

Best's Credit Ratings: The Rating Process

An AM Best Market Development contact can help get you started by answering your questions and supplying the information necessary to make an informed decision about obtaining a Best's Credit Rating.

Upon determination of rating feasibility, a rating fee will be quoted. If accepted, a contract will be issued for signature, and when returned, and fee paid, the company will be assigned a rating analyst for the process to begin.

The Rating Process, Step by Step



Preliminary Discussions on Rating Objectives, Benefits and Scope of Analysis

Discussions resulting in the company requesting to enter the rating process

STEP 1: Rating Engagement and Contract

Once a contract is signed and returned, the company is assigned a rating analyst, and the interactive rating process commences.

STEP 2: Compiling Information

The rating assessment begins with the compilation of detailed public and proprietary financial information, including annual and quarterly financial statements, regulatory filings, certified actuarial and loss-reserve reports, investment detail and guidelines, reinsurance transactions, annual business plans and Best's Supplemental Rating Questionnaire.

STEP 3: Rating Management Meeting

AM Best analysts meet with senior management and technical staff of the company that has applied for a rating, often at the applicant company's head office or in some cases at another mutually agreed location. This may include video conference options.

STEP 4: AM Best's Analysis and Decision

A rating recommendation is arrived at from the analysis and is taken to the Rating Committee for review and final determination.

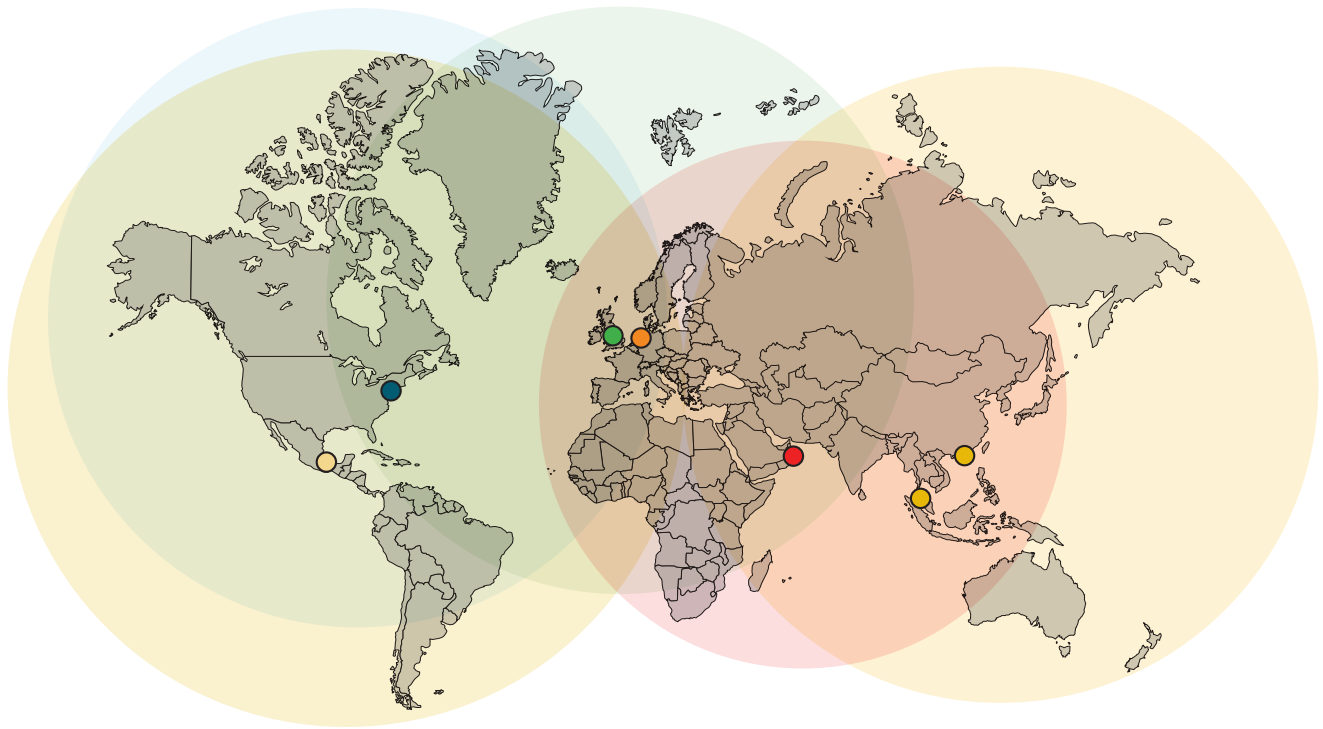
STEP 5: Rating Communication and Dissemination

The rating is communicated to the rated entity. Once the rating is accepted by the rated entity, it is published immediately.

STEP 6: Monitoring Best's Credit Rating

The company is continuously monitored after the rating has been accepted. Open dialogue with AM Best's analytical team is fundamental for the ongoing maintenance of the company's rating, which will be formally reviewed at least annually.

The typical duration of the rating process, from signed contracts to announcement of assigned ratings, is approximately three to four months.



Contact us or visit www.ambest.com

Corporate Offices

Global Headquarters

Oldwick
1 Ambest Road,
Oldwick, NJ 08858, U.S.
Phone: +1 908 439 2200

London
8th Floor,
12 Arthur Street,
London, EC4R 9AB, U.K.
Phone: +44 20 7626 6264

Amsterdam
3rd Floor, NoMA House,
Gustav Mahlerlaan 1212
1081 LA Amsterdam, Netherlands
Phone: +31 20 308 5420

Mexico City
Paseo de la Reforma 412,
Piso 23, Col. Juárez, Alcaldía Cuauhtémoc
México, D.F. 06600
Phone: +52 55 1102 2720

Dubai*
Office 102, Tower 2,
Currency House, DIFC
PO Box 506617, Dubai, UAE
Phone: +971 4375 2780

*Regulated by the DFSA as a credit rating agency.

Hong Kong
Suite 4004, Central Plaza,
18 Harbour Road
Wanchai, Hong Kong
Phone: +852 2827 3400

Singapore
6 Battery Road,
#39-04
Singapore 049909
Phone: +65 6303 5000

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