

***Re Finance 2024: The ABCs of Financial Reporting & Analysis
For Property/Casualty Insurers and Reinsurers***
*Hosted by AXA XL, O'Hara House Hamilton Bermuda
April 10-11, 2024*

WEDNESDAY, APRIL 10, 2024

8:00 a.m. **Registration**
Breakfast sponsored by



**XL Insurance
Reinsurance**

8:30 a.m. **General Session**
Welcome and Introduction

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

Justin O'Keefe, Senior Vice President and CUO-North America and Bermuda, RenaissanceRe, Chair RAA

Mark Twite, Chief Executive Officer, AXA XL, Bermuda

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

Robert J. Bittner, Executive Vice President, Rating Agency Advisory, Gallagher Re
Financial statements report noteworthy economic information, regarding an understanding so sound financial decisions can be made. This section includes a review of the statutory financial statement with special emphasis on the following schedules:

- Balance Sheet
- Income Statement

10:00 a.m. **Networking Break**

10:15 a.m. **What is a Financial Statement? (continued)**

- Statement of Changes in Surplus
- Cash Flow Statement
- Underwriting Exhibits
- Financial Footnotes
- Schedules F and P

12:00 noon **Lunch sponsored by**



1:00 p.m. **Quantitative Financial Analysis Case Study: Ratios 1-8**

Robert J. Bittner, Executive Vice President, Rating Agency Advisory, Gallagher Re
Throughout the seminar, participants will have the 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.

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1:45 p.m. **Financial Reports and the Difference between Accounting Methodologies**

Tonia Morgan, Chief Financial Officer, Bermuda Reinsurance, AXA XL

Each accounting system operates differently. US insurance companies are required to file on an SAP basis with US regulators, and/or GAAP basis with the Securities Exchange Commission; 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)
 - Conservative presentation - Non Admitted Assets
- Generally Accepted Accounting Principles (GAAP)
 - On-going Basis – Matching Principle; Deferred Acquisition Costs
- International Financial Reporting Standards (IFRS)
 - Insurance Contracts Project – Fair Value of Liabilities (Status Update)
- 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

3:00 p.m. **Networking Break**

3:15 p.m. **Capital Requirements for a Reinsurer**

Elizabeth Breeze, Chief Financial Officer, Hiscox



NAIC Risk Based Capital

- Best's Capital Adequacy Ratio (BCAR)
- Solvency II Capital Ratio Requirements
- BMA Risk Capital Model

4:15 p.m. **Adjourn**

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- 8:00 a.m. **Breakfast** sponsored by **Munich RE** 
- 8:30 a.m. **Quantitative Financial Analysis Case Study: Ratios 9-12**
Robert J. Bittner, Executive Vice President, Rating Agency Advisory, Gallagher Re
- 9:00 a.m. **Impact of Reinsurance Transactions on Financial Statements**
Ian Henderson, Vice President, Assistant Head of Finance- Property & Controller, Renaissance Re
Balance sheet/income statement impact
- Reinsurance
 - Quota share
 - Excess of loss
 - Retroactive
 - Non-reinsurance
 - Deposit accounting
 - Understanding key issues for Bermuda companies
- 10:30 a.m. **Networking Break** sponsored by 
- 10:45 a.m. **Hot Topic – Generative AI for Reinsurance**
David Moorhead, Managing Director, Insurance Advisory, Ernst & Young
- 11:45 a.m. **Re Scholar Awards Presentation**
- 12:00 p.m. **Lunch** sponsored by *RenaissanceRe*
- 1:00 p.m. **Quantitative Financial Analysis Case Study: Ratios 13-23**
Robert J. Bittner, Executive Vice President, Rating Agency Advisory, Gallagher Re
- 1:30 p.m. **Insurance-Linked Securities – 101 and Fair Value Concepts**
David Third, Senior Director, Willis Towers Watson
Ben Train, Director, Willis Towers Watson
- Overview of the market and products
 - Pricing
 - Reserving / Fair Value
 - Risk Management Considerations

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2:30 p.m. **Networking Break**

2:45 p.m. **Quantitative Financial Analysis Case Study: Ratios 24-28**
Robert J. Bittner, Executive Vice President, Rating Agency Advisory, Gallagher Re

3:15 p.m. **Tying it all Together**
Dan Hofmeister, Associate Director – Global Reinsurance, AM Best

- A Rating Analyst's View on Evaluating Insurance/Reinsurance Companies
- What drives the companies from the earnings and evaluation standpoints

4:15 p.m. **Adjourn**