

**The ABCs of Financial Reporting & Analysis
For Property/Casualty Insurers and Reinsurers**

Helmsley Hotel, New York, NY, October 28-29, 2010

Thursday, October 28, 2010

8:00 a.m. **Registration - Knickerbocker Foyer**

Breakfast - Knickerbocker Room D - Sponsored by



8:45 a.m. **General Session - Knickerbocker Room A, B and C**

Welcome/Introduction

Marsha A. Cohen, Senior Vice President & Director of Education, Reinsurance Association of America

9:00 a.m. **What is a Financial Statement?**

Michael G. McClane, Managing Director, Aon Benfield Analytics

Financial statements report significant information to the reader. The reader must interpret the information so that sound financial decisions can be made. This section includes a review of the financial statement with special emphasis on the following schedules:

- Balance Sheet
- Income Statement

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10:15 a.m. **Refreshment Break - Knickerbocker Foyer - Sponsored by**



10:30 a.m. **Financial Statement (continued)**

- Income Statement (continued)
- Statement of Capital and Surplus
- Cash Flow Statement
- Financial Footnotes



USRE

12:00 noon **Lunch - Knickerbocker Room D - Sponsored by**

1:00 p.m. **Financial Reports and the Difference Between Accounting Methodologies**

Christopher T. McNulty, Senior Vice President, Finance, AXIS Capital

Each accounting system operates differently. US companies are required to file on a SAP and/or GAAP basis; many non-US companies are now required to comply with other systems, IFRS being the most common. Learn the differences, the implications and whether the different systems can be reconciled. This section also provides an overview of the different types of financial reports that are filed with regulatory entities and rating agencies.

- Statutory Accounting Principles (SAP)
 - Non Admitted Assets
- Generally Accepted Accounting Principles (GAAP)
 - Deferred Acquisition Costs

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Thursday, October 28, 2010 (Continued)

- International Financial Reporting Standards (IFRS)
 - Insurance Contracts Project – Fair Value of Liabilities
- Financial Reports
 - Audited/Unaudited - significance
 - SEC Reports: 10K, 10Q
 - NAIC Reports: Annual and Quarterly Statements, Management Discussion and Analysis, Actuarial Opinion, Investment Risk Interrogatories, Combined Statement, Statutory Audited Report

Deutsche Insurance Asset Management



Deutsche Bank Group

2:30 p.m. **Refreshment Break** *Sponsored by Knickerbocker Foyer*

2:45 p.m. **Financial Analysis**
Deborah A. Griffin, Senior Vice President, Guy Carpenter & Company

Now that we have the data, learn what to do with it utilizing a quantitative and qualitative analysis of the financial statement.

Quantitative Analysis: Use the various ratios to provide benchmark guidelines to determine if a company is over or under exposed to financial risks.

- Loss Ratio
- Combined Ratio
- IRIS Ratios
- Risk Based Capital

Qualitative Analysis: Other risk factors that can impact company solvency

3:45 p.m. **Break**

4:00 p.m. **Financial Analysis (continued)**

Quantitative and Qualitative Analysis (continued)

Quantitative Analysis Exercise

We will break out into small groups to work with sample financial statements to compute the various financial ratios and to learn how to interpret the meaning of the ratios.

5:15 p.m. **Reception - Knickerbocker Room D - Sponsored by**

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8:00 a.m.

Breakfast - Knickerbocker Room D - Sponsored by



8:30 a.m.

**Overview of Annual Statement Schedules and Exhibits
Knickerbocker Room A, B & C**

Schedule F – Reinsurance Assumed and Ceded

Scott Williamson, Assistant VP - Financial Analysis, Reinsurance Association of America

Reinsurance is a critical component of a company's risk management. This session reviews the schedule that reports all reinsurance assumed and ceded.

9:30 a.m.

Refreshment Break Sponsored by



9:45 a.m.

Underwriting and Investment Exhibit

Frank J. Maffa, Vice President, Munich RE

An insurance company's primary source of income is from its underwriting operation. This session reviews the key exhibit that reports an insurance company's underwriting performance.

10:45 a.m.

Refreshment Break

11:00 a.m.

Overview of Annual Statement Schedules and Exhibits

Schedule P – Analysis of Loss and Loss Expenses

Diego J. Sferco, Assistant Vice President, Towers Watson

Schedule P reports historical details of Loss and Loss Expenses for the previous 10 years. This session reviews the components of Schedule P.

12:00 noon

Lunch - Knickerbocker Room D - Sponsored by



1:00 p.m.

Schedule D

Dennis Lebar, Senior Regulatory and Accounting Specialist, SunGard iWorks Financials

A secondary source of income for an insurance company is its return on investments. This session reviews the key exhibit that reports an insurance company's investment portfolio and performance.

2:00 p.m.

Refreshment Break Sponsored by



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Friday, October 29, 2010 (Continued)

- 2:15 p.m. **Summary and Case Study**
Frank J. Maffa, Vice President, Munich RE
During this time the participants will have an opportunity to apply financial analysis concepts and calculate some of the financial ratios that are most significant for analyzing the financial performance of an insurance company.
- 3:15 p.m. **Refreshment Break**
- 3:30 p.m. **Case Study (*continued*) and Case Study Wrap Up**
- 4:30 p.m. **Adjourn**