

13. (2.5 points)

An insurance company has implemented an aggressive growth strategy.

a. (1.5 points)

Assuming the insurance company does not buy reinsurance, describe the impact of the growth strategy on the following statutory accounting items for the insurance company:

- i. Net Underwriting Gain (Loss)
- ii. Net Investment Gain (Loss)
- iii. Net Income

b. (1 point)

Assuming the insurance company buys reinsurance that qualifies for reinsurance accounting, describe the impact of reinsurance on the following statutory accounting items for the insurance company:

- i. Net Underwriting Gain (Loss)
- ii. Net Investment Gain (Loss)