1. Which significant activity is creating the most risk to the policyholders of Good New Life? Why?
2. What other significant activities may be creating significant risk to policyholders? Why?
3. Is there any internal control or corporate governance problems at Good New Life Insurance? If yes, what are the problems and how serious are the problems?
4. By combining the net risks of the significant activities, what do think the Overall Net Risk should be for the Good New Life Insurance Company? Why?
5. How strong is the capital of the Good New Life Insurance Company? Why?
6. Combining your answers to the first five questions, what do you think the Composite Risk Rating should be for the Good New Life Insurance Company? Why?
7. Based on your judgment on the Composite Risk Rating for Good New Life Insurance Company, what intervention stage rating would you assign to Good New Life?
8. What supervisory actions would you take based on the intervention stage rating?