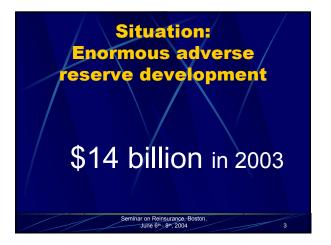


Speakers PANEL Paul Kneuer, FCAS, MAAA, Holborn Rich Lino, FCAS, MAAA, Pinnacle Actuarial Resources Isaac Mashitz, FCAS, MAAA, Swiss Re America MODERATOR Sarah Krutov, FCAS, MAAA, SCOR Re Seminar on Reinsurance. Boston, June 6°-38°:2004 Seminar on Reinsurance. Boston, June 6°-38°:2004





| Unsatisfactory performance of reinsurers within the Property and Casualty/market | | | | | | | | | |
|--|---------------------|------------------|------------------|---------------------|-------------|---------------------|----------------|------------|--|
| | Net Premium Written | | Loss & LAE Ratio | | UW Expenses | | Combined Ratio | | |
| Calendar | Industry | Professional | | Professional | Industry | | Industry | | |
| Year | Aggregate | Reinsurers | | Reinsurers 72.0% | | Reinsurers 33.5% | | Reinsurers | |
| 1998 | 284,808 | 17,844 19,645 | 76.5% 78.8% | 93.7% | 27.6% | 31.1% | 106.0% | 105.6% | |
| 2000 | 303.872 | 21,981 | 81.5% | 85.8% | 27.5% | 31.1% | 110.4% | 116.4% | |
| 2000 | 329,619 | 22,724 | 88.5% | 112.2% | 26.6% | 30.1% | 115.9% | 142.4% | |
| 2002 | 378,863 | 27,291 | 81.6% | 95.4% | 25.2% | 27.4% | 107.4% | 122.9% | |
| | | | | | | | | | |

Situation: Wave of downgrades Of 15 RAA reinsurers in 2001, S&P downgraded 10 over the last two years For three consecutive years from 2001 through 2003, AM Best Rating downgrades outpaced upgrades Seminar on Reinsurance, Boston, June 69, 8P, 2004 Seminar on Reinsurance, Boston, June 69, 8P, 2004 Seminar on Reinsurance, Boston, June 69, 8P, 2004

Situation: Dramatic increase in number of actuaries employed by Reinsurance Industry Year Number of Actuaries 1989 100 1992 148 2002 465

Public criticism of actuaries by rating agencies and industry analysts S&P: "Actuaries are signing off on reserves that turn out to be wildly inaccurate, it's an abysmal track record." Morgan/Stanley: "Many actuaries...are too quick to disclaim responsibility for companies failures or reserve shortfalls."





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