

DYNAMIC FINANCIAL ANALYSIS

HELPING INSURERS MAKE BETTER INFORMED DECISIONS ON INVESTMENT POLICY, PREMIUM PRICING, AND OTHER OPERATIONAL CONSIDERATIONS

The Peer Analytics DFA Peer Risk perspective enables insurance companies to model balance sheets and income statements in real time, viewing the projected changes to financial condition that would result from acting on any of the myriad choices the companies face in investment policy, premium pricing, underwriting and other operational considerations.

With the goal of helping management make better informed decisions, the Peer Analytics solution provides detailed projections of how different courses of action would likely affect the company’s key financial metrics. It reports those projections at both enterprise level and in peer-comparative terms, with views to specific individual competitors as well as to customized peer group medians.

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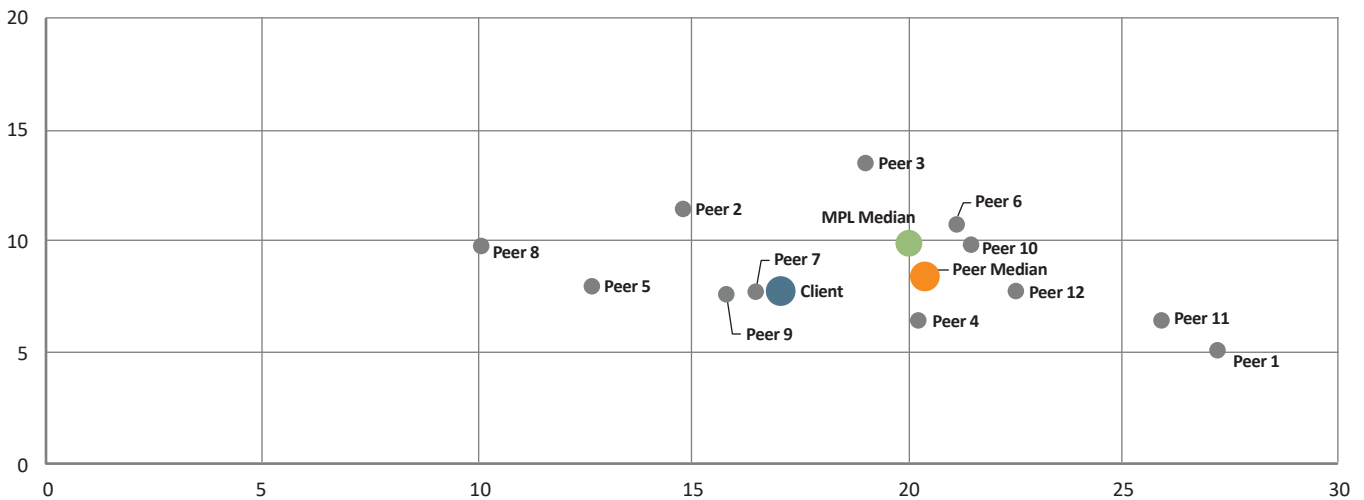
DFA: A Critical Modeling and Forecasting Tool

Cumulative Net Income vs Annual Risk

(as a percent of surplus)

December 2021

Expected %
Cum. Net Income



Example: Peer Analytics DFA may be used to plot your company’s risk return profile against its peers across multiple investment, underwriting and premium pricing scenarios.

HOW MUCH SURPLUS RISK CAN YOU SUSTAIN FOR BETTER PERFORMANCE?

ANALYSIS OF YOUR COMPETITORS' SURPLUS RISK POSITIONS PROVIDES YOU WITH INSIGHT INTO YOUR OWN RISK TOLERANCE

A key advantage of the perspective is that it helps companies to determine how much risk each of their competitors is carrying relative to surplus reserves. This will provide insight into how much additional risk to surplus the insurer can carry without triggering a ratings downgrade.

INTUITIVE, TRANSPARENT MODELING

Another feature of the Peer Analytics tool is its user friendliness and flexibility, designed to enable the insurer to test different management options, viewing the consequences across multiple categories.

The analysis is performed with complete transparency of underlying assumptions, enabling better informed decisions with the potential for improved enterprise profitability.

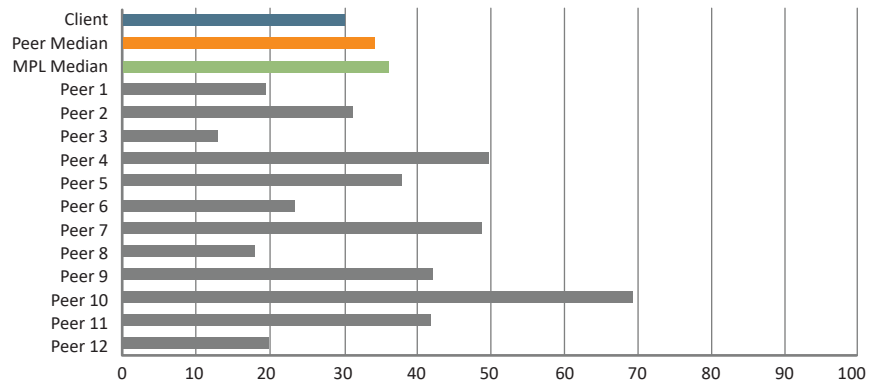
Solid Pedigree

Developed by David Newsom, one of the original architects of the DFA discipline during his tenure at SEI, the Peer Analytics DFA offering uses Monte Carlo simulation to consider underwriting risk, premium risk and investment risk across some 50,000 trial simulations of potential market conditions. The tool aggregates and plots these potential outcomes for your company, as well as for each of your peers, delivering actionable insights for your strategic decision making.

Comprehensive Analysis and Forecasting

Adjusted Risk Assets to Surplus

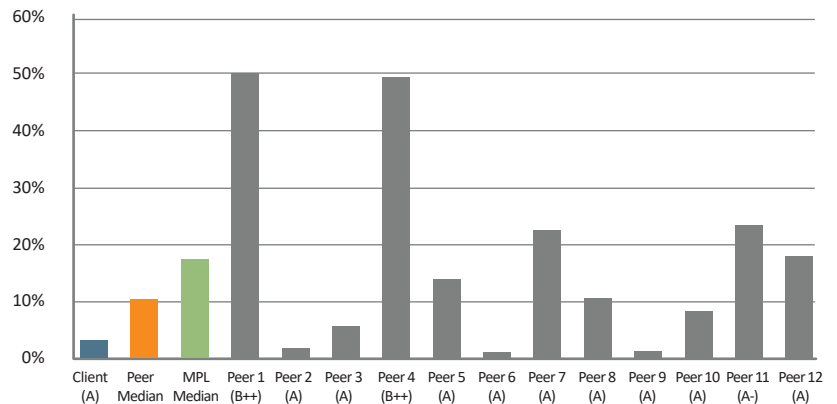
December 2021



Probability of a Five-Percent Underwriting Loss

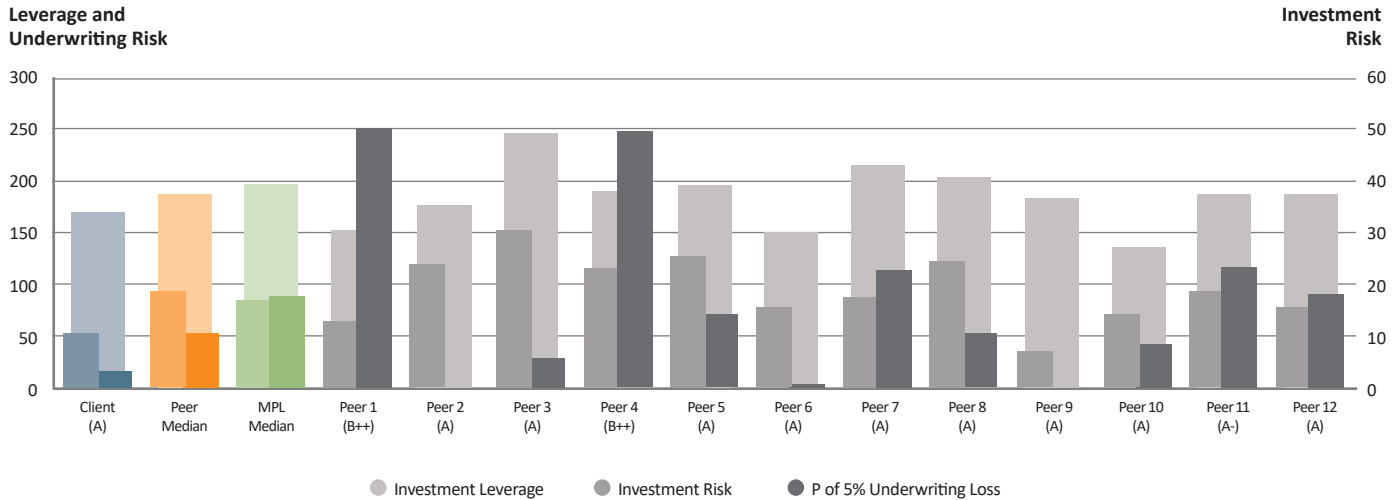
(based on historical mean and standard deviation)

December 2021



Investment and Liability Risk Summary

December 2021



This chart summarizes the three primary risk drivers of DFA simulation analysis that were depicted in more detail in previous exhibits. Expected underwriting gain/loss and its variability is transformed to probability of a five-percent underwriting loss for ease of comparison. Investment risk is defined as year-end allocation to risky assets (common, international, and preferred stock, high yield bonds and hedge funds/private equity).

Peer Analytics DFA is capable of generating scores of peer-comparative projections and reports, providing for visualization of complex data and analysis.

To discuss how this tool may be beneficial to you, please contact:
David Newsom (949) 357-2290 or Garth Flint (949) 370-3361.

PEER ANALYTICS

Investment Consulting and Risk – Skill Analytics

The Peer Analytics DFA solution is brought to you through a strategic alliance with Beacon Pointe Advisors and is offered in conjunction with Beacon Pointe’s Institutional Consulting Services for Insurance Companies.

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