

EXAM 6 – UNITED STATES, FALL 2019

17. (2.5 points)

Given the following information from an insurance company's 2018 annual statement (all figures are in thousands of dollars):

ASSETS

	Current Year Net Admitted Assets
1. Bonds	688,592
2. Stocks:	
2.1 Preferred stocks	15,539
2.2 Common stocks	56,376
5. Cash, cash equivalents and short-term investments	4,089
9. Receivables for securities	984
14. Investment income due and accrued	1,839
15. Premiums and considerations:	
15.1 Uncollected premiums and agents' balances in course of collection	46,045
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	22,596

LIABILITIES, SURPLUS AND OTHER FUNDS

	Current Year
28. Total liabilities	742,934
37. Surplus as regards policyholders	62,787

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B - PREMIUMS WRITTEN

	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
35. TOTALS	280,430	133	6,040	1,073	129,839	155,691

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES

	Other Underwriting Expenses
2. Commission and brokerage:	
2.1 Direct, excluding contingent	54,087
2.2 Reinsurance assumed, excluding contingent	1,798
2.3 Reinsurance ceded, excluding contingent	21,769
2.4 Contingent - direct	86
2.5 Contingent - reinsurance assumed	14
2.6 Contingent - reinsurance ceded	180

OTHER INFORMATION

Ceded Unearned Premium - Affiliates	1,070
Ceded Unearned Premium - Non-Affiliates	66,006
Investment in Parent, Sub, & Affiliates	22,657

a. (1.5 points)

Calculate the 2018 IRIS ratio 4 (Surplus Aid to Policyholders' Surplus) for the company, and indicate whether it is in the range of usual values.

b. (1 point)

Calculate the 2018 IRIS ratio 9 (Adjusted Liabilities to Liquid Assets) for the company, and indicate whether it is in the range of usual values.