Annual Company Profile Questionnaire

As of 12/31/2020

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| Company Name: | |  | | | NAIC#: |  |
| Contact Person: | |  | Signature: |  | | |
| E-mail Address: | |  | Telephone #: |  | | |
| Instructions: Please respond to this Questionnaire specifically for each Indiana domestic entity. Also, please submit the Company’s responses in **Bold**. | | | | | | |
| The information provided in this Questionnaire will be kept confidential in accordance with Indiana Code 27-1-3.1-15 & 27-1-23-6. | | | | | | |
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| 1. | Describe the following: | | |
|  | A. | Nature of the Company’s interdependence on the holding company or affiliated entities on its business operations (e.g. employees, services provides)  **Company’s response:** | |
|  | B. | Nature of the Company’s interdependence on the holding company or affiliated entities on its financial stability (e.g. reinsurance and/or capital support in the near term). | |
|  |  | **Company’s response:** |  |
|  | C | The Company’s role within the holding company structure as well as a brief description as to how the role of the Company fits into the structure of the entire group. Also, please provide any planned change to the Company’s role within the next two year period.  **Company’s response:** | |
|  | D. | The Holding company’s ability and willingness to infuse additional capital into the Company if necessary, and  **Company’s response:** | |
|  | E. | Management’s dividend expectations of the Company to assist with holding company initiatives and/or holding company debt service obligations. | |
|  |  | **Company’s response:** |  |
| 2. | Please provide: | | |
|  | A. | The locations of the facilities where the Company’s operational, administrative and managerial functions are performed  **Company’s response:** | |
|  | B. | An explanation as to whether these functions are performed by the Company’s employees, employees of an affiliated company, and/or third parties.  **Company’s response:** | |
|  | C. | The number of staff employed by the Company in total and the number of employees located in Indiana.  **Company’s response:** |  |
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| 3. | During the previous year has the Company implemented any new information systems that materially impact financial reporting? If yes, please describe. Are any such projects planned for this year? If yes, please describe. | | |
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| **Company’s response:** | | | |
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| 4. | Please:   1. Briefly describe any benchmarks used by Management to monitor the Company’s performance and financial condition.  * A.M. Best rating * RBC ratio target * Other financial ratio targets   **Company’s response:**   1. Disclose the importance of the current AM Best rating or other financial strength rating to the Company’s operations   **Company’s response:**  C. Disclose the Company’s target financial strength rating and any steps to obtain/maintain that rating.  **Company’s response:** | | |
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| 5. | Please disclose how the Company’s audit committee complies with the requirements of Indiana Code 27-1-3.5-12.1 and 27-1-3.5-12.3 | | |
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| **Company’s response:** | | | |
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| 6. | Please: | | |
|  | A. | Identify the primary officers and/or outside advisors who manage the investment portfolio and provide a brief summary regarding the experience of each officer/advisor  **Company’s response:** | |
|  | B. | Describe the Company’s overall investment strategy, including primary goals, asset allocation, and portfolio diversification objectives. | |
|  |  | **Company’s response:** |  |
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| 7. | At a macro level, please briefly disclose the following: | | |
| |  |  |  | | --- | --- | --- | |  | A. | Company’s underwriting and marketing strategy including   * description of its primary products * target market or customer groups * distribution channels   **Company’s response:** | |  | B. | Company’s primary competitors and competitive strategy  **Company’s response:** | |  | C. | Expansion plans, including geographic and products.  **Company’s response:** | |  | D. | Exit plans, including geographic and products.  **Company’s response:** | |  | E. | For Property and Casualty entities, is the Company writing Cyber-Security products? If yes, please provide the following   * policy limit (before reinsurance) * net retention (after reinsurance) * reinsurance arrangements including reinsurer(s) and coverage(s)   **Company’s response:** | | | | |
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| 8. | At a macro level, please briefly describe the Company’s reinsurance strategy. Please include   * ceded and assumed reinsurance programs including the type of business * risk retention * program objectives * standards for quality of reinsurance partners * visual depiction/dashboard of reinsurance program structure, if available | | |
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| **Company’s response:** | | | |
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| 9. | Please note the following:   |  |  | | --- | --- | | A. | For Life-licensed entities, in accordance with 760 IAC 1-57-9, please submit the Company’s 2020 Actuarial Memorandum, including asset adequacy analysis no later than May 1, 2021. Please email to [adenton@idoi.in.gov](mailto:adenton@idoi.in.gov) | | B. | For Health entities not licensed as Life, in accordance with the Health Annual Statement Instructions, please submit the Company’s 2019 Actuarial Memorandum no later than May 1, 2020. Please email to [adenton@idoi.in.gov](mailto:adenton@idoi.in.gov) | | | |
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| **Company’s response:** | | | |
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| 10. | Please briefly describe   * The Company’s use of Contractors, such as Investment Managers, Third Party Administrators, Managing General Agents and Managing General Underwriters, including whether the entities are affiliated or non-affiliated and the status of licensure in Indiana. * The Company’s oversight of these Contractors | | |
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| **Company’s response:** | | | |
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| 11. | Please disclose if there are any institutional investors (i.e. Vanguard, BlackRock, etc.) which own 10% or more of the Company’s publicly traded Parent and/or Ultimate Controlling Person | | |
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| **Company’s response:** | | | |
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| 12. | Please provide Management’s comments as well as mitigation strategy regarding prospective risks (including cyber) as they apply to each Indiana domestic company: | | |
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| **Company’s response:** | | | |

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| 13. | Please provide brief summary of the impact of the COVID-19 pandemic on the Company (assets risks, premiums growth, liquidity, operation results, etc.). | | |
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| **Company’s response:** | | | |

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| 14. | Please disclose the Company’s policy count for the state of Indiana. | | |
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| **Company’s response:** | | | |

**For Holding Company Groups where Indiana is the lead state or groups that include only Indiana domestics, please respond to the following:**

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| 1. | Regarding the Company’s Holding Company System, please provide: | | |
|  | A. | A complete organizational chart including all entities under common management control | |
|  | B. | A description of the holding company system’s business segments and percent of overall revenue per segment | |
|  | C. | Listing of all the insurers within the holding company system along with their respective regulatory jurisdictions using [HCAS-Insurance Company](http://secure-web.cisco.com/1hMmWq1ItnVmTxa-zrDihDCehiCx_uw3Ds4qEUOCYO2UJ7o3srgl8rU3jRNsXVUWwXE17JhHOGpkdTjzjPIQN0t4KunXgs8sa5HIqIx-q3_hQ1tEVxlX2kk0nQosogpWlxc5TJxzhnkPtVu_47D3WPEJIyJDbZgP_0ALDFHhGygnUJ55Th9bTqKp393GTPm-HTKpMwqR2d0rJafQ_Cl7I8kJEmM28sOEZgaI408qLY4KBPfHIC7b1tbszOc9qkUWWyR26TNRJBMJILE_j4hffvKA7K1KdsITrUiD2JcnTI6vsqUuScGLAxk-ZxQTpkXQW-_QRu1AZFwOYIpabkVLYvfPqJConSsdy5_SFh5zYwFA4l1gfuqKf8uwpvcwfQGLmHV-Nskn9P49hxugaN2cpHWuS2C-AGLReC2_kvBOtON8Ez3lTUa2OSccDpbDNZjsF6cQ4FsEOD0CIRGVeR2VUqw/http%3A%2F%2Fwww.in.gov%2Fidoi%2F2394.htm).  Please discuss the nature and functions of material non-insurance legal entities that pose a material risk to the insurance holding company system.  Are there material risks presented by these non-insurance entities? | |
|  | D. | Discuss the level of international insurance activities (including branches) for each insurance company or entity.  Also, please disclose the largest concentration of international business and which regulatory authorities are charged with oversight. | |
|  | E. | List all other legal entities within the holding company system | |
|  |  | i. | with a description of their nature; function and percentage of revenue derived from those entities; |
|  |  | ii. | indicate whether or not they are regulated by any federal or foreign governmental agencies using the [HCAS-Other Entities](http://secure-web.cisco.com/1hMmWq1ItnVmTxa-zrDihDCehiCx_uw3Ds4qEUOCYO2UJ7o3srgl8rU3jRNsXVUWwXE17JhHOGpkdTjzjPIQN0t4KunXgs8sa5HIqIx-q3_hQ1tEVxlX2kk0nQosogpWlxc5TJxzhnkPtVu_47D3WPEJIyJDbZgP_0ALDFHhGygnUJ55Th9bTqKp393GTPm-HTKpMwqR2d0rJafQ_Cl7I8kJEmM28sOEZgaI408qLY4KBPfHIC7b1tbszOc9qkUWWyR26TNRJBMJILE_j4hffvKA7K1KdsITrUiD2JcnTI6vsqUuScGLAxk-ZxQTpkXQW-_QRu1AZFwOYIpabkVLYvfPqJConSsdy5_SFh5zYwFA4l1gfuqKf8uwpvcwfQGLmHV-Nskn9P49hxugaN2cpHWuS2C-AGLReC2_kvBOtON8Ez3lTUa2OSccDpbDNZjsF6cQ4FsEOD0CIRGVeR2VUqw/http%3A%2F%2Fwww.in.gov%2Fidoi%2F2394.htm) ; and |
|  |  | iii. | disclose any material risks presented by non –insurance entities. |
|  | F. | Briefly describe: | |
|  |  | i. | key strengths and weakness of the holding company system; |
|  |  | ii. | holding company debt including the terms, maturity schedules, and its ability to meet payments.  If publicly traded, has the value of common stock declined significantly over the past year? If yes, explain the negative trend; |
|  |  | iii. | key prospective risks within the holding company system (including external risks/threats); |
|  |  | iv. | level of reputational risk that the holding company poses to the Company; |
|  |  | v. | nature and level of complexity of the holding company system; |
|  |  | vi. | brief background and experience of the high-level management of the holding company system |
|  |  | vii. | level of interdependence with the group structure (e.g. pooling, guarantees, risk structure, etc.) |
|  | G. | Have there been any changes in the holding company system in the past year?  If so, please provide a brief description of the changes. | |
|  | H. | Discuss the existence of Captive Insurance vehicles within the Holding Company System including: | |
|  |  | i. | Specific purpose and domicile; |
|  |  | ii. | Type of financial reporting available to or provided to state of domicile; and |
|  |  | iii. | Risks the captives pose to the holding company system. |
|  | I. | Discuss the use of derivatives and their purpose. | |
|  |  | i. | Are they used for hedging or to enhance investment yield? |
|  |  | ii. | Discuss the level of collateral held for derivatives contracts; and |
|  |  | iii. | Discuss the trend of the derivatives balances over the last three years, as well as any concerns. |

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|  | J. | Please discuss management’s assessment of the overall financial condition of the holding company system.  The discussion should include references to the holding company system’s profitability, shareholder’s equity (or equivalent), leverage position and liquidity, noting any negative trends. |
|  | K. | Please provide a summary of the most recent A.M. Best presentation, if available. |
| L.  Please provide a brief summary of future plans.  Is the Holding Company considering acquisitions/sales of business units, entering/exiting lines of business, expanding/contracting geographically?  2.  Are risks associated with other legal entities considered/identified in the holding company system’s enterprise risk management program?  If so, were any of these risks material to the holding company system?  Please provide explanation of any material risks.   |  | | --- | | 3.  Please provide Management’s comments as well as mitigation strategy on the following risk classifications as they apply to the holding company: | | * **Credit—**Amounts actually collected or collectible are less than those contractually due. * **Market—**Movement in market rates or prices (such as interest rates, foreign exchange rates or equity prices) adversely affects the reported and/or market value of investments. * **Pricing/Underwriting—**Pricing and underwriting practices are inadequate to provide for risks assumed. * **Reserving—**Actual losses or other contractual payments reflected in reported reserves or other liabilities will be greater than estimated. * **Liquidity—**Inability to meet contractual obligations as they become due because of an inability to liquidate assets or obtain adequate funding without incurring unacceptable losses. * **Operational—**Operational problems such as inadequate information systems, breaches in internal controls, fraud or unforeseen catastrophes resulting in unexpected losses. * **Legal—**Non-conformance with laws, rules, regulations, prescribed practices or ethical standards in any jurisdiction in which the entity operates will result in a disruption in business and financial loss. * **Strategic—**Inability to implement appropriate business plans, to make decisions, to allocate resources or to adapt to changes in the business environment will adversely affect competitive position and financial condition. * **Reputational—**Negative publicity, whether true or not, causes a decline in the customer base, costly litigation and/or revenue reductions. * **Prospective –** risks that impact future operations of an insurer | | | |