

Best's Capital Adequacy Ratio Model

P/C, US

Evaluate property/casualty insurers' capitalization and risk profile to capture the combined impact of financial risks associated with adverse market conditions.

Unlike company-created models, the *Best's Capital Adequacy Ratio (BCAR) Model* is consistent with the methodology used by AM Best analysts to evaluate the balance sheet strength of property/casualty companies filing US statutory statements. Subscribers can easily use the BCAR Model with the latest criteria and pre-loaded statutory data relevant to their modeling and analysis.

The *BCAR Model* is an ideal tool for US property/casualty insurers, reinsurers, brokerage firms, consultants, actuarial firms, asset management companies and other intermediaries with a sophisticated level of familiarity with insurance company operations and capital models.

If you're outsourcing your capital analysis to a consulting firm, the optimal way to ensure their calculations are based on current, accurate information is to confirm that they're using the *BCAR Model* as an assessment tool.



Use this model in planning for your organization's capital needs and to help manage regulatory capital needs.



Determine if an insurer's capitalization is appropriate to support various types of risk simultaneously at five different Value at Risk (VaR) levels.



Find out how different risks impact the balance sheet.



Create stressed records for Natural Catastrophe, Terrorism or Surety.



Create projections and test the impact of different scenarios, including reinsurance programs, asset valuations, business line diversification, losses and asset allocations.



Run multiple adjustments to any insurer's balance sheet. Change parameters and capital charges at each VaR and generate insightful reports.



Access preloaded statutory data and run new base scores for all P/C, US insurers.

What is Best's Capital Adequacy Ratio (BCAR)?

BCAR depicts the quantitative relationship between an insurer's balance sheet strength and its operating risks. Calculating an insurer's BCAR score requires calculating its net required capital—namely, the capital needed to support the financial risks associated with the exposure of its assets and underwriting to adverse economic and market conditions—and determining its capital available to support these risks.

$$\text{The basic formula for BCAR is } \left(\frac{\text{Available Capital} - \text{Net Required Capital}}{\text{Available Capital}} \right) \times 100$$

The BCAR model calculates an insurer's net required capital at five different confidence levels, resulting in a BCAR score for each of these levels. Since the difference between a company's available capital and its net required capital is expressed as a ratio to available capital, a BCAR score expresses the extent of the excess or shortfall as a percentage of available capital. A positive score at a particular confidence interval indicates that available capital is in excess of net required capital, whereas a negative score indicates that available capital has fallen short of net required capital.

Visit www3.ambest.com/ambv/ratingmethodology to read a full explanation of the BCAR calculation for P/C insurers filing US statutory statements.

Continued

A company's BCAR score is one component in evaluating the balance sheet strength during the overall rating process. In addition to calculating risk exposure based on current data, AM Best analysts use the model to test risk assumptions and run stress-test scenarios that project the impact of the company's potential financial performance outcomes.

How are the BCAR scores interpreted?

BCAR scores are calculated at five VaR confidence levels: 95.0%, 99.0%, 99.5%, 99.6% and 99.8%. The following table displays the interpretation of the scores published by AM Best.

VaR Confidence Level (%)	BCAR	BCAR Assessment
99.6	> 25 at 99.6	Strongest
99.6	> 10 at 99.6 & ≤ 25 at 99.6	Very Strong
99.5	> 0 at 99.5 & ≤ 10 at 99.6	Strong
99	> 0 at 99 & ≤ 0 at 99.5	Adequate
95	> 0 at 95 & ≤ 0 at 99	Weak
95	≤ 0 at 95	Very Weak

AM Best calculates required capital at the 99.8th percentile to facilitate discussion of tail risk during the evaluation of enterprise risk management within the rating process.

What is the advantage of the different VaR confidence levels in the BCAR model?

The ability to formulate BCAR scores at different confidence levels allows the user to gain insight into a company's ability to withstand low-probability events. For example, if a company's management wants to hold enough capital to be confident that it can cover 95% of all potential outcomes, it needs to find the value on the probability distribution such that 95% of all potential outcomes are less than or equal to that value. In the following example, the size of loss where this occurs is at 23% of net premiums written (NPW).

As shown in the chart below, if the NPW amount is \$100,000, then the VaR 95 value in dollars is \$23,000 (23% of \$100,000).

Statement Amount	VaR Confidence Level (%)	Capital Factor	Loss Amount at VaR Confidence Level (Statement Amount * Capital Factor)	Exceedance Probability* (100% - VaR Confidence Level)
100,000	95	0.23	23,000	5.0
	99	0.30	30,000	1.0
	99.5	0.34	34,000	0.5
	99.6	0.35	35,000	0.4

*Probability that an actual observed loss will exceed the loss amount of the confidence level.

This means that 95% of all potential outcomes will be less than \$23,000 and that there is only a 5% chance that an underwriting loss of more than \$23,000 could occur, and therefore a 5% chance of insolvency (provided that the initial amount of available capital carried was at least \$23,000). If management wanted to be more conservative than a 5% chance of insolvency, then a confidence level of 99% could be chosen to set a target capital level.

Continued

What risk components are included in the analysis of net required capital in the *BCAR Model* product?

The US property/casualty BCAR model computes the amount of capital required to support three broad risk categories: investment risk, credit risk and underwriting risk. These three risk categories are further subdivided into eight separately analyzed risk components:

- B1 Fixed Income Securities
- B2 Equity Securities
- B3 Interest Rate
- B4 Credit
- B5 Net Loss and LAE Reserves
- B6 Net Premiums Written
- B7 Business
- B8 Potential Catastrophe Losses

Add optional risks factors for B5 Mortgage and B8 Terrorism/Surety.

What are the components of available capital?

The starting point for available capital is the financial statement of the entity or entities being evaluated. An insurer's available capital is determined by making a series of adjustments to the capital (surplus) reported in its financial statements. Available capital may be further adjusted for other items, as shown below.

- Reported Capital (Surplus)
- Equity Adjustments
 - Unearned Premiums
 - Assets
 - Loss Reserves
 - Reinsurance
- Debt Adjustments
 - Surplus Notes
 - Debt Service Requirements
- Other Adjustments
 - Future Operating Losses
 - Intangibles
 - Goodwill

What data years are available?

Currently, 2025 and 2024 year end data are available.

Can I analyze GAAP data with the *BCAR Model - P/C, US*?

No. GAAP data can be analyzed using the *Best's Capital Adequacy Ratio Model - Global* product. Contact your Account Manager for details.

What is included with a subscription to *BCAR Model - P/C, US*?

- An online application that gives you access to a capital model consistent with the methodology used by AM Best analysts for US P/C statutory data
- Option to create base records for any company and include B5 Mortgage and/or Terrorism/Surety in B8 to any base record.
- The ability to make adjustments and projections for the available capital components and risk factors at each confidence level
- Option to implement stress tests to standard BCAR assessments
- Access to the BCAR Models with the latest criteria and pre-loaded statutory data relevant for modeling and analysis.

NEW for 2026: Enhanced Online Platform and Expanded Functionality

In 2026, Best's Capital Adequacy Ratio Model released an online platform, designed with expanded functionality and the addition of Life, US data (separate subscription required). This next-generation platform delivers users an enhanced suite of tools and capabilities without the need to install software. With this new platform, subscribers are now able to:

- Easily navigate an all-new online platform featuring a user-friendly interface and concise, modernized layout showcasing an overview of company information.

The screenshot shows the 'Best's Capital Adequacy Ratio Model' web interface. At the top, there is a navigation bar with 'Rating Services', 'Information Services', 'Events', and 'About Us'. Below this is a breadcrumb trail: 'BCAR Models Home > Company Information > BCAR Records > Analytical Worksheets'. The main heading is 'Best's Capital Adequacy Ratio Model'. A welcome message explains the tool's purpose. There is a search box for 'Enter AMB# or Company Name'. Below the search box, there are dropdown menus for 'Company List' and 'Industry Type' (set to 'Property/Casualty, US'). Action buttons for 'Save List', 'Edit List', 'Export', and 'Delete List' are present. The main content is a table with columns: Option, AMB#, Company Name, Best's Credit Rating (Financial Strength and Long Term Issuer), Published BCAR VaR 99.6%, Country of Domicile, Business Type, Modified By, Last Modified, and Saved BCAR Records. The table lists six sample insurance companies with their respective ratings and values.

Option	AMB#	Company Name	Best's Credit Rating		Published BCAR VaR 99.6%	Country of Domicile	Business Type	Modified By	Last Modified	Saved BCAR Records
			Financial Strength	Long Term Issuer						
<input type="checkbox"/>	000000	Sample Insurance Company 1	A Excellent	a Excellent		United States	Property/Casualty	ERIC DUNN	2/18/2026 2:46 PM EST	147
<input type="checkbox"/>	000000	Sample Insurance Company 2	NR Not Rated	nr Not Rated		United States	Property/Casualty	ERIC DUNN	2/5/2026 2:12 PM EST	35
<input type="checkbox"/>	000000	Sample Insurance Company 3	A u Excellent	a u Excellent		United States	Property/Casualty	VANI DEEPAK	2/11/2026 10:29 AM EST	26
<input type="checkbox"/>	000000	Sample Insurance Company 4	A Excellent	a Excellent		United States	Property/Casualty	INDIRA PRAYAGA	2/13/2026 11:11 AM EST	69
<input type="checkbox"/>	000000	Sample Insurance Company 5	A Excellent	a Excellent		United States	Property/Casualty	ERIC DUNN	2/13/2026 3:45 PM EST	31
<input type="checkbox"/>	000000	Sample Insurance Company 6	A Excellent	a Excellent		United States	Property/Casualty	ERIC DUNN	2/13/2026 3:46 PM EST	28

The screenshot shows the 'Saved Records' section. It includes a 'Run BCAR' button and a dropdown menu. The main table has columns: Option, Record ID, Created By, Created Date, BCAR Scores (Executive VaR 99.6%, VaR 95.0%, VaR 99.0%, Adjusted VaR 99.5%, VaR 99.6%, Published VaR 99.6%), Record Notes, Sent to BCRS, Data Selected, Data Year, Model Version, Report Type, and Base Record. The table lists several records with their respective scores and details.

Option	Record ID	Created By	Created Date	BCAR Scores						Record Notes	Sent to BCRS	Data Selected	Data Year	Model Version	Report Type	Base Record
				Executive VaR 99.6%	VaR 95.0%	VaR 99.0%	Adjusted VaR 99.5%	VaR 99.6%	Published VaR 99.6%							
<input checked="" type="checkbox"/>	23886	VANI DEEPAK	6/25/2025 3:16 PM EST	-171.9	-79.4	-119.6	-159.7	-171.9	-206.1			PC	2023	2024.0.0	BASE	
<input checked="" type="checkbox"/>	23105	VANI DEEPAK	6/25/2025 3:19 PM EST	-171.9	-79.4	-119.6	-159.7	-171.9	-206.1			PC	2023	2024.0.0	BASE	
<input checked="" type="checkbox"/>	23171	VANI DEEPAK	6/19/2025 9:54 AM EST	-171.9	-79.4	-119.6	-159.7	-171.9	-206.1			PC	2023	2024.0.0	BASE	
<input checked="" type="checkbox"/>	23176	CYNTHIA BOGERS	6/19/2025 9:17 AM EST	-171.9	-79.4	-119.6	-159.7	-171.9	-206.1			PC	2023	2024.0.0	BASE	
<input checked="" type="checkbox"/>	23146	ERIC DUNN	5/8/2025 4:20 PM EST	-171.9	-79.4	-119.6	-159.7	-171.9	-206.1			PC	2023		BASE	
<input checked="" type="checkbox"/>	23145	ERIC DUNN	5/8/2025 4:17 PM EST	-171.9	-79.4	-119.6	-159.7	-171.9	-206.1			PC	2023		BASE	

Best's Capital Adequacy Ratio Model - P/C, US

- Clearly see the impact of your adjustments compared to the base scores at each VaR level and stress adjustments when applicable.

BCAR Record ID: 245302

Sample Insurance Company
 AMB #: 000000 NAIC #: 00000 FEIN #:

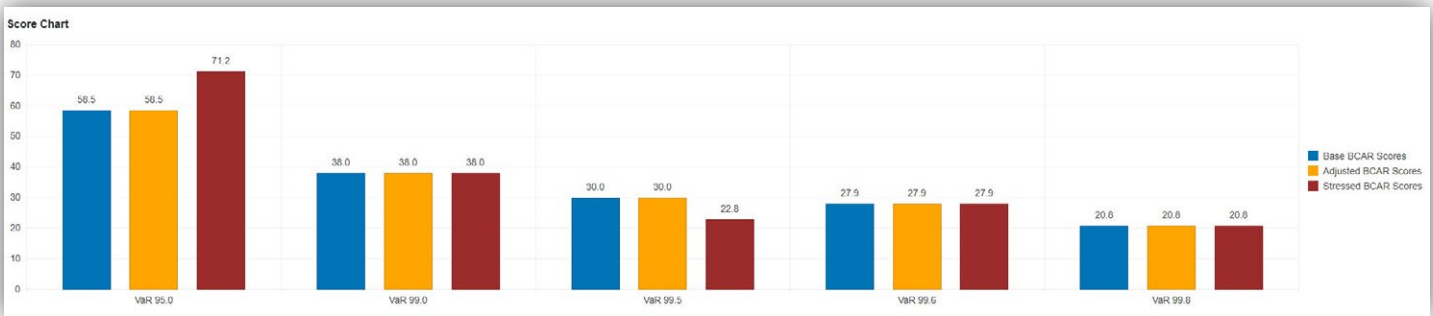
Domiciliary Address
 123 Main Street
 Anytown, NJ 00000-0000
 United States
www.sampleinsuranceco.com
 Phone: 123-456-7890

Reported Currency: USD
 Data Rounding: Thousands
 Country: United States
 Country Risk Tier: 1

Industry Composite: Private Passenger Standard Auto & Homeowners
 Financial Strength Rating: A (Excellent)
 FSR Outlook/Imp: Stable
 Long-Term Issuer Credit Rating: a (Excellent)
 LT-ICR Outlook/Imp: Stable

BCAR Record
 Model Version: 2025.1.0 Selected BCAR Year: 2024 Data As Of: 31 Dec 2024 Model Type: Property/Casualty, US

BCAR Scores %	Baseline	Adjusted	Stress Adjusted
VaR 95.0	58.5	58.5	71.2
VaR 99.0	38.0	38.0	38.0
VaR 99.5	30.0	30.0	22.8
VaR 99.6	27.9	27.9	27.9
VaR 99.8	20.8	20.8	20.8



- Expanded functionality to select and apply multiple adjustments at one time.

Current Adjustments

Delete Selected Enter Search Keyword...

<input type="checkbox"/>	Year	Page ↑	Row	Column	Original Value	Adjusted Value	Comments	<input type="checkbox"/>	
<input type="checkbox"/>	2024	B2 - Equity Securities	Equity Securities	Real Estate: Company Occupied	Risk Factor VaR 99.0	0.1750	5.0000	.5	<input type="checkbox"/>
<input type="checkbox"/>	2024	B2 - Equity Securities	Equity Securities	Other Investments	Risk Factor VaR 99.0	0.4180	5.0000	.5	<input type="checkbox"/>
<input type="checkbox"/>	2024	B2 - Equity Securities	Equity Securities	Preferred Stocks: Affiliated (Public)	Risk Factor VaR 99.0	0.3800	5.0000	.5	<input type="checkbox"/>
<input type="checkbox"/>	2024	B2 - Equity Securities	Equity Securities	Real Estate: Encumbrances (Investments)	Risk Factor VaR 99.0	0.1750	5.0000	.5	<input type="checkbox"/>
<input type="checkbox"/>	2024	B2 - Equity Securities	Equity Securities	Additional Manual Adjustment	Risk Factor VaR 99.0	1.0000	5.0000	.5	<input type="checkbox"/>
<input type="checkbox"/>	2024	B2 - Equity Securities	Equity Securities	Derivative Asset	Risk Factor VaR 99.0	1.0000	5.0000	.5	<input type="checkbox"/>
<input type="checkbox"/>	2024	B2 - Equity Securities	Equity Securities	Securities Lending Reinvested Collateral	Risk Factor VaR 99.0	0.1000	5.0000	.5	<input type="checkbox"/>

Preferred Stocks: Non-Affiliated (Public) : Risk Factor VaR 99.0
 B2 - Equity Securities

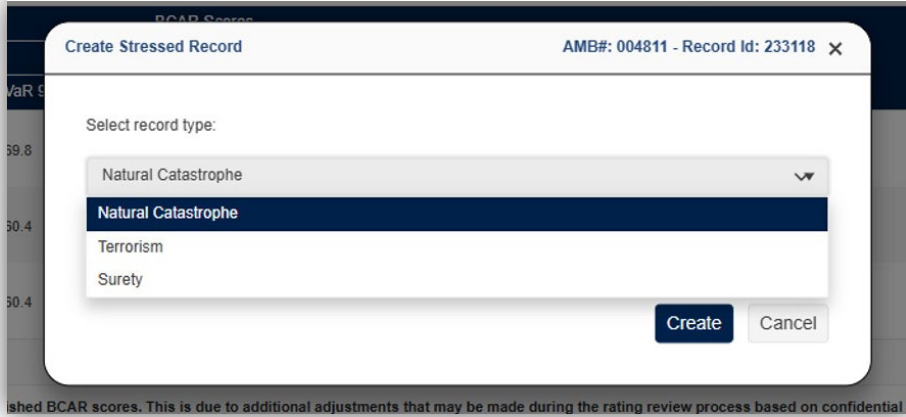
Original Value(Read Only): 0.3800 Updated Value: 0.5

Rows To Apply Adjustments

- Preferred Stocks: Non-Affiliated (Public)
- Preferred Stocks: Non-Affiliated (Private)
- Preferred Stocks: Affiliated (Public)
- Preferred Stocks: Affiliated (Private)
- Common Stocks: Non-Affiliated (Public)
- Common Stocks: Non-Affiliated (Private)
- Common Stocks: Affiliated (Public)

NEW for 2026: Additional Options for Analysis

- New options for analyzing stress scenarios in a record for Terrorism, Natural Catastrophe or Surety.



- Implement a stress test for Natural Catastrophe to show the impact on a company's BCAR after a Natural Catastrophe stress scenario occurs.

Summary

Available Capital

B1 - Bond Details

B1 - Fixed Income Securities

B2 - Common Stock Details

B2 - Equity Securities

Investment Summary (B1 + B2)

B3 - Interest Rate

B4 - Reinsurer Details

B4 - Recoverables

B4 - Credit

B5 - Loss and LAE Reserves

B6 - Net Premiums Written

B7 - Business

Natural Catastrophe

B8 - Potential Catastrophe

Growth Factor

Surplus Notes

- Implement a stress test for Surety to show the impact on a company's BCAR after a stress scenario occurs.

Summary

- Available Capital
- B1 - Bond Details
- B1 - Fixed Income Securities
- B2 - Common Stock Details
- B2 - Equity Securities
- Investment Summary (B1 + B2)
- B3 - Interest Rate
- B4 - Reinsurer Details
- B4 - Recoverables
- B4 - Credit
- B5 - Loss and LAE Reserve
- B6 - Net Premiums Written
- B7 - Business
- Natural Catastrophe
- Surety Catastrophe
- B8 - Potential Catastrophe
- Growth Factor
- Surplus Notes

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BCAR Models Home Company Information **BCAR Records** Analytical Worksheets Projections Resources

BCAR Record ID: 241499

Sample Insurance Company
AM# #: 000000 NAIC #: 00000 FEN# :

Print Save Missing SRO Fields Calculate Adjustments Generate Adjustments Upload Adjustments View and Apply Adjustments Adjusted BCAR Score (WR 99.6%) 237.9

Surety Catastrophe

Assumptions

Line: Factor to Rate for Net PML, Used for Reduction in Reported Capital. Can adjust to Zero if company cannot use the benefit in near term: 21.95%

Line: Recoverable Percentage for Stress Test: 40.95%

Line: Reserve Percentage for Stress Test: 40.95%

Line: Surety or Bail? Surety

Surety Detail

Line	1st Largest Exposure	2nd Largest Exposure	3rd Largest Exposure	4th Largest Exposure	5th Largest Exposure
(1) Gross Exposure for Principal	0	0	0	0	0
(2) DFA Loss Severity Multiplier PML Factor	0.95%	0.95%	0.95%	0.95%	0.95%
(3) Loss Severity Multiplier PML, Amount = (1) * (2)	0	0	0	0	0
(4) Co-Surety's Share %	0.95%	0.95%	0.95%	0.95%	0.95%
(5) Co-Surety's Share Amount = (3) * (4)	0	0	0	0	0
(6) Gross PML Amount after Co-Surety = (3) - (5)	0	0	0	0	0
(7) Available Collateral Amount (Collateral must be easily and quickly liquidated into cash)	0	0	0	0	0
(8) Gross PML Amount after Co-Surety & Collateral = (6) - (7)	0	0	0	0	0
(9) SOL Reinsurance Amount	0	0	0	0	0
(10) Double Share Reinsurance Amount	0	0	0	0	0
(11) Pre Tax Net Potential Loss Amount = (8) - (9) - (10)	0	0	0	0	0
Pre Tax Net Loss Ratio	1	2	3	4	5
(12) Largest and Second Largest Pre-Tax Net Loss	Largest Pre-Tax Net Loss	2nd Largest Pre-Tax Net Loss			
Is Surety Co. Contingently Liable for any of Co-Surety's share? (Check)	No	No	No	No	No
If Yes, What value amount? (must assume entire amount, but can be changed)	0	0	0	0	0
Reinsurance Recoverable Adjustment	0	0	0	0	0
Total Recoverable = SOL Rates + CR Rates + Contingent Liability (Selected)	0	0	0	0	0
Increase Reinsurance Recoverable for Stress Test	0	0	0	0	0
Largest Pre-Tax Net Loss	0	0	0	0	0
Highest Loss Identifier	1	1	1	1	1
Recovery Adjustment	0	0	0	0	0
Pre-Tax Net Potential Loss Amount	0	0	0	0	0
Increase to Net Reserve for Stress Test	0	0	0	0	0

Surety Summary

Line	Item	Val 95.0	Val 95.0	Val 95.0	Val 95.0	Val 95.0
Surety - Net PML	B1 - Potential Catastrophe	0	0	0	0	0
Surety - Gross PML	B1 - Interest Rate	0	0	0	0	0

Bail Detail

Line	Agent 1	Agent 2	Agent 3	Agent 4	Agent 5
Required Open Liability	0	0	0	0	0
Adjustment %	0.95%	0.95%	0.95%	0.95%	0.95%
Estimated Current Open Liability	0	0	0	0	0
3 % Bond Purchase Rate	0	0	0	0	0
BUP Balance	0	0	0	0	0
Gross Exposure	0	0	0	0	0
Reinsurance Amount	0	0	0	0	0
PML - Tax Net Exposure	0	0	0	0	0
PML - Tax Net Loss Ratio	1	2	3	4	5

Bail Summary

Line	Item	Val 95.0	Val 95.0	Val 95.0	Val 95.0	Val 95.0
Bail - Net PML	B1 - Potential Catastrophe	0	0	0	0	0
Bail - Gross PML	B1 - Interest Rate	0	0	0	0	0

Surety - Risk Adjustment Summary

Line	Item Adjusted	Adjustment Description	BCAR Adjustment
Available Capital	Reinsurer Capital (PML)	Lower Capital by Net Post-Tax PML	0
(B4) Credit Risk	Unaffiliated Reinsurance Recoverables	Increase Reinsurance Recoverables for Stress Test	0
(B5) Loss and LAE Reserve Risk	Total Reserve	Increase to Net Reserve for Stress Test	0

While the BCAR Model provides the same base starting point and allows the user to adjust the same variables, the resulting BCAR scores may not necessarily match the published BCAR scores. This is due to additional adjustments that may be made during the rating review process based on confidential information collected. Rating related information displayed by AM Best Rating Tools identified as a (B) or (S) in the company name are derived from its legal entity group membership.

- Implement a stress test for Terrorism to analyze the sensitivity of the rating unit's capitalization to the occurrence of a terrorism event.

Summary

- Available Capital
- B1 - Bond Details
- B1 - Fixed Income Securities
- B2 - Common Stock Details
- B2 - Equity Securities
- Investment Summary (B1 + B2)
- B3 - Interest Rate
- B4 - Reinsurer Details
- B4 - Recoverables
- B4 - Credit
- B5 - Loss and LAE Reserves
- B6 - Net Premiums Written
- B7 - Business
- Natural Catastrophe
- Terrorism Catastrophe**
- B8 - Potential Catastrophe
- Growth Factor

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BCAR Models Home Company Information **BCAR Records** Analytical Worksheets Projections Resources

BCAR Record ID: 24163
 Sample Insurance Company
 AMB # 00000 NAIC # 0000 FEIN #

Print [X] Save Missing SRQ Fields [X] Calculate Adjustments [X] Generate Adjustments [X] Upload Adjustments [X] View and Apply Adjustments Adjusted BCAR Score (VWR 99.6%) 237.9

Terrorism Catastrophe

Stress Test Selection

Line: [] Edit Search Keyword: [] Search

Model Type: [] Selection: []

Tax Rate: [] 21.0%

Reinsurance Recoverables Factor: [] 40.0%

Recovery Adjustment Factor: [] 40.0%

Stressed Terror Info - Deterministic Loss

Line: [] Edit Search Keyword: [] Search

Line	SRQ - Deterministic Loss Method (Prior to Reins & TFRM) - Gross Losses	SRQ Aggregate Location Accruals (Net of Rating - Net of R1 ONLY) for this location	Same Location for targeted Net and Gross Loss? (Y/N)	CY Industry Trigger for Gross Losses	Net of R1 only as pct of Reported Capital	TFRM - Possible Rating Limitation	Gross Loss + TFRM Adjustment
Largest Location on a Test Event	0	0	Yes	200,000	0.00%	NA	NA
Largest Location on a Gross Basis	0	0			0.00%		

Stress Test - Risk Adjustment Summary

Line: [] Edit Search Keyword: [] Search

Line	Item Adjusted	Adjustment Description	BCAR Adjustment
Available Capital	Required Capital (P/C)	Lower Required Capital by Other Test Loss (100% of Total Losses)	[]
(R1) Credit Risk	Unaffiliated Reinsurance Recoverables	Increase Reinsurance Recoverables by Minimum of 40% of Total Ceded Losses (Add to R1 Recovery)	[]
(R1) Loss and LAE Reserves Risk	Total Reserves	Increase Total Test Loss Reserves by 40% of Total Losses	[]

Stress Test - Tier Information

Line: [] Edit Search Keyword: [] Search

Locations Not of Same and TFRM - 100% of P/C: []

Tier 1: Within 5 Target Cities []

Tier 2: Within Target 21 Cities []

Tier 3: Outside 26 Target Cities []

Countrywide []

Stress Test - Concentration Tests

Line: [] Edit Search Keyword: [] Search

Line	Test Description	Test Requirement	Result
Test 1	Countrywide # of Areas of Concentrated Test Losses - 10% of P/C	<= 10	PASS
Test 2	Top 20 Cities with Concentrated Test Losses - 10% of P/C	<= 6	PASS
Test 3	Top 5 Cities with Concentrated Test Losses - 10% of P/C	<= 3	PASS
Overall Result of Concentration Test	A test result of PASS for any of the 3 tests results in an overall result of PASS.		PASS

Deterministic Loss - SRQ Detail

Line: [] Edit Search Keyword: [] Search

Line	Total WC	Total Property (Including Box 94)	Total Other Coverage	Total WC (SRQ)	Total Property (Including Box 94) (SRQ)	Total Other Coverage (SRQ)	Total Net Losses (SRQ)
Tier 1	0.00%	0.00%	75.00%	0	0	0	0
Tier 2	0.00%	0.00%	75.00%	0	0	0	0
Tier 3	0.00%	0.00%	75.00%	0	0	0	0

Deterministic Loss - Max-Loss Calc

Line: [] Edit Search Keyword: [] Search

Line	TFRM Deductible (a)	Largest Net of Reins and TFRM Exposure (b)	Pct provided to reinsurer address (c)	Indicated Gross Loss Deductible (d)	Surcharge for exposures smaller than Deductible (e)	Surcharge for exposures larger than Deductible (f)	Largest Exposure adjusted for Gross Loss Pct (g) = (b) * (c) * (f)	# Locations Not of Same and TFRM - 100% of P/C (h)	Probability for each location (i)	# Locations Same probability (j) = (h) * (i)	Pct - Max Terrorism Change (k) = (g) / (b)	Maximum Terrorism Change (l) = max of (k) & (j)
Tier 1	0	0	0.00%	50.00%	0	0	0	0	0.00%	0	0.00%	0
Tier 2	0	0	0.00%	50.00%	0	0	0	0	3.00%	0.00%	0.00%	0
Tier 3	0	0	0.00%	50.00%	0	0	0	0	1.00%	0.00%	0.00%	0

Deterministic Loss - Summary

Line: [] Edit Search Keyword: [] Search

Line	Required Capital	Value
P/C - DL	Value	0

Max Foreseeable Loss - SRQ Detail

Line: [] Edit Search Keyword: [] Search

Line	Total WC	Total Property (Including Box 94)	Total Other Coverage	Total WC (SRQ)	Total Property (Including Box 94) (SRQ)	Total Other Coverage (SRQ)	Total Net Losses (SRQ)
Tier 1	0.00%	0.00%	75.00%	0	0	0	0
Tier 2	0.00%	0.00%	75.00%	0	0	0	0
Tier 3	0.00%	0.00%	75.00%	0	0	0	0

Max Foreseeable Loss - Max-Loss Calc

Line: [] Edit Search Keyword: [] Search

Line	TFRM Deductible (a)	Largest Net of Reins and TFRM Exposure (b)	Pct provided to reinsurer address (c)	Indicated Gross Loss Deductible (d)	Surcharge for exposures smaller than Deductible (e)	Surcharge for exposures larger than Deductible (f)	Largest Exposure adjusted for Gross Loss Pct (g) = (b) * (c) * (f)	Building Type for Largest Net of Reins and TFRM Exposure (Common, Single, or Other) (h)	Indicated Coverage Ratio (i)	Adjusted Exposure Ratio (j) = (g) / (b) * (i)	# Locations Not of Same and TFRM - 100% of P/C (k)	Probability for each location (l)	# Locations Same probability (m) = (k) * (l)	Pct - Max Terrorism Change (n) = (j) / (i)	Maximum Terrorism Change (o) = max of (n) & (m)
Tier 1	0	0	0.00%	50.00%	0	0	0	Single	75.00%	0	0	0.00%	0.00%	0.00%	0
Tier 2	0	0	0.00%	50.00%	0	0	0	Single	75.00%	0	0	3.00%	0.00%	0.00%	0
Tier 3	0	0	0.00%	50.00%	0	0	0	Single	75.00%	0	0	1.00%	0.00%	0.00%	0

Max Foreseeable Loss - Summary

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Line	Required Capital	Value
P/C - MFL	Value	0

While the BCAR Model provides the same base starting point and allows the user to adjust the same variables, the resulting BCAR scores may not necessarily match the published BCAR scores. This is due to additional adjustments that may be made during the rating review process based on confidential information collected. Rating related information displayed by AM Best Rating (like identified as a (C) or (S) in the company name) are derived from its legal entity group members.

- Additional factors for B5 Mortgage can be added to the base score for insurers with material exposure to mortgage loans for a closer review of any lower or higher risk factors that could impact the base score.
- Additional factors for terrorism in B8 charges to required capital can be included in the base score if the terrorism charge is greater than the natural catastrophe probable maximum loss.
- Additional factors for surety in B8 charges to required capital can be included in the base score to determine worst-case scenarios for surety and bail catastrophe.

The screenshot shows the AM Best BCAR Model interface. At the top, there is a navigation bar with the AM Best logo and links for Rating Services, Information Services, Events, and About Us. Below this is a secondary navigation bar with links for BCAR Models Home, Company Information, BCAR Records, and Analytical Worksheets. The main content area is titled 'Company Information' and displays details for 'Sample Insurance Company', including its AMB, NAIC, and FEIN numbers. To the right, there is a 'Run New BCAR' form with fields for Year (set to 2024) and Data Product (Property/Casualty, US). The form also includes three radio button options: 'Include Terrorism in B8', 'Mortgage BCAR in B5', and 'Include Surety in B8', all currently set to 'OFF'. There is a field for 'Use another company's SRQ Data' with a label for 'AM Best Company Number' and an information icon. A 'Run New BCAR' button is located at the bottom of the form.

Your purchase includes the Group License Management Tool, allowing you to manage users and licensed seats under a shared registration number for multi-user or unlimited purchases.

To request a demonstration of the *BCAR Model - P/C, US*, or for questions or pricing information, please contact your AM Best Account Manager or Business Development at (908) 439-2200, option 5, or sales@ambest.com.

The results or output created by use of the *Best's Capital Adequacy Ratio Model - P/C, US* ("Output") are for informational and internal purposes only, and such Output may not match or be consistent with the official BCAR scores that AM Best publishes for the same rating unit. The Output is not guaranteed or warranted in any respect by AM Best. *Best's Capital Adequacy Ratio Model - P/C, US* is a non-rating service product, and its purchase is not required as part of the rating process.