

REGIONAL RECIPROCAL CATASTROPHE POOL

SUMMARY OF GENERAL GUIDELINES

General Underwriting Requirements:

- Pool covers Property Catastrophe business only
- Layer ceded into the Pool must be the top layer of Company's total catastrophe program
- Layer must attach at or above the average net Pre-Cat 115 year All-Perils modeled loss
- Layer must attach above any prior property catastrophe losses trended to current value
- Ceded layer cannot exceed greater of 50% of total catastrophe program or \$50,000,000
- Effective 1/1/2020, minimum RRCP retention of \$10,000,000 for new participants
- Minimum Policyholder Surplus of \$5,000,000
- AM Best Rating of B++ or higher or Demotech Rating of S or higher
- Companies ceding business into the Pool must be Pool participants
- Pool participants/exposures should be regionally quantifiable
- Maximum participation for any one company 5%
- **Participants must provide updated underwriting information to include:**
 - Gross & Net Pre-Cat Combined All Perils modeling results from AIR's Touchstone & RMS Risklink catastrophe models
 - Premium Volume Estimates
 - Geographic Premium & Exposure Information
 - Historical Catastrophe Loss Information
 - Structure of underlying reinsurance program, both per risk and catastrophe

Benefits of Membership:

- Mutual Re assumes initial exposure and credit risk (Mutual Re paper)
- One Free Reinstatement available per year
- No Coinsurance - 100% coverage
- Spread of business
- Mutual solution to unstable capacity of catastrophe reinsurance
- Competitive Pricing
- Limited Terrorism Coverage available (following Companies' underlying programs)
- Mutual Re manages geographic exposures
- RRCP participants can obtain coverage for their assumed Pool business
- Contribution of ideas from Pool participants
- Ease of accounting for ceding and assuming business