



KBRA INSURANCE OVERVIEW

October 2021

Founded in 2010 by:

- Jules Kroll, Chairman
- Jim Nadler, President & CEO

Mission:

- To assess risk and educate the financial markets by thinking beyond traditional credit rating protocols and by taking an innovative, more rigorous approach. Innovation, Collaboration and Integrity are KBRA's core values. They differentiate KBRA and allow KBRA to be forward looking.

KBRA By The Numbers

Offices

KBRA has 400 employees in New York, Maryland, and Pennsylvania. KBRA Europe has 12 employees in Dublin and KBRA UK has 6 employees in London.

Sector Coverage

- ABS
- CMBS
- Corporates
- Financial Guaranty
- Financial Institutions
- Funds
- Insurance
- Project Finance
- Public Finance
- REITs
- RMBS
- Sovereigns
- Structured Credit (CLOs)

Certifications

KBRA

- Registered as an NRSRO with the SEC
- Designated as a DRO for Structured Finance products by the OSC
- Designated as a Credit Rating Provider by the NAIC
- Certified as a CRA with ESMA
- Accepted by the BMA
- Recognized as an ECAI by the EBA and OSFI
- Recognized by the USDA's Rural Utilities Service
- Accepted by the Department of Transportation (DOT) & TIFIA

KBRA Europe

- Registered as a CRA with ESMA
- Recognized as an ECAI by the EBA

47,049
RATINGS ISSUED

3,452
RATED ENTITIES

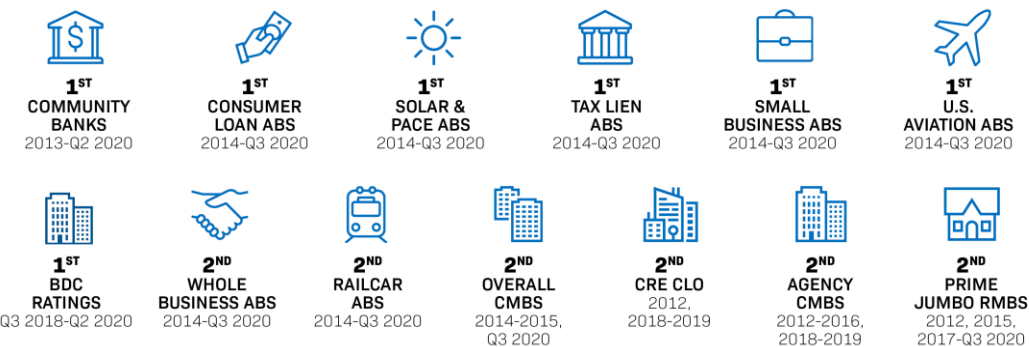
\$2.2 Tn
RATED ISSUANCE

65
METHODOLOGIES

1,700+
PUBLISHED RESEARCH

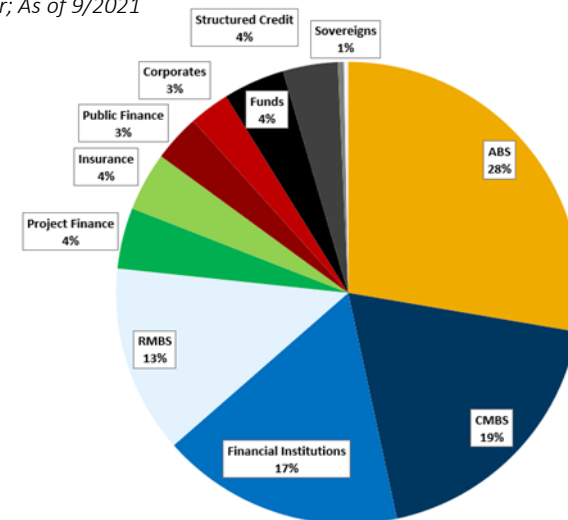
Market Rankings

Source: Asset Backed Alert, Bloomberg, & Commercial Mortgage Alert



Deals/Issuers Rated

By sector; As of 9/2021



Insurance Activity

KBRA has issued

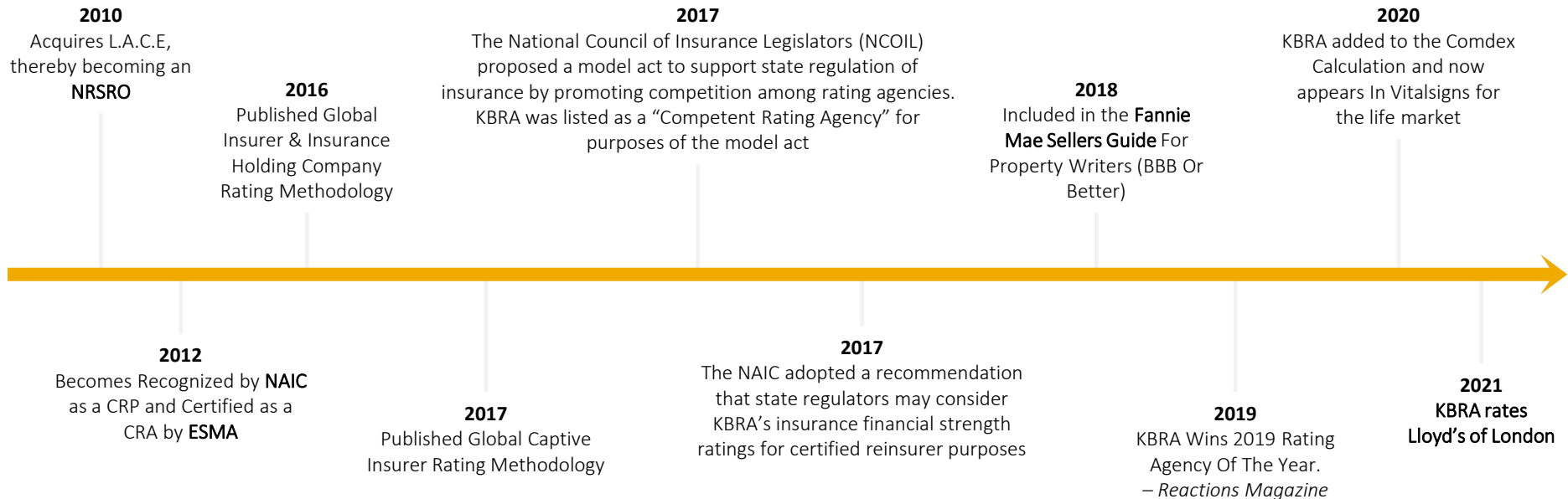
93*

Insurance Financial Strength Ratings (IFSR)

*published ratings as of 9/2021 including Bermuda Reinsurers

- **54** Property/Casualty Companies
- **38** Life/Annuity and Health Insurers
- **01** Composite (Lloyd's of London)

KBRA has also issued 30+ debt ratings totaling over **\$4.5bn**



KBRA Key Differentiators

- **No proprietary capital model**; fosters thorough financial analysis
 - Ratings are based on a company's unique characteristics
 - Completely transparent and interactive process
- Ratings are forward looking
- KBRA ratings are **respected and relied upon by investors/capital markets**
- **Users of ratings benefit from having more than one perspective on risk**
- We have:
 - No size bias (*although size is a consideration*)
 - No rating caps
 - No “seasoning” requirements for startups
 - A unique understanding of and approach to investments
- Information requests targeted on data necessary for ratings analysis only
- Customer-focused
 - Team meets with company at an agreed upon location (*due to current circumstances all meetings are held virtually until further notice*)
 - Committed to stellar customer service
- Customized, comprehensive and useful rating reports – not template driven
 - All published research and reports are complimentary on www.kbra.com
- Largest post-crisis rating agency
- Cross-sector expertise



Insurance Team

More Than a Century of Industry Experience

Senior Analytical Team



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KBRA Rating Services



**KBRA Published
Credit Rating**



**KBRA Unpublished
Credit Rating**

IFSR Scale And Rating Correlation

KBRA'S INSURANCE FINANCIAL STRENGTH RATINGS (IFSR)

AAA	The insurer's financial condition is extremely strong and there is almost no risk of the entity not meeting its policyholder obligations.
AA	The insurer's financial condition is strong and the entity is highly likely to meet its policyholder obligations under severe economic, financial and business conditions.
A	The insurer's financial condition is sound and the entity is likely to meet its policyholder obligations under difficult economic, financial and business conditions.
BBB	The insurer's financial condition is adequate but may be susceptible to adverse changes in economic, financial and business conditions that could affect the entity's ability to meet its policyholder obligations.
BB	The insurer's financial condition is questionable and is susceptible to changes in economic, financial and business conditions that could affect the entity's ability to meet its policyholder obligations.
B	The insurer's financial condition is weak and is highly susceptible to changes in economic, financial and business conditions that could affect the entity's ability to meet its policyholder obligations.
CCC	The insurer's financial condition is very weak and changes in economic, financial and business conditions are likely to affect the entity's ability to meet its policyholder obligations.
CC	The insurer's financial condition is poor and changes in economic, financial and business conditions are highly likely to affect the entity's ability to meet its policyholder obligations.
C	The insurer's financial condition is very poor and changes in economic, financial and business conditions will affect the entity's ability to meet its policyholder obligations.
D	KBRA defines the default of an insurance operating company as occurring if the rated entity fails to meet its policyholder obligations.
R	Due to its financial condition, the insurance operating company is under regulatory supervision.

RATING CORRELATION

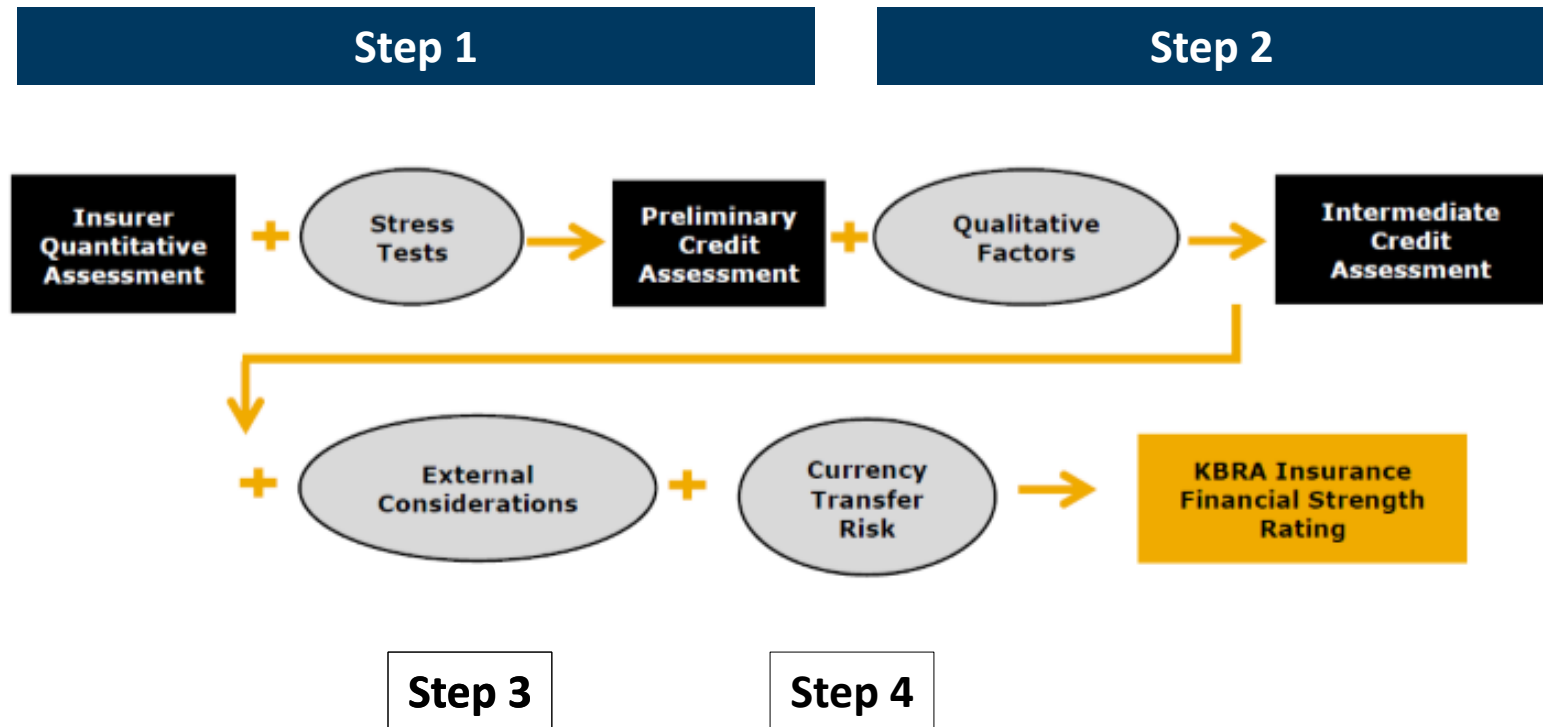
KBRA IFSR	A.M. Best FSR	S&P/ Fitch	Moody's
AAA AA+	A++	AAA AA+	Aaa Aa1
AA AA-	A+	AA AA-	Aa2 Aa3
A+ A	A	A+ A	A1 A2
A-	A-	A-	A3
BBB+ BBB	B++	BBB+ BBB	Baa1 Baa2
BBB-	B+	BBB-	Baa3
BB+ BB	B	BB+ BB	Ba1 Ba2
BB-	B-	BB-	Ba3
B+ B	C++	B+ B	B1 B2
B-	C+	B-	B3
CCC+ CCC	C	CCC+ CCC	Caa1 Caa2
CCC- CC	C-	CCC- CC	Caa3 Ca
C	D	C	C
D	E/F	D	-

Sector Methodologies



Rating Sequence:

The IFSR is based on the sequential incorporation of the following credit factors:



Quantitative: Selected Financial Metrics

For company's property/casualty business:

- Net leverage
- Ceded reinsurance leverage
- Operating cash flow ratio
- Combined ratio
- Operating ratio
- Regulatory capital ratio

Stress Testing

- Used to incorporate potential, forward-looking risk scenarios that are typically not factored into the quantitative analysis.
- Tests provide a powerful tool to determine sensitivity of the insurer's current financial position and its ability to maintain long-term financial strength under duress.
- The application of stress testing may lead to an adjustment to the IQA.
- Once the stress tests are factored in, we reach a preliminary credit assessment (PCA). It is at this point where we overlay our qualitative evaluation.

Qualitative: Key Rating Determinants

Key Rating Determinants & Sub-Determinants

Key Qualitative Rating Determinants	
Determinant (Weighting)	Sub-Determinants
Balance Sheet Management (1/3)	Underwriting Leverage Asset Quality and Investment Risk Financial Flexibility and Access to Capital Liquidity and Asset/Liability Management
Operating Fundamentals (1/3)	Current Year Profitability Consistency of Profitability Earnings Diversification: Product/Geography Exposure to Event Risk
Company Profile & Risk Management (1/3)	Management Profile and Strategy Market Position Distribution Risk Management

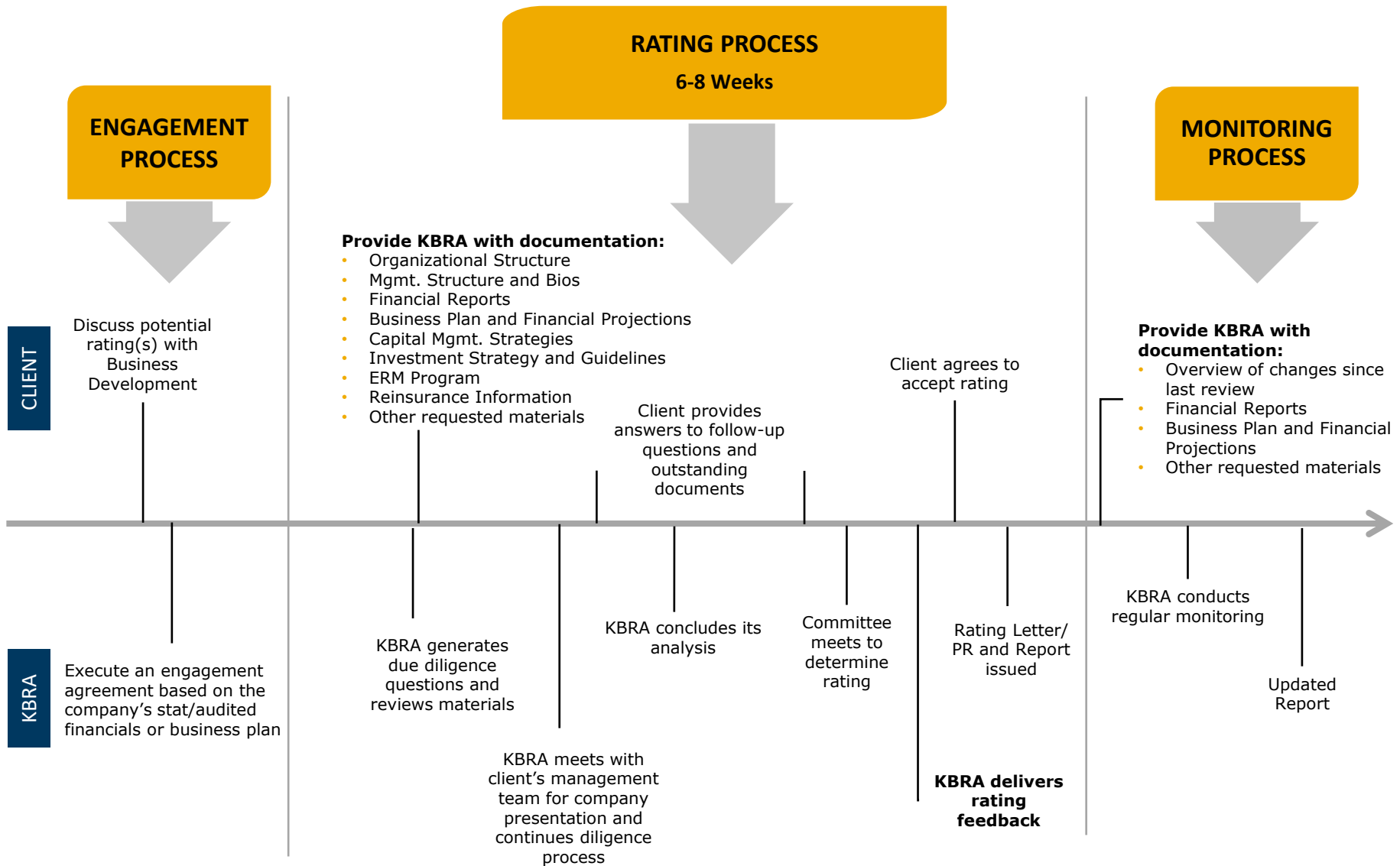
Monitoring And Annual Review

Monitoring is done on an ongoing basis.

- Communication
- Analysts will monitor:
 - Market information
 - Financials
 - Other disclosures

Ratings are reviewed and updated at least annually.

Insurance Rating Process Timeline



Published IFSRs (As of September 2021)

Insurance Company Name	KBRA IFSR	Co. Type	Insurance Company Name	KBRA IFSR	Co. Type
The Penn Mutual Life Insurance Company	AA	Life	Bankers Life of Louisiana	A-	Life
The Penn Insurance and Annuity Company	AA	Life	Life of the South Insurance Company	A-	Life
Vantis Life Insurance Company	AA	Life	Southern Financial Life Insurance Company	A-	Life
Vantis Life Insurance Company of New York	AA	Life	Lyndon Southern Insurance Company	A-	PC
Modern Woodmen of America	AA-	Life	Insurance Company of the South	A-	PC
Lloyd's of London	AA-	Composite	Response Indemnity Company of California	A-	PC
Lombard International Life Assurance Company	A	Life	American Coastal Insurance Company	A-	PC
Lombard International Life Assurance Company of New York	A	Life	Family Security Insurance Company, Inc.	A-	PC
Lombard International Assurance S.A.	A	Life	Interboro Insurance Company	A-	PC
Lombard International Life Assurance Company (Bermuda) Ltd.	A	Life	Journey Insurance Company	A-	PC
Lombard International Life Ltd.	A	Life	United Property & Casualty Insurance Company	A-	PC
Mutual Assurance Society of Virginia	A	PC	Lincoln Benefit Life	A	Life
Prospero Re Ltd.	A	Reinsurance	United Life Insurance Company	A	Life
Hamilton Re, Ltd.	A	Reinsurance	Kuvare Life Re	A-	Reinsurance
Watford Re Ltd.	A	Reinsurance	Guaranty Income Life Insurance Company	A-	Life
Watford Specialty Insurance Company	A	Reinsurance	Star Insurance Company	A-	PC
Watford Insurance Company	A	Reinsurance	Ameritrust Insurance Corporation	A-	PC
Watford Insurance Company Europe Limited	A	Reinsurance	Century Surety Company	A-	PC
Premia Reinsurance Ltd	A	Reinsurance	ProCentury Insurance Company	A-	PC
Somerset Reinsurance Ltd	A-	Reinsurance	Williamsburg National Insurance Company	A-	PC
Venerable Insurance and Annuity Company	A-	Life	Clear Blue Specialty Insurance Company	A-	PC
Corporate Solutions Life Reinsurance Company	A-	Life	Clear Blue Insurance Company	A-	PC
Kingstone Insurance Company	A-	PC	Highlander Specialty Insurance Company	A-	PC
Catholic Order of Foresters	A-	Life	Rock Ridge Insurance Company	A-	PC
Gleaner Life Insurance Society	A-	Life	BlueShore Insurance Company	A-	PC
Catholic Financial Life	A-	Life	Oregon Mutual Insurance Company	A-	PC
Stillwater Insurance Company	A-	PC	Western Protectors Insurance Company	A-	PC
Stillwater Property and Casualty Insurance Company	A-	PC	Obsidian Insurance Company	A-	PC
Evergreen National Indemnity Company	A-	PC	Obsidian Specialty Insurance Company	A-	PC
Tri-State Consumer Insurance Company	A-	PC	Brotherhood Mutual Insurance Company	A-	PC

Published IFSRs (As of September 2021)

Insurance Company Name	KBRA IFSR	Co. Type
Granular Insurance Company (fmrly Coefficient Ins. Co)	A-	Health
Knight Insurance Company, Ltd.	A-	PC
KnightBrook Insurance Company	A-	PC
Knight Specialty Insurance Company	A-	PC
Guilderland Reinsurance Company	A-	PC
The Baltimore Life Insurance Company	A-	Life
Independent Life Insurance Company	A-	Life
Converge RE I.I.	A-	Reinsurance
Knighthead Annuity & Life Assurance Company	A-	Life
Tower Hill Prime Insurance Company	A-	PC
Tower Hill Preferred Insurance Company	BBB+	PC
Tower Hill Signature Insurance Company	BBB+	PC
United Heritage Life Insurance Company	A-	Life
Sublimity Insurance Company	A-	PC
United Heritage Property & Casualty Company	BBB+	PC
Narragansett Bay Insurance Company	A-	PC
Heritage Property & Casualty Insurance Company	BBB+	PC
Zephyr Insurance Company, Inc.	BBB+	PC
ManhattanLife Assurance Company of America	BBB+	Life
Western United Life Assurance Company	BBB+	Life
The Manhattan Life Insurance Company	BBB+	Life
Family Life Insurance Company	BBB+	Life
Conifer Insurance Company	BBB+	PC
White Pine Insurance Company	BBB+	PC
GCU	BBB+	Life
National Slovak Society of the United States of America	BBB+	Life
Connecticut Attorneys Title Insurance Company	BBB+	Title

Insurance Company Name	KBRA IFSR	Co. Type
Unique Insurance Company	BBB	PC
Stonegate Insurance Company	BBB	PC
Viva Seguros Insurance Company	BBB	PC
ELCO Mutual Life and Annuity	BBB-	Life
CATIC Title Insurance Company	BBB-	Title
National Catholic Society of Foresters	BBB-	Life

Published Insurance Debt Ratings (As of September 2021)

Rated Entity	Security Type	CUSIP/PPN	Balance (USD, unless otherwise noted)	Maturity Date	Latest Rating Date	KBRA Rating	Agencies
Assured Guaranty US Holdings Inc.	Senior Notes	04621WAD2	500,000,000	6/15/2031	5/16/2021	A+	KBRA + Other
Assured Guaranty US Holdings Inc.	Senior Notes	04621WAE0	400,000,000	9/15/2051	8/17/2021	A+	KBRA + Other
Brotherhood Mutual Insurance Company	Surplus Note	NA	22,000,000	8/25/2034	8/2/2021	BBB	KBRA Only
Brotherhood Mutual Insurance Company	Surplus Note	NA	28,000,000	12/30/2035	8/2/2021	BBB	KBRA Only
California Earthquake Authority	Debt	13017HAK2	100,000,000	7/1/2023	11/13/2020	AA-	KBRA + Other
California Earthquake Authority	Debt	13017HAJ5	100,000,000	7/1/2022	11/13/2020	AA-	KBRA + Other
Conifer Insurance Company	Surplus Notes	NA	10,000,000	NA	7/8/2021	BBB-	KBRA Only
Clear Blue Financial Holdings, LLC	Debt	18452FAA9	25,000,000	4/15/2025	9/2/2020	BBB-	KBRA Only
Corporate Solutions Life Reinsurance Company	Surplus Notes	NA	175,000,000	12/29/2034	6/1/2021	BBB	KBRA Only
Corporate Solutions Life Reinsurance Company	Surplus Notes	NA	175,000,000	12/29/2034	6/1/2021	BBB	KBRA Only
Corporate Solutions Life Reinsurance Company	Surplus Notes	NA	50,000,000	6/1/2041	6/1/2021	BBB	KBRA Only
Fortegra Financial Corporation	Debt	34954WAA2	125,000,000	6/30/2057	4/23/2021	BBB-	KBRA Only
Kingstone Companies, Inc.	Debt	496719AA3	30,000,000	12/30/2022	10/1/2020	BBB-	KBRA + Other
Kuvare US Holdings, Inc.	Preferred Stock	50149XAA2	225,000,000	2/17/2051	3/30/2021	BBB-	KBRA Only
LIA Holdings Limited	Debt	G5477#AC6	40,000,000	11/21/2024	11/18/2020	BBB	KBRA Only
LIA Holdings Limited	Debt	G5477#AA0	EUR 72,500,000	11/21/2022	11/18/2020	BBB	KBRA Only
LIA Holdings Limited	Debt	G5477#AB8	110,000,000	11/21/2022	11/18/2020	BBB	KBRA Only
Obsidian Insurance Holdings, Inc.	Debt	67449JAA4	20,000,000	12/30/2025	12/18/2020	BBB-	KBRA Only
Obsidian Insurance Holdings, Inc.	Debt	67449JAB2	3,000,000	12/30/2025	12/18/2020	BBB-	KBRA Only

Published Insurance Debt Ratings (As of September 2021)

Rated Entity	Security Type	CUSIP/PPN	Balance (USD, unless otherwise noted)	Maturity Date	Latest Rating Date	KBRA Rating	Agencies
Premia Holdings Ltd.	Debt	74049MAC3	50,000,000	1/15/2031	1/7/2021	BBB-	KBRA Only
Premia Holdings Ltd.	Debt	74049MAD1	50,000,000	2/1/2031	2/1/2021	BBB-	KBRA Only
Premia Holdings Ltd.	Debt	74049MAB5	40,000,000	9/23/2030	10/15/2020	BBB-	KBRA Only
Premia Holdings Ltd.	Debt	74049MAA7	110,000,000	1/5/2024	10/15/2020	BBB	KBRA Only
The Penn Mutual Life Insurance Company	Surplus Notes	707567AE3/ 707567AF0/ U70829AC7	500,000,000	4/29/2061	4/23/2021	A+	KBRA + Other
United Insurance Holdings Corp.	Debt	910710AA0	150,000,000	12/15/2027	4/16/2021	BBB-	KBRA Only
Venerable Holdings, Inc.	Debt	NA	150,000,000	5/31/2033	6/1/2021	BBB-	KBRA Only
Venerable Insurance and Annuity Company	Surplus Notes	NA	175,000,000	12/29/2034	6/1/2021	BBB	KBRA Only
Venerable Insurance and Annuity Company	Surplus Notes	NA	175,000,000	12/29/2034	6/1/2021	BBB	KBRA Only
Venerable Insurance and Annuity Company	Surplus Notes	NA	50,000,000	6/1/2041	6/1/2021	BBB	KBRA Only
Watford Holdings Ltd.	Debt	94244EAA6	175,000,000	7/2/2029	4/6/2021	BBB+	KBRA Only
Watford Holdings Ltd.	Preferred Stock	NA	52,398,000	NA	4/6/2021	BBB-	KBRA Only
WT Holdings, Inc.	Debt	98258PAA5/ 98258PAB3	60,000,000	4/30/2023	3/12/2021	BBB-	KBRA Only
WT Holdings, Inc.	Debt	98258PAC1/ 98258PAD9	60,000,000	4/30/2028	4/20/2021	BBB-	KBRA Only

4,020,948,000

650,750,000 *Unpublished ratings (9 deals)*

4,671,698,000 TOTAL

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