

PE Partners – Brokerage RFQ

Responses to questions submitted on 8.26.24

1. Picture of Property Structure and current participants
 - a. Please see page 4 of the RFQ. Firms are not expected to analyze PEP's current reinsurance programs or contracts as part of the proposal process. The successful firm will receive current coverage agreements, schedules, COPE information, and reinsurance treaties after the selection process and contract is executed. This information will not be provided as part of the selection process.
2. Can you confirm current retention and limits for Property, Liability and WC (understand you buy statutory limits). Have you made any structural changes to any of your reinsurance programs this year and in the prior 3 years? Do you regularly assess and evaluate alternative structures?
 - a. Specific program retentions and limits are considered proprietary and will only be shared with the brokerage that is selected by the Board of Directors. Retentions are evaluated annually based on market conditions. In the past three years, changes in property retentions, upper limits, and property layers have been made.
3. Do you purchase property excess reinsurance or property excess insurance?
 - a. PE Partners' program would best be described as a hybrid. Our reinsurance agreement is the PE Partners' policy form with select carrier endorsements.
4. Who drafts your reinsurance or excess insurance agreements?
 - a. PE Partners reinsurance agreement is the PE Partners' policy form with select carrier endorsements.
5. Property, Liability and WC - can you provide 10 years of historical exposures and ground up (and ceded loss runs with Catastrophe identifiers)?
 - a. This is proprietary and will only be shared with the brokerage that is selected by the Board of Directors.
6. What issues/exposures are you most concerned about and looking to solve for?
 - a. While the programs offered to PE Partners members are impacted by a multitude of areas, two areas that are concerning related to the reinsurance

program include the impact of convective storm activity and catastrophic modeling on reinsurance pricing and cyber exposures.

7. Have you done ERM Analysis, i.e. a look at where risks lie within the pool's operation and environment. If so, can you provide a copy of the analysis?
 - a. No, we have not performed an ERM analysis.
8. Do you have any formal ERM targets such as target net position, net position adequacy, return on net position, etc.?
 - a. PE Partners has a Board of Directors approved Capital Adequacy Policy.
9. What are the biggest sources of pressure on your net results?
 - a. Fluctuations in the investment market, reinsurance costs, and losses all impact PE Partners net results.
10. What supplemental services are you receiving from your current broker(s) aside from placing your re/insurance?
 - a. Examples of supplemental services currently being received include modeling resources, loss analysis resources, policy analysis, claims review, and claims advocacy. This is not an exhaustive list, and respondents are encouraged to describe any relevant service capabilities and unique services provided by their firm as part of the proposal content.
11. Will you release Q&A that other responders are asking?
 - a. Yes