

# Property/Casualty Insurance

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

## Corporate Overview

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- 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

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- 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
- Regulatory Environment

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

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- Detailed Product Line Review (DPW, Expenses, Loss Ratio) - Year-to-Date and Projected (including key assumptions)
- Three-Year Business Plan

## Pricing & Reserving

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- Pricing Strategies
- Cycle Management
- Loss Reserves (Actual Report) - Carried vs. Indicated
- Reserving Methodologies and Procedures

Continued



## Additional Discussion Topics (Underwriting, Claims & Reserving)

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- Risk / Limits Profile
- Loss Severity and Frequency - Trends & Drivers
- Claims Administration (Internal/Third Party)
- New Potential Claim Emergence
- Asbestos & Environmental Reserve Analysis (if Applicable)
- Regulatory, Judicial & Legislative Pricing and Reserves

## Reinsurance/Pooling (If Applicable)

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- Pro-Rata/Excess of Loss / Catastrophe Reinsurance Programs
- Loss Portfolio Transfers/Aggregate Stop Loss
- Non-Traditional Risk Transfer - ILWs, Cat Bonds
- Inter-Company Reinsurance/Pooling Agreements
- Reinsurer(s) - Credit Risk
- Net Retention(s)
- Contracts and/or Term Sheets (To Be Provided)

## Catastrophe Management Framework

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- Natural and Man-Made Catastrophe Exposure Analysis
- Catastrophe Model(s) / Methodologies Used
- Probable Maximum Loss/Tail Risk Analysis
- Risk Aggregation/Mapping/Geocoding
- Loss Mitigation Initiatives

## Enterprise Risk Management\*

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- 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)

## Investments

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

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## Capital & Liquidity (Holding Company)

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- 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.

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