

BEST'S Credit Ratings

An Overview



ABOUT AM BEST

Founded in 1899, AM Best is the world's largest global credit rating agency specializing in insurance.

Best's Credit Ratings are a forward looking, independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness.

We provide ratings on 3,600 companies of all sizes in more than 100 countries, including over 200 alternative risk transfer entities and more than 450 mutual companies.

Headquartered in the United States, we have regional offices in Amsterdam, Dubai, Hong Kong, London, Mexico City and Singapore.



THE VALUE OF AN AM BEST CREDIT RATING

- AM Best provides an independent, third-party assessment of balance sheet strength, operating performance, business profile and enterprise risk management.
- Our interactive credit rating process promotes credibility, transparency, acceptance by new markets / business penetration and enables your company to differentiate itself in the market.
- Best's Credit Rating Methodology (BCRM) is disclosed publicly and specifically developed for (re)insurance companies and all types of alternative risk transfer vehicles.
- We rate companies of all sizes and new company formations.
- Our unmatched access to global insurance data, industry intelligence and analytical resources helps us deliver an essential perspective to the marketplace.
- Best's Credit Ratings are registered by regulatory authorities around the world. For the full list visit:
<https://web.ambest.com/regulatory-information>



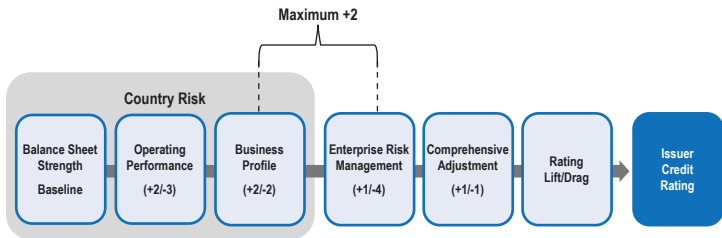
BEST'S CREDIT RATING PROCESS

Our interactive credit rating process is a transparent, in-depth interaction between the rated organization and AM Best analytic teams.

BCRs determined and updated through a rating committee process. This approach ensures rating consistency and maintains the integrity of the rating process.

The process includes a comprehensive analysis of the rated companies' balance sheet strength, operating performance, business profile and enterprise risk management.

The foundational building blocks of Best's Credit Rating Methodology (BCRM) rating approach are outlined below.



BEST'S CREDIT RATING PROCESS

The initial Best credit rating timeline from signed contract to ratings completion is typically about eight to twelve weeks.

1

Compile Information

The assigned analyst collects public and proprietary financial information and data to develop a tailored meeting agenda.

2

Perform Analysis

AM Best incorporates a host of quantitative and qualitative measures to evaluate the organization's financial health.

3

Determine Best's Credit Rating

The AM Best rating committee ensures rating consistency and maintains the integrity of the rating process and methodology.

4

Disseminate Best's Credit Rating

Once accepted, the Best's Credit Rating is distributed via the AM Best website, press releases and print/digital publications. Private BCRs are disseminated to the rated entity only.

5

Monitor Best's Credit Rating

AM Best regularly monitors the rating by continually analyzing the organization's creditworthiness.



AM BEST CREDIT RATING DEFINITIONS

Best's Credit Rating Scale

Translation of Issuer Credit Ratings to Financial Strength Ratings

LONG-TERM ICR	FSR
aaa, aa+	A++
aa, aa-	A+
a+, a	A
a-	A-
bbb+, bbb	B++
bbb-	B+
bb+, bb	B
bb-	B-
b+, b	C++
b-	C+
ccc+, ccc	C
ccc-, cc	C-
c	D

- **Best's Issuer Credit Rating (ICR):**
An independent opinion of an entity's ability to meet its ongoing financial obligations, issued on either a long- or short-term basis
- **Best's Financial Strength Rating (FSR):**
An independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations
- **Best's Issue Credit Rating (IR):**
An independent opinion of credit quality assigned to issues that gauges the ability to meet the terms of the obligation, issued on a long- or short-term basis
- **Best's National Scale Rating (NSR):**
A relative measure of creditworthiness in a specific local jurisdiction that is issued on a long-term basis and derived exclusively by mapping the NSR from a corresponding global Issuer Credit Rating (ICR) using a transition chart

LEVERAGE YOUR BEST'S CREDIT RATING

- The BestMark for Rated Insurers icon demonstrates to agents, brokers, customers, prospects and the financial services industry that the company has undergone AM Best's rigorous rating process.
- A BestMark can be featured in promotional materials, such as websites, print ads, brochures, web banner ads, social media, email signatures, business cards, and conference and events materials.
- It is available in black, blue, white and gold to complement any style of marketing materials. Rated insurers also can grant permission to their business partners to use the icon by sending details to bestmarkinsurers@ambest.com.

Samples of BestMark Usage



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