continental Indemnity Company Steven Menzies	013065	A u a u	Negative Negative	A a	Negative Negative	New Mexico, USA
Outlook Change	P	Dakota Truck Underwriters Dakota Truck Underwriters	011130	A- a-	Positive Positive	A- a-	Stable Stable	South Dakota, USA
Outlook Change	P	Discovery Insurance Company	011631	B+ bbb-	Negative Negative	B+ bbb-	Stable Stable	North Carolina, USA
Under Review	P	Dorchester Insurance Company, Ltd. Topa Equities, Ltd.	011064	A- u a- u	Negative Negative	A- a-	Stable Stable	U.S. Virgin Islands
Rating Affirmation	P	Farm Family Casualty Insurance Company Brookfield Asset Mgmt Re Partners Ltd.	000362	A a+	Stable Stable	A u a+ u	Developing Developing	New York, USA
Downgrade	P	Farm Mutual Reinsurance Plan Inc.	086245	B++ bbb+	Stable Stable	A- a-	Negative Negative	Ontario, Canada
Under Review	P	Fidelis Insurance Bermuda Limited Fidelis Insurance Holdings Limited	093763	A u a u	Negative Negative	A a	Stable Stable	Bermuda

* The ratings were reduced to b/C++ on July 7, 2022, and subsequently withdrawn.

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type: P** = Property/Casualty (Nonlife); **L** = Life; **H** = Health; **T** = Title; **C** = Composite.
Opinion Modifiers: u = Under Review; **sf** = Structured Finance; **i** = Indicative Credit Rating Modifier; **s** = Syndicate Credit Rating Modifier

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current FSR ICR	Current Outlook/ Implications	Previous FSR ICR	Previous Outlook/ Implications	Domicile
AMERICAS PROPERTY/CASUALTY (CONTINUED)								
Outlook Change	P	First Dakota Indemnity Company Dakota Truck Underwriters	011796	A- a-	Positive Positive	A- a-	Stable Stable	South Dakota, USA
Under Review	P	Florida Casualty Insurance Company Steven Menzies	002755	A u a u	Negative Negative	A a	Negative Negative	Florida, USA
Outlook Change	P	Frank Winston Crum Insurance Company Frank Winston Crum Ins Holdings Corp.	012601	B++ bbb+	Positive Positive	B++ bbb+	Stable Stable	Florida, USA
Rating Affirmation	P	Golden Bear Insurance Company Hall Holdings, Inc.	001719	A a	Stable Stable	A u a u	Negative Negative	California, USA
Under Review	P	Illinois Insurance Company Steven Menzies	011132	A u a u	Negative Negative	A a	Negative Negative	New Mexico, USA
Downgrade	P	Kingstone Insurance Company Kingstone Companies, Inc.	003230	B bb	Negative Negative	B+ bbb-	Stable Stable	New York, USA
Under Review	P	Oklahoma Property and Casualty Ins Co Steven Menzies	010359	A u a u	Negative Negative	A a	Negative Negative	Oklahoma, USA
Rating Affirmation	P	Pacific Property and Casualty Company Brookfield Asset Mgmt Re Partners Ltd.	012411	A a+	Stable Stable	A u a+ u	Developing Developing	California, USA
Under Review	P	Pennsylvania Insurance Company Steven Menzies	022134	A u a u	Negative Negative	A a	Negative Negative	New Mexico, USA
Under Review	P	Texas Insurance Company Steven Menzies	022281	A u a u	Negative Negative	A a	Negative Negative	Texas, USA
Under Review	P	Topa Insurance Company Topa Equities, Ltd.	002749	A- u a- u	Negative Negative	A- a-	Stable Stable	California, USA
Rating Affirmation	P	United Farm Family Insurance Company Brookfield Asset Mgmt Re Partners Ltd.	010701	A a+	Stable Stable	A u a+ u	Developing Developing	New York, USA
EUROPE, MIDDLE EAST AND AFRICA								
Rating Affirmation	P	Accredited Insurance (Europe) Ltd R&Q Insurance Holdings Ltd	093312	A- a-	Stable Stable	A- u a- u	Negative Negative	Malta
Upgrade	P	Aviva Insurance Limited Aviva plc	078773	A+ aa-	Stable Stable	A a+	Positive Positive	United Kingdom
Upgrade	C	Aviva International Insurance Limited Aviva plc	085047	A+ aa-	Stable Stable	A a+	Positive Positive	United Kingdom
Initial Rating	C	AXA France Vie AXA S.A.	086023	A+ aa-	Stable Stable	NR nr		France
Rating Withdrawal	C	AXA Global Re	084358	NR nr		A+ aa-	Stable Stable	France
Initial Rating	C	AXA S.A. AXA S.A.	074976	A+ aa-	Stable Stable			France
Initial Rating	P	Coverys International Insurance Co DAC Medical Professional Mutual Insurance Co	074800	A a	Stable Stable			Ireland
Under Review	P	Fidelis Insurance Ireland DAC Fidelis Insurance Holdings Limited	071417	A u a u	Negative Negative	A a	Stable Stable	Ireland
Under Review	P	Fidelis Underwriting Limited Fidelis Insurance Holdings Limited	093764	A u a u	Negative Negative	A a	Stable Stable	United Kingdom

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type: P** = Property/Casualty (Nonlife); **L** = Life; **H** = Health; **T** = Title; **C** = Composite.
Opinion Modifiers: u = Under Review; **sf** = Structured Finance; **i** = Indicative Credit Rating Modifier; **s** = Syndicate Credit Rating Modifier

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)								
Rating Withdrawal	P	National Takaful Company (Watania) PJSC	092651	NR nr		B u bb+ u	Negative Negative	United Arab Emirates
Initial Rating	P	ONIX Asigurari S.A. S.C. Egadi Company SRL	095460	B bb	Stable Stable			Romania
Rating Affirmation	C	Seguradora Internacional de Moçambique Fosun International Holdings Ltd.	093000	B bb	Stable Stable	B u bb u	Developing Developing	Mozambique
Downgrade	P	Universal Insurance Co (Guernsey) Ltd Universal Holdings (Guernsey) Limited	071705	B u bb+ u	Negative Negative	B+ bbb-	Stable Stable	Guernsey
Outlook Change	C	WAICA Reinsurance Corporation PLC	094468	B+ bbb-	Negative Negative	B+ bbb-	Stable Stable	Sierra Leone
ASIA-PACIFIC								
Under Review	P	Brightsideco Insurance Limited ICF Holdings Pty Ltd	091637	B u bb+ u	Negative Negative	B bb+	Stable Stable	New Zealand
Upgrade	L	Cigna Life Insurance New Zealand Limited Chubb Limited	086363	A a+	Stable Stable	A u a u	Positive Positive	New Zealand
Outlook Change	P	Hanwha General Insurance Company Ltd Hanwha Life Insurance Co., Ltd.	086796	A a	Stable Stable	A a	Negative Negative	South Korea
Initial Rating	P	Veterinary Professional Ins Society Inc	086425	B bb+	Stable Stable			New Zealand
AMERICAS								
Initial Rating	P	Accelerant Re (Cayman) Ltd. Accelerant Holdings LP	074987	A- a-	Stable Stable			Cayman Islands
Initial Rating	P	SPP Institución de Seguros SA de CV	074507	B+ bbb-	Stable Stable			Mexico

Holding Companies

Rating Action	Company Name	AMB#	Current FSR ICR	Current Outlook/ Implications	Previous FSR ICR	Previous Outlook/ Implications	Domicile
Upgrade	Aviva plc	085909	a	Stable	a-	Positive	United Kingdom
Under Review	Fidelis Insurance Holdings Limited	033824	bbb u	Negative	bbb	Stable	Bermuda
Rating Withdrawal	Global Atlantic (Fin) Company	033520	nr		bbb	Positive	Massachusetts, USA
Rating Withdrawal	Infinity Property and Casualty Corp	051078	nr		bbb	Negative	Ohio, USA
Rating Affirmation	R&Q Insurance Holdings Ltd	033495	bbb-	Stable	bbb- u	Negative	Bermuda
Outlook Change	Unum Group	058110	bbb	Positive	bbb	Stable	Delaware, USA

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type: P** = Property/Casualty (Nonlife); **L** = Life; **H** = Health; **T** = Title; **C** = Composite.
Opinion Modifiers: u = Under Review; **sf** = Structured Finance; **i** = Indicative Credit Rating Modifier; **s** = Syndicate Credit Rating Modifier

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

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.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

For the most current version, visit www.ambest.com/ratings/index.html. BCRs are distributed via the AM Best website at *www.ambest.com*. For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Guide to Best's Credit Ratings" available at no charge on the AM Best website. BCRs are proprietary and may not be reproduced without permission.

 Version 121719

GUIDE TO BEST'S ISSUER CREDIT RATINGS – (ICR)

A Best's Issuer Credit Rating (ICR) is an independent opinion of an entity's ability to meet its ongoing financial obligations and can be issued on either a long- or short-term basis. A Long-Term ICR is an opinion of an entity's ability to meet its ongoing senior financial obligations, while a Short-Term ICR is an opinion of an entity's ability to meet its ongoing financial obligations with original maturities generally less than one year. An ICR is an opinion regarding the relative future credit risk of an entity. Credit risk is the risk that an entity may not meet its contractual financial obligations as they come due. An ICR does not address any other risk. In addition, an ICR is not a recommendation to buy, sell or hold any securities, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser. An ICR may be displayed with a rating identifier or modifier that denotes a unique aspect of the opinion.

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.

** Best's Long-Term Issuer Credit Rating Categories from "aa" to "ccc" include Rating Notches to reflect a gradation within the category to indicate whether credit quality is near the top or bottom of a particular Rating Category. Rating Notches are expressed with a "+" (plus) or "-" (minus).*

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.

Long- and Short-Term Issuer Credit Non-Rating Designations

Designation Symbols	Designation Definitions
d	Status assigned to entities (excluding insurers) that are in default or when a bankruptcy petition or similar action has been filed and made public.
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.

Rating Disclosure: Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

For the most current version, visit www.ambest.com/ratings/index.html. BCRs are distributed via the AM Best website at *www.ambest.com*. For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Guide to Best's Credit Ratings" available at no charge on the AM Best website. BCRs are proprietary and may not be reproduced without permission.

 Version 121719

Mergers, Acquisition, State Action and Name, Ownership and Domiciliary Changes

American Physicians Assurance Corp., Michigan Complete Health and Access Home Insurance are among the life/health and property/casualty insurers that have experienced a corporate change.

LIFE/HEALTH

Mergers

Michigan Complete Health Inc. (AMB# 064849), Troy, MI, USA. This company merged with and into Meridian Health Plan of Michigan Inc. on Jan. 1, 2022.

SelectCare Health Plans Inc. (AMB# 064845), Houston, TX, USA. This company merged with and into WellCare of Texas Inc. on Jan. 1, 2022.

WellCare Health Plans of Arizona Inc. (AMB# 062262), Phoenix, AZ, USA. This company merged with and into Health Net of Arizona Inc. on Jan. 1, 2022.

Name Changes

Sutton Cayman Ltd. (AMB# 074979), George Town, Cayman Islands. This company changed its name to Talcott Life & Annuity Re Ltd. on June 27, 2022.

American Physicians Assurance Corp. (AMB# 021406), Columbia, SC, USA. This company changed its name to Openly Insurance Co. on June 1, 2022.

Acquisition & Ownership Change

Life Alliance Reassurance Corp. (AMB# 060709), Honolulu, HI, USA. This company was acquired by AAA Northeast Holding Inc. from AAA Life Insurance Co. on March 11, 2022.

PROPERTY/CASUALTY

Name Changes

American Transportation Group Insurance Risk Retention Group Inc. (AMB# 020620), Wilmington, NC, USA. This company changed its name to Bulldog National Risk Retention Group Inc. on July 1, 2022.

21st Century Indemnity Insurance Co. (AMB# 021265), Harrisburg, PA, USA. This company changed its name to Greenwood Insurance Co. on June 7, 2022.

21st Century Pacific Insurance Co. (AMB# 021266), Littleton, CO, USA. This company changed its name to Consolidated National Insurance Co. on April 11, 2022.

State Action

Access Home Insurance Co. (AMB# 014378), Baton Rouge, LA, USA. This company was placed into insolvent liquidation on Jan. 13, 2022.

Domiciliary Change

American Physicians Assurance Corp. (AMB# 003670), Columbia, SC, USA. This company redomesticated to South Carolina from Michigan on May 11, 2022. BR

Preferred Publisher Program

In Other News ...

A roundup of news from publishers around the globe. Access to some sites may require registration or subscription.

AM Best's Preferred Publisher Participants

Artemis | *www.artemis.bm*
Visualizing higher catastrophe bond pricing, multiples & spreads

Asia Insurance Review | *www.asiainsurancereview.com*
Singapore: Life insurance sector sees flat new business premiums in 1H2022

Auto Insurance Report | *https://riskinformation.com/*
Disastrous Louisiana Drives Down Property Insurance Profits

Benefits Pro | *https://www.benefitspro.com/*
Satisfying the 'why' for Gen Y: Millennials feel a sense of purpose at these 10 companies

Bermuda: Re+ILS | *https://www.bermudareinsurancemagazine.com*
Different strokes: ILS is much more than an alternative

Business Insurance | *www.businessinsurance.com*
Special Report: Broker Profiles and Rankings

Captive Insurance Times | *https://www.captiveinsurancetimes.com/*
State of Tennessee launches captive insurance company

Captive International | *www.captiveinternational.com/*
IRS wins judgment on access to captives documents

Carrier Management | *www.carriermanagement.com*
Social Inflation Hitting the Insurance Industry Hard

Claims Journal | *www.claimsjournal.com/*
Biden Admin Announces $3B in FEMA Climate Resilience Funding

Claims Magazine | *propertycasualty360.com/claims-magazine/current-issue*
Insurance and liability risks in the emerging e-bike market

Commercial Risk | *www.commercialriskonline.com/*
Global insurers begin issuing local Ukrainian policies after pulling back

Emerging Risks | *https://emergingrisks.co.uk/*
US Climate Bill Could Be Pivotal for Green Hydrogen

Global Reinsurance | *www.globalreinsurance.com/*
Ukraine: A 'Matrix moment' for climate change

Global Risk Manager | *www.commercialriskonline.com/global-risk-manager*
EDR software key to closing cyber insurance gap

Inside P&C | *https://www.insidepandc.com/*
Florida veteran Desjadon raising capital for new venture

Insurance & Investment Journal | *https://insurance-portal.ca/*
Businesses concerned about meeting ransomware demands

Insurance Age | *www.insuranceage.co.uk/*
INSIGHT Analysis: The challenge to build back better – as trust in insurance drops

Insurance Asset Risk | *www.insuranceassetrisk.com/*
The Evolving CLO Regulatory Landscape

Insurance Insider | *www.insuranceinsider.com/*
BoE's Bailey: Market competitiveness 'depends on regulators' independence'

Insurance Journal | *www.insurancejournal.com/magazines/*
Are MGAs Winning the Insurance Talent War?

Insurance Post | *www.postonline.co.uk/*
Government and insurers warned to 'wake up' to planning reform before Flood Re ends

InsuranceAsia News | *insuranceasianews.com/*
China's Property Crisis Weighs on (Re)insurers

InsuranceERM | *www.insuranceerm.com/*
Life back-book consolidators shrug off threat from rising rates

Intelligent Insurer | *www.intelligentinsurer.com/*
Insurance companies eye opportunities in fast-growing Latin America

Life Annuity Specialist | *www.lifeannuityspecialist.com*
After Roe Reversal, What Needs to Be on the Board's Agenda?

Middle East Insurance Review | *www.meinsurancereview.com/*
UAE: Insurance market to expand by 5% this year in terms of GPW

National Underwriter P/C | *www.propertycasualty360.com/national-underwriter-property-casualty/issue-gallery*
Why Claims Automation is Your Best Bet for Tackling the Talent Shortage

P&C Specialist | *www.pandcspecialist.com/*
P&C Execs Take Harsher Tone and Vow to Reduce Biz in Unprofitable States

Property Insurance Report | *https://riskinformation.com/*
California Teeters as Regulators and Insurers Square Off on Rates

Reinsurance News | *https://www.reinsurancene.ws/*
Lloyd's market set to insure Ukrainian grain shipments

Retirement Income Journal | *https://retirementincomejournal.com/article/welcome-to-rijadvisor/*
Why Annuity Issuers Use Bermuda Reinsurance

Risk & Insurance | *https://riskandinsurance.com/*
Crypto Pays for College: What Higher Education Must Understand Before Delving into the Coin of the Future

Risk.Net | *www.risk.net/*
Op risk data: Banks dial in $600m loss for illicit phone use

Strategic Risk | *www.strategic-risk-europe.com/*
Russia, China behind majority of state-sponsored cyberattacks

The Insurer | *www.theinsurer.com/*
Russia-Ukraine: Q2 brings little clarity on losses but changing risk perception already shifting market dynamics

ThinkAdvisor | *www.thinkadvisor.com/*
3 Ways to Help Portfolios Get Ready for a Recession: Benz

Thompson's World Insurance News | *http://thompsonsnews.com/*
New OSFI division will have digital focus

Trading Risk | *www.trading-risk.com/*
ILS adjusts its stride to adapt to higher inflation

Publications and sites listed above are participants in AM Best's Preferred Publisher Program.
www.ambest.com/sales/preferredpublisher

Irish Central Bank Launches Consultation on Climate Risk for Insurers

According to the bank's 2021 survey, only 20% of insurers and reinsurers fully integrated climate-change risk in their risk management framework.

The Central Bank of Ireland is undertaking a public consultation on proposals to create guidance for the insurance sector on climate-related risk. The increase in insured claims arising from weather-related events, along with the impact of actions to transition away from greenhouse gas-intensive activities, mean that insurers and reinsurers need to take action now to assess and appropriately manage climate change risk, the central bank said in a statement.

However, the bank noted that there is no agreement on what to do and where to begin.

According to a survey the bank published in 2021, only 20% of insurers and reinsurers fully integrated climate-change risk in their risk management framework, with less than half conducting some form of scenario analysis of stress testing. The proposed guidance intends to clarify the central bank's expectations on how companies address climate-change risks and to assist them in developing their governance and risk management frameworks, it said.

"We have identified the need to strengthen the resilience of the financial system to climate-related risks and supporting the transition to a carbon-neutral economy as an integral theme of our strategy," Central Bank Governor Gabriel Makhlouf said. "Climate change is no longer an emerging risk—the stakes are high, not just for the future viability of the insurance sector, but also for society as a whole. The Central Bank expects to see a step change in the way that (re)insurers are responding to climate change risks, and we look forward to further and continued engagement with stakeholders on this important topic."

—Timothy Darragh

California Regulator Puts Auto Insurance Rate Approvals on Hold

Auto insurers warn consumers will be left without coverage.

California Insurance Commissioner Ricardo Lara is pumping the brakes on private passenger auto rate hike requests from carriers, including Geico, which he said overcharged policyholders during COVID-19 pandemic shutdowns, according to spokesperson Gabriel Sanchez.

Insurers facing higher claims costs have sought widespread increases but have faced pushback in California. Rates appear to be stuck in the state, said Kemper President, Chief Executive Officer and Chairman Joseph Lacher Jr., and he thinks the market will seize up in the near future.

"They're going to have a social and cultural problem where they're not going to be able to have people bind or change auto insurance," Lacher said during a second-quarter earnings call.

For 27 months Lara has "instructed his staff not to open or review rating plans" for private-passenger insurers, American Property Casualty Insurance Association spokeswoman Nicole Mahrt-Ganley said. That has left dozens of filings in limbo as carriers grapple with skyrocketing costs from inflation and more severe auto accidents in California, she said.

"Left to their own devices, insurance companies will charge more, not less," Sanchez said. "The California Department of Insurance is reviewing data from private passenger auto insurance companies deemed to have the largest gaps between what was owed and has been refunded to determine how best to close the gap on auto-insurance premiums owed to drivers."

Executives at Allstate and Liberty Mutual named, or alluded to, California and New York recently when speaking about trouble attaining what they said will be rate adequacy as economic and social inflation and other factors, such as changed driving patterns and supply chain issues, escalate claims severity. Absent CDI action on rate requests, auto insurers are "forced to make difficult decisions to manage solvency," said Mahrt-Ganley. Drivers may soon have difficulty finding coverage, she warned.

In addition to seeking rate hikes, carriers have cut marketing for personal auto and taken other actions, such as requiring full payment at the start of a policy, to offset losses. BR

—Renée Kiriluk-Hill

MASTHEAD
BACKSTAY
Background illustrations on both mastheads are of HMS Victory. To learn more about The Nelson Collection at Lloyd's, visit *www.ambest.com/nelson*.

AM Best Business Development

Representative	Mobile Phone	Email Address	Office	Area Covered
RATING SERVICES				
Brad Mazur, Managing Director	+1 (908) 268-0763	brad.mazur@ambest.com	USA (NJ)	BMU; CAN; CAR; USA & US Territories (PR & VI)
Brendan Tyne, Associate Director	+1 (908) 323-1412	brendan.tyne@ambest.com	USA (NJ)	BMU; CAN; CAR; USA & US Territories (PR & VI)
Arthur Snyder IV, Senior Account Manager	+1 (908) 894-8040	arthur.snyderIV@ambest.com	USA (NJ)	BMU; CAN; CAR; USA & US Territories (PR & VI)
Daniel Giunta, Account Manager	+1 (908) 455-6249	daniel.giunta@ambest.com	USA (NJ)	BMU; CAN; CAR; USA & US Territories (PR & VI)
Nick Charteris-Black, Managing Director	+44 20 7397 0284	nick.charteris-black@ambest.com	London	EMEA
Edem Kuenyehia, Director	+44 20 7397 0280	edem.kuenyehia@ambest.com	London	Sub-Saharan Africa
Riccardo Ciccozzi, Director	+44 20 7397 0309	riccardo.ciccozzi@ambest.com	London	Southern Europe
William Mills, Senior Director	+44 20 7397 0323	william.mills@ambest.com	London	Northern Europe
Róisín Gallagher, Associate Director	+44 20 7397 0261	roisin.gallagher@ambest.com	London	Europe
Carlos De la Torre, Senior Director	+52 55 7903 5420	carlos.delatorre@ambest.com	Mexico City	CAR & LATAM
Rob Curtis, Managing Director	+65 9633 6118	robert.curtis@ambest.com	Singapore	AP; IN & US Territories (AS, GU & MP)
Vasilis Katsipis, General Manager	+971 4375 2782	vasilis.katsipis@ambest.com	Dubai	MENA; South & Central Asia

Learn about AM Best Rating Services: *www.ambest.com/aboutratingservices*

INFORMATION SERVICES

Learn about AM Best Information Services: *www.ambest.com/aboutinformationservices*

Advertising Services

Bryan Martyn, Director	+44 7970 799332	bryan.martyn@ambest.com	London	EMEA, AP & US Territories (AS, GU & MP)
Aidan Porter, Senior Account Manager	+44 7702 947679	aidan.porter@ambest.com	London	UK
Brian McGoldrick, Senior Account Manager	+1 (908) 894-9552	brian.mcgoldrick@ambest.com	USA (IL)	CAN (Western Provinces); LATAM; USA (Western Region) & US Territories (PR & VI)
Brian Schlesinger, Associate Director	+1 (908) 894-9586	brian.schlesinger@ambest.com	USA (NJ)	BMU; CAN (Eastern Provinces); CAR; USA (Eastern Region)

Learn about Advertising Services: *www.ambest.com/aboutadvertising*

Professional Resource Services

Doug Doremus, Associate Director	+1 (908) 229-9965	doug.doremus@ambest.com	USA (NJ)	AP; BMU; CAN; CAR; EMEA; LATAM; USA & US Territories (AS, GU, MP, PR & VI)
Lori Sadukas, Associate	+1 (908) 255-8991	lori.sadukas@ambest.com	USA (NJ)	USA (Eastern Region)

Learn about Professional Resource Services: *www.ambest.com/aboutprofessionalresources*

Ratings, News & Data Analytic Services

Maryrose Paar, Director	+1 (908) 894-8039	maryrose.paar@ambest.com	USA (PA)	BMU; CAN; CAR; LATAM; USA & US Territories (PR & VI)
Kellie Bodmer, Senior Account Manager	+1 (908) 328-6098	kellie.bodmer@ambest.com	USA (NJ)	BMU & USA (NY)
Jay Eihausen, Senior Account Manager	+1 (908) 894-9587	jay.eihausen@ambest.com	USA (IL)	USA (Mid-Western Region)
Debbie Giordano, Account Manager	+1 (908) 335-0938	debbie.giordano@ambest.com	USA (PA)	USA (Mid-Atlantic Region)
Danny Heffernan, Senior Account Manager	+1 (908) 894-9560	christopher.heffernan@ambest.com	USA (GA)	CAR; LATAM; USA (South Central Region) & US Territories (PR & VI)
Sue Kjaer, Senior Account Manager	+1 (908) 894-9557	sue.kjaer@ambest.com	USA (MA)	USA (New England Region)
Mark Kuhlman, Senior Account Manager	+1 (908) 894-9561	mark.kuhlman@ambest.com	USA (TX)	USA (Western Region & TX)
Patrick McCahill, Account Manager	+1 (908) 268-0765	patrick.mccahill@ambest.com	USA (NJ)	USA (South Atlantic Region & NY)
Maryrose Paar, Director	+1 (908) 894-8039	maryrose.paar@ambest.com	USA (PA)	USA (IL)
Jennifer Rudy, Account Manager	+1 (732) 266-8644	jennifer.rudy@ambest.com	USA (MI)	CAN & USA (North Central Region)
Brian Schlesinger, Associate Director	+1 (908) 894-9586	brian.schlesinger@ambest.com	USA (NJ)	BMU; CAR; LATAM; USA (Eastern Region) & US Territories (PR & VI)
Bryan Martyn, Director	+44 7970 799332	bryan.martyn@ambest.com	London	EMEA; AP & US Territories (AS, GU & MP)
Aidan Porter, Senior Account Manager	+44 7702 947679	aidan.porter@ambest.com	London	UK
Darren Hewitt, Account Representative	+44 20 7397 0303	darren.hewitt@ambest.com	London	EMEA; AP & US Territories (AS, GU & MP)

Learn about Ratings, News & Data Analytic Services: *www.ambest.com/ratingsnewsdataanalytics*

Redistribution Services

Bryan Martyn, Director	+44 7970 799332	bryan.martyn@ambest.com	London	EMEA; AP & US Territories (AS, GU & MP)
James McMyne, Senior Account Manager	+1 (908) 255-8764	james.mcmyne@ambest.com	USA (NJ)	BMU; CAN; CAR; LATAM; USA & US Territories (AS, GU, MP, PR & VI)
Barry Finan, Account Manager	+1 (908) 300-7343	barry.finan@ambest.com	USA (NJ)	BMU; CAN; CAR; LATAM; USA & US Territories (AS, GU, MP, PR & VI)

Learn about Redistribution Services: *www.ambest.com/aboutredistribution*

Regulatory Filing Application Services

Brenda Nickel, Assistant Manager	+1 (908) 439-2200 ext 5339	BestESP_Sales@ambest.com	USA (NJ)	USA & US Territories (AS, GU, MP, PR & VI)

Learn about Regulatory Filing Application Services: *www.ambest.com/aboutregulatoryfilingsoftware*

From Baritone to Boardroom: MetLife Executive's Overture Was on the Opera Stage

Before he was the executive vice president and chief marketing officer at MetLife, Michael Roberts enjoyed a brief opera career.

by Anthony Bellano

The first time Michael Roberts sang in front of a group of people, he was 13 years old and performed a baritone solo. He was at a boarding school in New Hampshire, and he was singing as part of the school's performance of Ernest Bloch's "Sacred Service," a famous sacred Hebrew oratorio. He sang it in Yiddish and was accompanied by a conductor, a 40-piece orchestra, and a 60-person choir.

Today, he finds himself going before a different audience. As executive vice president and chief marketing officer for MetLife Inc., Roberts designs experiences that help the second-largest U.S. life insurer ranked by 2021 admitted assets, according to AM Best, build enduring customer relationships. But that musical performance was not a one-off, long-forgotten occurrence.

Michael Roberts

"All of my degrees are in music," said Roberts, the youngest of four siblings who all played instruments and sang. He went to graduate school and he performed in front of what he estimates to be thousands of people.

The highlight of his career came when he sang in the church at the Duomo in Orvieto, Italy, in 2018. Construction on the Duomo began in 1290, and it is home to a number of renowned sculptures and paintings. In that famed venue, he performed with Coro Mundi, an international choir consisting of highly skilled professional and amateur singers from around the world.

However, that performance came years after Roberts already discovered that singing was not going to be his professional career. When he came to New York after graduate school, the man who discovered he was good at singing at a relatively young age discovered he wasn't yet ready for a career in the arts.

Instead, Roberts joined the consulting world in 1999. He spent the first half of his career in strategy before he went into marketing. "I found that there were things about strategy and things about marketing that I found could be very fulfilling and very satisfying for me to spend my time and to practice," he said.

"Art is made to transform and connect through communication," Roberts said. "As a marketer, we essentially do the same thing, but for different ends. Our goal is to really understand the needs of the customer, the stakeholders that we're interacting with, the context in which they operate, and find ways to help them do something different."

And while singing was his passion and his area of educational expertise, Roberts didn't have tunnel vision when it came to performing as a profession.

"I had a pretty classic liberal arts education, so early in my education, there was never a specific focus," Roberts said. "What I thought of more was how I could apply my skills to do something I could excel at that would also be fulfilling. The fact that I found it in consulting, strategy, financial services and now insurance is really because I found the things that motivated me in those areas at those specific times in my career.

"I try to find a few hours a week to continue to practice and to sing. Every once in a while, I find an opportunity to perform. I still love doing it." BR

Anthony Bellano is an associate editor. He can be reached at *anthony.bellano@ambest.com*.


SCOR
The Art & Science of Risk
Driving Change
Extending protection and peace of mind to as many individuals as possible is a core focus of SCOR. To do this, we provide a broad array of capabilities for co-creating new, customer-centric life insurance programs. The carriers and providers in our vast ecosystem are passionate about driving change and designing, developing and delivering exciting solutions.
To learn more, please contact Manisha Dias, head of our Strategic Partnerships team, at mdias@scor.com.
www.scor.com


MORE IMAGINATION.
MORE TO LOVE
FROM APPLIED.®
Workers' Compensation • Transportation – Liability & Physical Damage • Construction – Primary & Excess Liability
Homeowners – Including California Wildfire & Gulf Region Hurricane • Fine Art & Collections • Structured Insurance
Financial Lines • Aviation & Space • Environmental & Pollution Liability • Property • Warranty
Fronting & Program Business • Reinsurance
...And More To Come.
It Pays To Get A Quote From Applied.®
Learn more at auw.com/MoreToLove
or call sales (877) 234-4450
APPLIED UNDERWRITERS
©2022 Applied Underwriters, Inc. The seven insurance companies collectively referred to as North American Casualty Group (AMB #: 018683) each have an AM Best Financial Strength Rating of A. Insurance plans protected U.S. Patent No. 7,908,157.