BEST'S SPECIAL REPORT

Our Insight, Your Advantage®

Ratings Review
October 1, 2026

Substantially Fewer Downgrades for US P/C Insurers in First Half of 2026

Downgrades were concentrated in the troubled commercial auto and casualty lines

Principal Takeaways

- There were more rating upgrades and substantially fewer ratings downgrades in the first half of 2026 in the US property/casualty insurance segment.
- Operating performance drove a high proportion of both upgrades and downgrades.
- The downgrades were primarily on commercial automobile and commercial casualty writers.

Affirmations are the most common rating action taken across all segments and held steady at over three quarters of total rating actions in the first half of both 2025 and 2026. There were more than twice as many upgrades as downgrades due to a sharp decrease in the number of downgrades compared to the first half of 2025. There were fewer rating changes overall, with eight initial ratings as well.

Carriers across the industry continue to experience the impact of inflation and rising loss costs. This year has been relatively benign except for localized events. However, with the overall segment's rate increases earning through, personal lines writers are better positioned to navigate these conditions than they have been for the past few years. Commercial lines carriers have reported solid results despite having to contend with social inflation. Results were boosted by higher yields and overall investment performance. Still, some lines—in particular, commercial auto and commercial casualty—face significant challenges.

Analytical Contact:
Helen Andersen, Oldwick
+1 (908) 882-1629
Helen.Andersen@ambest.com

Contributors:
Rich Attanasio, Oldwick
Joe Burtone, Oldwick
Adib Nassery, Oldwick

2026-114

Copyright © 2026 A.M. Best Company, Inc. and/or its affiliates. All rights reserved. No portion of the content may be reproduced, distributed, or stored in a database or retrieval system, or transmitted, or uploaded into any external applications, algorithms, bots or websites, including those using artificial intelligence or machine learning technologies such as large language models (LLM), generative AI (Gen-AI) or retrieval-augmented generation (RAG) in any form or by any means without the prior written permission of AM Best. AM Best does not warrant the accuracy, completeness, or timeliness of the AM Best content. While the content was obtained from sources believed to be reliable, its accuracy is not guaranteed. You specifically acknowledge that neither AM Best nor the content gives any investment, financial, tax, insurance, or legal advice. You are solely responsible for seeking competent professional advice before making any investment, financial, tax or insurance decision. For additional details, refer to our Terms of Use available at the AM Best website: https://web.ambest.com/about/terms-of-use.

Issuer Credit Ratings Activity

US P/C – Issuer Credit Rating Activity

Through June 30, 2026

	2025		2026	
	Rating Actions	%	Rating Actions	%
Upgrades	18	5.5	24	8.2
Downgrades	20	6.1	11	3.8
Initial Ratings	17	5.2	8	2.7
Total Rating Changes	**55**	**16.9**	**43**	**14.7**
Total Affirmations	261	80.1	238	81.5
Under Review	10	3.1	11	3.8
Total Rating Actions	**326**	**100.0**	**292**	**100.0**

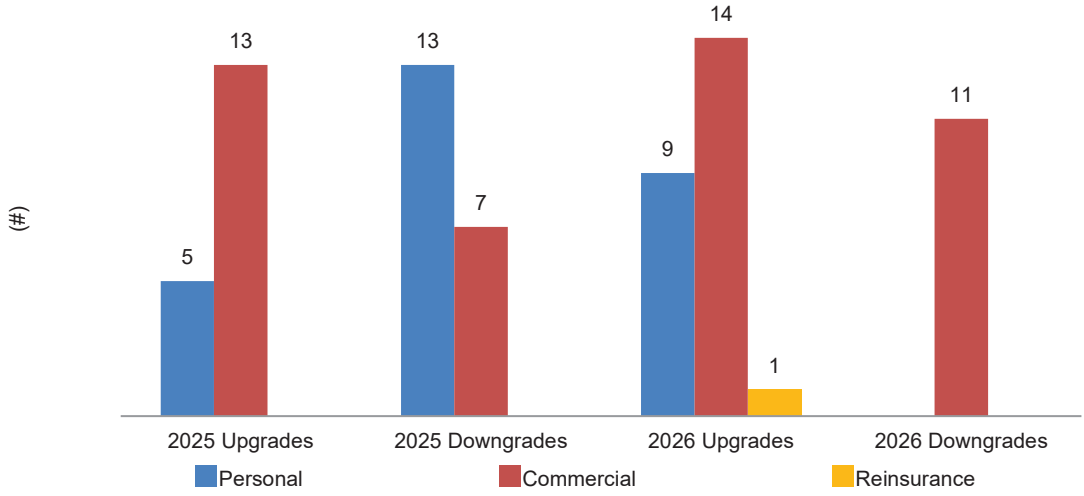
Source: AM Best data and research

- There were about half as many downgrades in the first half of 2026 compared to the same period last year and approximately half as many initial ratings. However, upgrades increased to 8.2% of total rating actions, from 5.5%.
- Affirmations continued to make up about 80% of total rating actions. The proportion of affirmations increased slightly compared to the first half of last year, primarily due to fewer total rating actions.
- The number of rating actions declined from 326 in the first half of 2025 to 292 in 2026.
- AM Best assigned eight initial ratings in the first half of 2026, accounting for 2.7% of rating actions, compared to 17 in the same period last year. Many initial ratings were in the commercial lines segment.

Issuer Credit Ratings Upgrades and Downgrades

US P/C – Issuer Credit Rating Upgrades & Downgrades

By Segment, through June 30, 2026



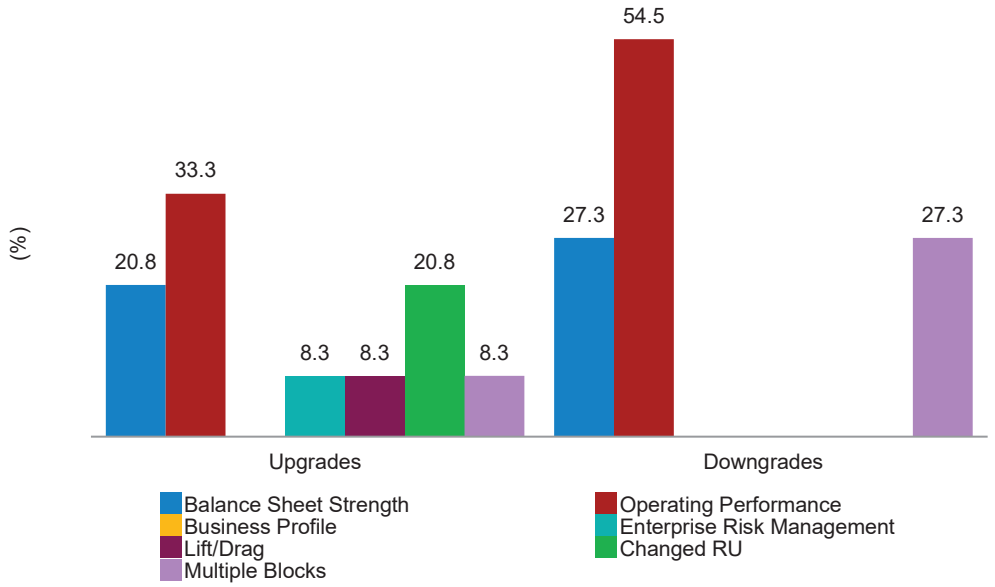
Source: AM Best data and research

- Through June 30, 2026, 9 ratings in the personal lines segment were upgraded and none were downgraded, compared to five upgrades and 13 downgrades in the same period of 2025.
- In the first half of 2026, 14 commercial lines segment ratings were upgraded and 11 were downgraded, versus 13 upgrades and 7 downgrades in 2025.
- The majority of 2026 downgrades occurred on commercial casualty and commercial auto carriers, reflecting the ongoing challenges in these lines.
- The rated US property and casualty (P/C) reinsurance segment (which consists exclusively of reinsurers required to submit statutory filings to US regulators) covered in this report is very small and does not accurately reflect the global reinsurance industry. There was one upgrade and no downgrades in this limited segment through June 30, 2026.

Ratings Drivers

US P/C – Issuer Credit Rating Upgrade & Downgrade Drivers

By Segment



Source: AM Best data and research

- The most common driver of P/C ratings upgrades was a change in operating performance. These changes drove about one-third of upgrades. The next most common drivers, which accounted for 20.8% of upgrades each, were improved balance sheet strength and a change in rating unit due to a structural change in an organization such as an acquisition or increased levels of integration. Improved operating performance in these upgrades can be attributed to sizable rate increases that have been earned through, maintaining underwriting discipline and, although volatile at times, improved equity markets.
- Over half of downgrades were driven by poor operating performance, as some insurers have struggled to keep losses under control. Deteriorated balance sheet metrics drove a further 27.3% of downgrades driven by adverse reserve development. The remaining downgrades were driven by changes to multiple blocks, both of which included balance sheet strength.

Issuer Credit Ratings Distribution

US P/C – Issuer Credit Ratings Distribution

		At Dec. 31, 2025		At June 30, 2026							
		Total P/C		Total P/C		Personal		Commercial		Reinsurance	
Category	Rating Level	Rating Units	%	Rating Units	%	Rating Units	%	Rating Units	%	Rating Units	%
Exceptional	aaa	3	0.5	3	0.5	2	0.9	0	0.0	1	4.0
		3	**0.5**	**3**	**0.5**	**2**	**0.9**	**0**	**0.0**	**1**	**4.0**
Superior	aa+	15	2.3	16	2.5	0	0.0	14	3.4	2	8.0
	aa	16	2.5	17	2.6	5	2.4	10	2.5	2	8.0
	aa-	45	6.9	45	7.0	12	5.7	29	7.1	4	16.0
		76	**11.7**	**78**	**12.1**	**17**	**8.0**	**53**	**13.0**	**8**	**32.0**
Excellent	a+	88	13.5	85	13.2	21	9.9	57	14.0	7	28.0
	a	167	25.7	170	26.4	55	25.9	112	27.5	3	12.0
	a-	226	34.7	217	33.7	62	29.2	150	36.9	5	20.0
		481	73.9	**472**	73.3	**138**	65.1	**319**	78.4	**15**	60.0
Good	bbb+	35	5.4	36	5.6	19	9.0	16	3.9	1	4.0
	bbb	23	3.5	24	3.7	13	6.1	11	2.7	0	0.0
	bbb-	13	2.0	13	2.0	8	3.8	5	1.2	0	0.0
		71	10.9	**73**	11.3	**40**	18.9	**32**	7.9	**1**	4.0
Sub-Total		**631**	**96.9**	**626**	**97.2**	**197**	**92.9**	**404**	**99.3**	**25**	**100.0**
Fair	bb+,bb,bb-	18	2.8	16	2.5	13	6.1	3	0.7	0	0.0
Marginal	b+,b,b-	1	0.2	1	0.2	1	0.5	0	0.0	0	0.0
Weak/Very Weak	ccc+,ccc,ccc-,cc	1	0.2	1	0.2	1	0.5	0	0.0	0	0.0
Poor	c	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Sub-Total		**20**	**3.1**	**18**	**2.8**	**15**	**7.1**	**3**	**0.7**	**0**	**0.0**
Total Issuer Credit Ratings*		**651**	**100.0**	**644**	**100.0**	**212**	**100.0**	**407**	**100.0**	**25**	**100.0**

* Total excludes Cos under regulatory supervision

Source: AM Best data and research

- The overall distribution of P/C ratings units at mid-year 2026 is very similar to the distribution at year-end 2025.
- Just under three quarters, 73.3%, of all P/C Issuer Credit Ratings (ICRs) were in the "Excellent" category: 33.7% had an "a-" rating; 26.4% had an "a," and 13.2% had an "a+."
- The number of "Superior" ICRs increased by two rating units to 78, and that of "Fair" or below ICRs decreased to just 18 rating units (2.8% of P/C rating units) from 20 at year-end 2025.
- The number of rating units remained mostly stable, with a net change of seven fewer rating units from 2025 to mid-year 2026.
- The personal lines segment had proportionally more ratings in the "Good" as well as "Fair" category compared to the overall industry. The majority of ratings "Fair" or below are in the personal lines segment.
- The commercial lines segment had proportionally more ratings rated "Excellent" or "Superior" compared to the overall industry.

Issuer Credit Rating Outlook Distribution

US Property/Casualty – Issuer Credit Rating Outlooks & Ratings Under Review

Rating Units - By Segment

	Through June 30, 2026								At December 31, 2025	
	Personal	%	Commercial	%	Reinsurance	%	Total P/C	%	Total P/C	%
Stable	159	75.0	335	82.3	19	76.0	513	79.7	514	79.0
Positive	10	4.7	30	7.4	4	16.0	44	6.8	48	7.4
Negative	39	18.4	31	7.6	2	8.0	72	11.2	75	11.5
Under Review	4	1.9	11	2.7	0	0.0	15	2.3	14	2.2
Grand Total	**212**	**100.0**	**407**	**100.0**	**25**	**100.0**	**644**	**100.0**	**651**	**100.0**

Source: AM Best data and research

- The number of Stable outlooks held steady at about 80% of ratings between year-end 2025 and mid-year 2026. Positive outlooks fell from 7.4% to 6.8%, while Negative outlooks remained around 11%. Ratings Under Review held at about 2% of ratings.
- Throughout the first half of 2026, the proportion of all outlooks other than Stable decreased for the personal lines segment. Positive outlooks dropped to 4.7% from 6.2%. Ratings Under Review fell to 1.9% from 2.4%. Negative outlooks are still the biggest portion other than Stable, but also declined to 18.4% of ratings from 20.9%. Stable outlooks jumped from 70.6% at year-end 2025 to 75% as of June 30, 2026.
- AM Best maintained its Stable outlook for the US personal lines segment in December 2025, citing improved underwriting performance due to an aggressive push for rate adequacy, in conjunction with rising investment yields, moderating trends in reinsurance pricing and availability, and improving catastrophe risk management practices.
- The US commercial lines segment is the largest and accounted for the most Stable outlooks. As of June 30, 2026, 82.3% of commercial writers had a Stable outlook. Positive outlooks declined by one rating unit. Negative outlooks increased by 0.6% and Under Reviews by 0.8%.
- AM Best maintains a Stable outlook for the commercial lines segment, citing strong underwriting performance, improved investment returns, sustained pricing strength, and disciplined risk management.

Appendix A

US P/C – Rating Upgrades, 2026

Ratings through June 30, 2026

AMB #	Company/Rating Unit	Industry Composite	Revised ICR	Prior ICR	Rating Effective Date	ICR Outlook/ Implications
000600	Michigan Millers Mutual Ins Co	Commercial Casualty	aa-	a	1/15/2026	Stable
002688	First Indemnity of Amer Ins Co	Fidelity & Surety	a	a-	1/16/2026	Stable
013110	First Net Insurance Co	Private Passenger Standard Automobile	a-	bbb+	2/6/2026	Stable
003883	RLI Group	Commercial Casualty	aa+	aa	2/20/2026	Stable
018880	First Chicago Insurance Group	Private Passenger Non-Standard Auto	bb+	bb	3/5/2026	Stable
005716	CapSpecialty Insurance Group	Surplus Lines	aa-	a+	3/11/2026	Stable
000420	Granwest Insurance Group	Private Passenger Stand Auto & Homeowners	a-	bbb+	4/1/2026	Stable
004284	Federated Mutual Group	Commercial Casualty	aa	aa-	4/2/2026	Stable
022937	Arch Wilsure Insurance Company	Commercial Automobile	aa	a-	4/2/2026	Stable
020959	Fidvest US LLC	Commercial Casualty	a	a-	4/8/2026	Stable
058563	SiriusPoint Ltd.	Reinsurance	a	a-	4/16/2026	Stable
003876	Germania Mutual Group	Private Passenger Stand Auto & Homeowners	bbb	bb+	4/22/2026	Stable
013135	Germania Prop & Cas Ins Co	Personal Property	bbb-	bb+	4/22/2026	Stable
000561	Louisiana Farm Bureau Ins Co	Personal Property	a	bbb	4/23/2026	Stable
021237	Hamilton Select Insurance Inc.	Surplus Lines	a	a-	5/12/2026	Stable
018959	Healthcare Providers Ins Group	Medical Professional Liability	a	a-	5/21/2026	Stable
022389	One Alliance Insurance Corp	Commercial Property	bbb	bbb-	6/4/2026	Stable
076154	Allied Prof Ins Co, A RRG	Medical Professional Liability	a	a-	6/4/2026	Stable
011413	Omega One Insurance Company	Personal Property	bb	bb-	6/5/2026	Stable
018380	National Security Group	Personal Property	bb+	bb	6/5/2026	Stable
002975	Columbia Insurance Group	Commercial Casualty	a	a-	6/18/2026	Stable
056958	Solen Versicherungen AG	Commercial Property	aa-	a+	6/18/2026	Stable
003502	Cooperativa Seguros Multi PR	Private Passenger Non-Standard Auto	a	a-	6/23/2026	Stable
058496	W. R. Berkley Corporation	Commercial Casualty	aa	aa-	6/25/2026	Stable

Source: AM Best data and research

Appendix B

US P/C – Rating Downgrades, 2026

Ratings through June 30, 2026

AMB #	Company/Rating Unit	Industry Composite	Revised ICR	Prior ICR	Rating Effective Date	ICR Outlook/ Implications
018823	Prime Insurance Group	Surplus Lines	a-	a	1/29/2026	Negative
011309	Bell United Insurance Company	Commercial Automobile	bbb+	a-	3/27/2026	Negative
012707	Pinnacle Consortium VT RRRG	Commercial Casualty	a-	a	3/27/2026	Negative
010661	Cities and Villages Mut Ins Co	Workers' Compensation	bbb+	a-	3/31/2026	Negative
018072	Curi Insurance Group	Medical Professional Liability	a-	a	4/9/2026	Negative
018014	American Southern Group	Commercial Automobile	a-	a	4/22/2026	Negative
000174	Arrow Mutual Liability Ins Co	Workers' Compensation	bbb+	a-	5/13/2026	Stable
014993	NASW Insurance Company	Commercial Casualty	bbb+	a-	5/13/2026	Negative
012057	Builders Mutual Insurance	Commercial Casualty	a	a+	5/14/2026	Stable
013868	Builders Premier Insurance	Workers' Compensation	a	a+	5/14/2026	Stable
021016	Star Mutual RRG, Inc.*	Commercial Automobile	bb-	bbb-	6/25/2026	Negative

* Rating was subsequently withdrawn

Source: AM Best data and research

Appendix C

US P/C – Initial Ratings, 2026

Ratings through June 30, 2026

AMB #	Company/Rating Unit	Industry Composite	ICR	Rating Effective Date	ICR Outlook/ Implications
021863	New England Indemnity Co	Personal Property	a-	1/20/26	Stable
022777	AXA XL Excess & Surplus Lines	Commercial Casualty	aa	3/25/26	Stable
001887	Ocean Marine Indemnity Company	Commercial Property	bbb-	4/23/26	Stable
000161	Amer Steamship Owners Mutual	Commercial Property	bbb-	5/1/26	Stable
003233	Frederick Mutual Insurance Co	Commercial Casualty	a-	5/5/26	Stable
020968	Builders Alliance Insurance Co	Workers' Compensation	a	5/14/26	Stable
012407	Westcor Land Title Ins Co	Title	a-	5/28/26	Stable
022799	MSIG Specialty Insurance America,	Commercial Casualty	aa	6/5/26	Stable

Source: AM Best data and research

Appendix D

US P/C – Ratings Under Review, 2026

Ratings through June 30, 2026

AMB #	Company/Rating Unit	Industry Composite	ICR*	Rating Effective Date	ICR Outlook/ Implications
018994	PrimeOne Insurance Group	Private Passenger Stand Auto & Homeowners	bb-	1/23/26	Developing
018823	Prime Insurance Group	Surplus Lines	a-	1/29/26	Negative
004944	Hanover Fire & Casualty Ins Co	Personal Property	bbb	2/6/26	Negative
018680	AF Group	Workers' Compensation	a	2/19/26	Developing
018072	Curi Insurance Group	Medical Professional Liability	a-	4/9/26	Negative
018686	Fortegra P&C Group	Credit	a-	4/9/26	Positive
018956	Obsidian Insurance Group	Surplus Lines	a-	4/30/26	Positive
014993	NASW Insurance Company	Commercial Casualty	bbb+	5/13/26	Negative
011063	United Cas and Surety Ins Co	Fidelity & Surety	a-	5/29/26	Positive
018767	Mountain West Insurance Grp	Private Passenger Stand Auto & Homeowners	bbb	6/5/26	Positive
018014	American Southern Group	Commercial Automobile	a-	6/17/26	Negative

*Current rating may differ

Source: AM Best data and research

Published by AM Best

BEST'S SPECIAL REPORT

A.M. Best Company, Inc.
Oldwick, NJ
CHAIRMAN, PRESIDENT & CEO **Arthur Snyder III**
SENIOR VICE PRESIDENT & CFO **Cynthia Young**
SENIOR VICE PRESIDENT **Lee McDonald**

A.M. Best Rating Services, Inc.
Oldwick, NJ
PRESIDENT **James Gillard**
EXECUTIVE VICE PRESIDENT & COO **Stefan W. Holzberger**
EXECUTIVE VICE PRESIDENT & CSO **Andrea Keenan**
EXECUTIVE VICE PRESIDENT & CIO **James F. Snee**
SENIOR MANAGING DIRECTOR & CRO **Kenneth Johnson**
SENIOR MANAGING DIRECTOR & CCO **Edward H. Easop**

AMERICAS

WORLD HEADQUARTERS
A.M. Best Company, Inc.
A.M. Best Rating Services, Inc.
1 Ambest Road, Oldwick, NJ 08858
Phone: +1 908 439 2200

MEXICO CITY
A.M. Best América Latina, S.A. de C.V.
Av. Paseo de la Reforma 412, Piso 23,
Col. Juárez, Alcaldía Cuauhtémoc, C.P. 06600, Mexico City, Mexico
Phone: +52 55 1102 2720

EUROPE, MIDDLE EAST & AFRICA (EMEA)

LONDON
A.M. Best Europe - Information Services Limited
A.M. Best Europe - Rating Services Limited
12 Arthur Street, 8th Floor, London, UK EC4R 9AB
Phone: +44 20 7626 6264

AMSTERDAM
A.M. Best (EU) Rating Services B.V.
NoMA House, Gustav Mahlerlaan 1212, 1081 LA Amsterdam, Netherlands
Phone: +31 20 308 5420

DUBAI*
A.M. Best Europe - Rating Services Ltd. - DIFC Branch*
Office 102, Tower 2, Currency House, DIFC
P.O. Box 506617, Dubai, UAE
Phone: +971 4375 2780
*Regulated by the DFSA as a Credit Rating Agency

ASIA-PACIFIC

HONG KONG
A.M. Best Asia-Pacific Limited
Unit 4004 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Phone: +852 2827 3400

SINGAPORE
A.M. Best Asia-Pacific (Singapore) Pte. Ltd
8 Cross Street, #21-03 Manulife Tower
Singapore 048424
Phone: +65 6303 5000



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. An FSR is not assigned to specific insurance policies or contracts.

Best's Issuer Credit Rating (ICR): an independent opinion of an entity's ability to meet its ongoing financial obligations and can be issued on either a long- or short-term basis.

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 and can be issued on a long- or short-term basis (obligations with original maturities generally less than one year).

Best's National Scale Rating (NSR): a relative measure of credit-worthiness in a specific local jurisdiction that is issued on a long-term basis and derived exclusively by mapping the NSR from a corresponding global ICR using a transition chart.

Rating Disclosure: Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile, and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

Version 011624