

Health Insurance

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

Corporate Overview

- Corporate Legal Structure (Chart)
- Executive Committee Structure (Chart)
- Management & Board of Directors (Bios)
- Parent & Stakeholder Expectations
- Mission Statement / Strategic Executive Business Plan (Summary)
- Mergers & Acquisitions/Disposition Strategy
- Key Challenges / Opportunities
- Growth and Expansion Plans
- Non-Insurance Businesses

General Business Discussion

- Key Business(es) /Operational Areas / Non-Core Legacy
- Business Environment - Competitive Advantages & Disadvantages
- Market / Leadership Position
- Key Distribution Partners/Channels
- Country Risk Profile (If Applicable)
- Growth and Expansion Plans - Product(s) & Geographic
- Sales Performance
- Agent Productivity
- New Products
- Health Networks and Provider Arrangements
- Utilization Management
- Regulatory Environment

Product Line Review (Actual YTD vs. Expected), Projections & Business Plans

- Detailed Product Line Review(Mortality, Morbidity, Sales, Enrollment, Expenses, Loss Ratio) - Year-to-Date and Projected (including key assumptions)
- Three-Year Business Plan
- Embedded Value Analysis (if applicable)

Pricing & Reserving

- Rate / Pricing Changes & Initiatives - By Product
- Retention
- Reserving Methodologies and Procedures
- Claims Reserve Analysis, IBNR Development and Prior 3 Years Results

Continued



Investments

- Portfolio Composition
- Investment Strategy, Investment Managers & Investment Policy Guidelines
- Management/Performance of Portfolio
- Asset/Liability Management
- Investment Risk(s) including Interest Rate Risk, Credit Risk
- Liquidity
- Hedge Program Overview (if applicable)

Reinsurance (if applicable)

- External Reinsurer Program Overview (Contracts/Term Sheets to be Provided)
- Intercompany Reinsurance
- Net Retention(s)
- Reinsurer(s) Counterparty Credit Risk

Enterprise Risk Management*

- ERM Framework & Culture – Board & Management Involvement/Roles, Responsibilities and Oversight/Strategic Decision-Making
- Risk Identification & Management – Key Risks/Emerging Risk/Risk Mitigation & Action Plans
- Risk Measurement & Capital Modeling – Risk Tolerances/Risk Correlations/Modeling Capabilities (EC/DFA/RAROC/Sensitivity Testing/Embedded Value, etc...)
- Management's Perspective on Key Risks – Top 5 Risks/Lessons Learned/Next Steps
- ORSA Readiness (U.S. and Canada Only)

Capital & Liquidity (Holding Company)

- Financial Leverage/Debt Service (Consolidated & Parent Only) – (last 3 years + projected)
- Cash Flow & Liquidity (Consolidated & Parent Only) – (last 3 years + projected)
- Coverage Ratios (Fixed Charge / Interest Coverage)
- Debt Maturity Schedule
- Credit Facilities (Used / Available)
- Overall Capital Management Strategy including Share Repurchase if applicable
- Net Worth Maintenance, Financial Guarantees and/or Capital Guarantees
- Holding Company Sources & Uses of Cash – (last 3 years + projected)
- Capital Adequacy – Operating Entity Basis

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

