

International | Interactive |
Insurance | Ratings

Introducing AM Best's Ratings

The Global Symbol of Financial Strength

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Please note that due to regulatory restrictions Market Development employees are unable to have any role in the determination of credit ratings or the development or modification of rating procedures or methodologies. Consequently, they are unable to discuss any matters relating to the analytical process as applied to your firm or to provide any feedback on your behalf in respect of the rating procedures or methodologies.

AM Best – An Overview

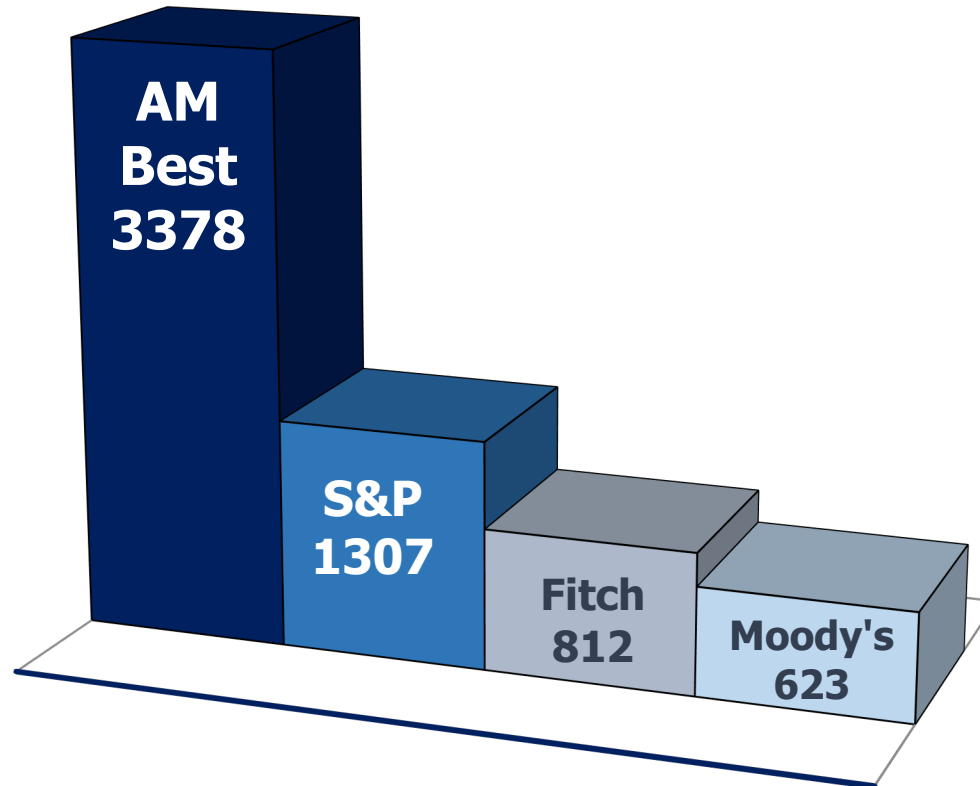
- Established in 1899, pioneered the concept of insurer financial strength ratings in 1906
- Worldwide headquarters in New Jersey, USA. Regional centres in London, Amsterdam, Hong Kong, Singapore, Mexico City and representative office in Dubai
- Provider of international ratings, financial data and news relating to the insurance industry
- Full-service global insurance ratings capabilities
- Interactive ratings coverage exceeding 3,500 companies, including 200+ captives, in over 100 countries
- Financial data coverage of over 17,000 re/insurance companies in more than 130 countries
- Published market research through a broad range of Special Reports
- Extensive marketing and publishing capability to promote corporate ratings in local and international markets

Insurance specialisation means:

- Rating methodologies that are specific to the insurance industry
- Analysts who are insurance specialists and only analyse insurance companies
- Greater understanding of the insurance industry both globally and on a local level including growth markets
- Ability to provide specific indications as to the main drivers of a rating grounded in industry knowledge
- Focusing on the company and not the country's sovereign rating
- Proven ability to rate start-ups, supporting industry development

Leading coverage in (re)insurance ratings

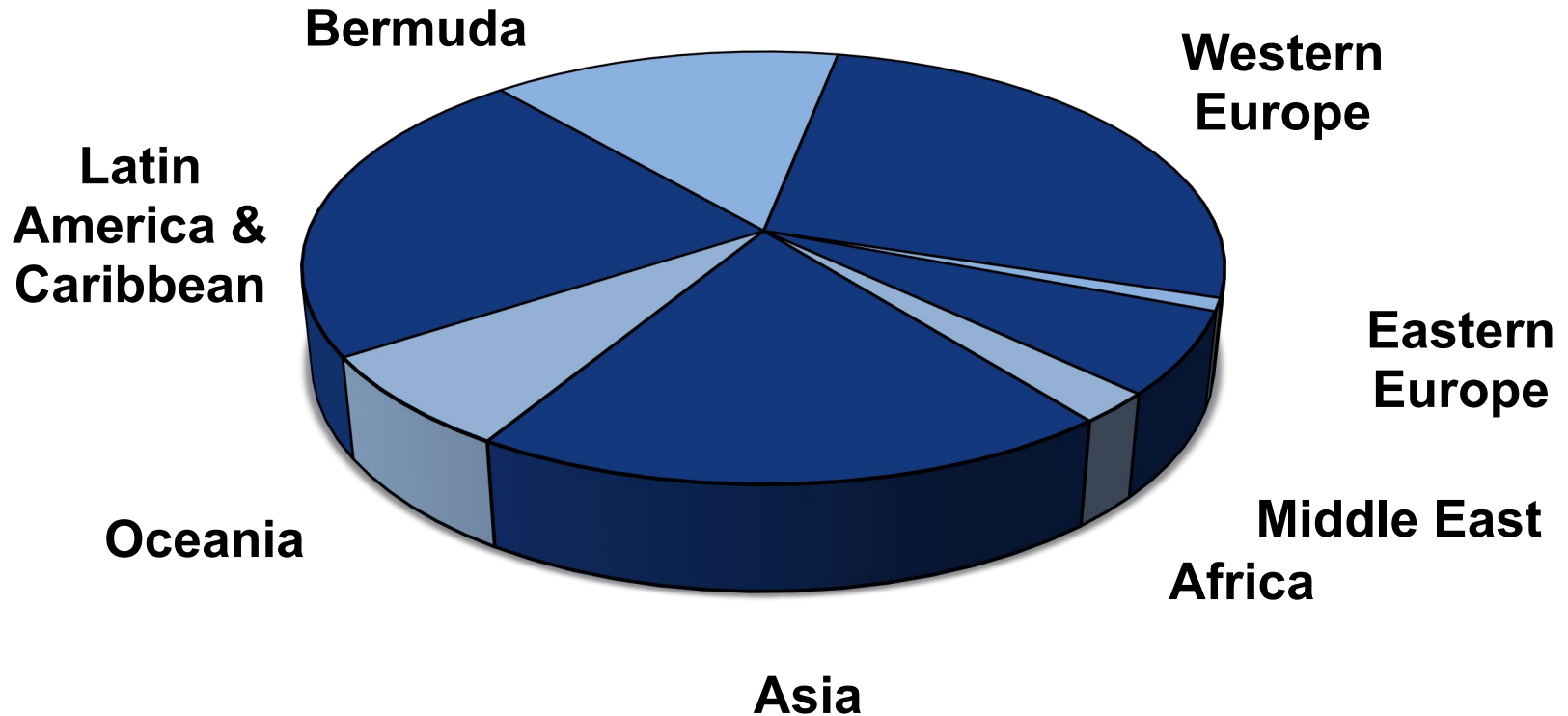
Global insurer interactive Financial Strength Ratings (FSRs)



Source: AM Best , S&P, Moody's and Fitch's websites. Data as at September 2022.
The count for Fitch and Moody's also includes unsolicited ratings and Moody's domestic and foreign currency ratings.

Best's global ratings coverage

Excl. USA/Canada



Interactive rating relationships with insurers/reinsurers in over 90 countries worldwide

Why do (re)insurers get rated?

- Provides external feedback and benchmarking
- Facilitates market entry and business development
- Business critical requirement (often “A-” minimum) for credit sensitive market segments e.g. reinsurance, large commercial business
- To engage in cross-border activity
- Facilitates capital raising and reinsurance purchase
- Satisfies investor due diligence requirements e.g. M&A
- Meets regulatory requirements in certain jurisdictions
- Provides independent oversight supporting corporate governance processes

Internationally recognised independent benchmark of insurer financial strength

Why (re)insurers choose AM Best?

- Only international rating agency focused on the insurance industry
- Specialist rating methodology incorporating criteria on all key insurance industry segments
- Analytical teams with a thorough insurance industry understanding
- Analytical focus on the company not the country
- Interactive feedback and benchmarking
- Quantitative assessment of capital adequacy including stress scenarios
- World's leading provider of insurer Financial Strength Ratings (FSRs) by company coverage
- Foremost rating coverage of the global reinsurance segment
- Thorough understanding of emerging market dynamics
- Leading rating agency for ART structures and captives
- Key rating agency used by global broker security teams

What are the characteristics of highly-rated AM Best (re)insurers?

- Superior and stable risk-adjusted capitalisation across the various confidence levels
- Strong, predictable and sustainable operating profitability developed from a favourable lower-risk liability profile, with results exhibiting limited volatility
- Strong and stable operating cash flows, with books of business demonstrating favourable retention trends
- Diversified earnings and revenue streams
- Consistency of key metrics compared with peers

- Competitive advantage in branding, customer experience, investments, and/or underwriting
- Competitive market position leading to pricing power in core business lines
- Effective use of technology/data analytics which positively impacts performance
- Market-leading distribution system
- Comprehensive and proactive enterprise risk management
- Long-term, well-developed business strategy that has been tested over time
- Strong management team
- Key operations in stable regulatory environments

AM Best's Rating Scales

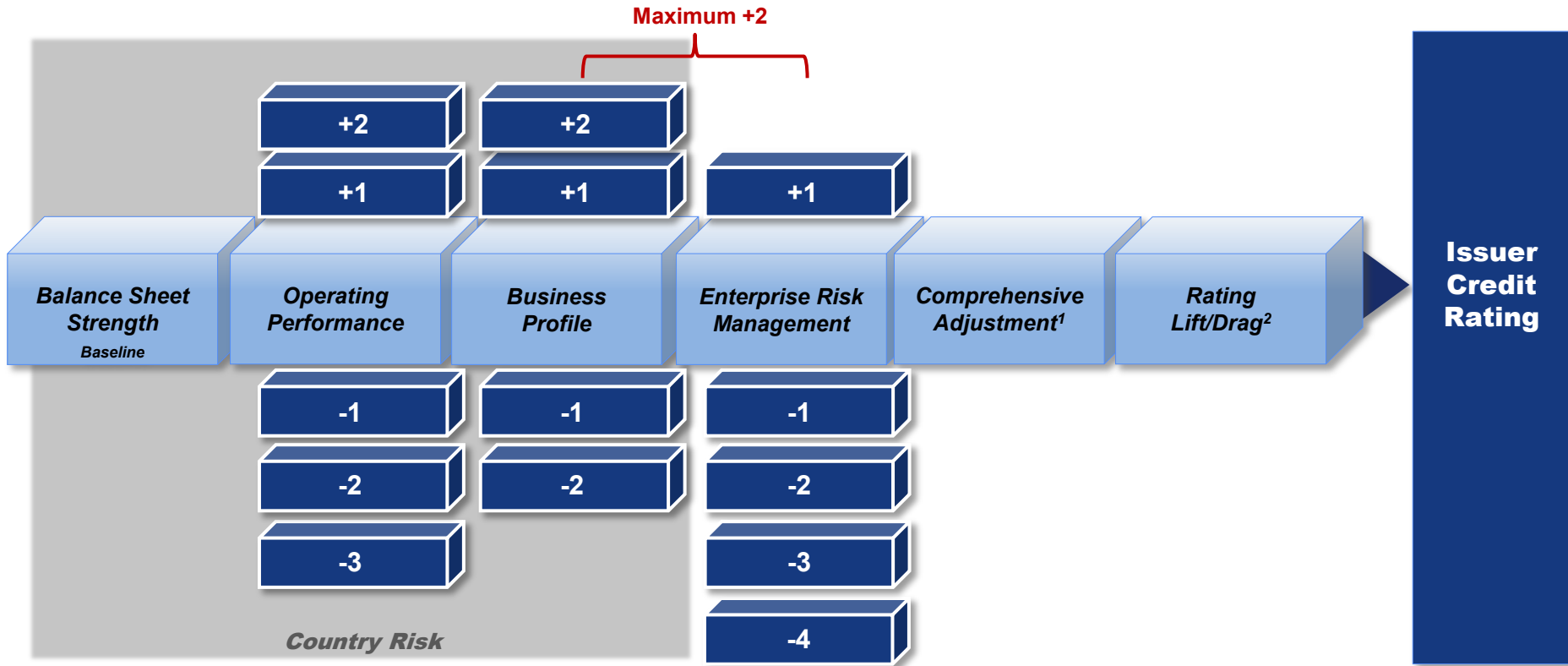
ICR	FSR	ICR	FSR
aaa aa+	A++	bb+ bb	B
aa aa-	A+	bb-	B-
a+ a	A	b+ b	C++
a-	A-	b-	C+
bbb+ bbb	B++	ccc+ ccc	C
bbb-	B+	ccc- cc	C-
		c	D

ICR = Issuer Credit Rating
FSR = Financial Strength Rating

Note: D is used for non-insurers and securities. Scales E to NR not shown.

The rating symbols A++, A+, A, A-, B++, B+ are registered certification marks of A.M. Best Rating Services, Inc.

Methodology Building Blocks

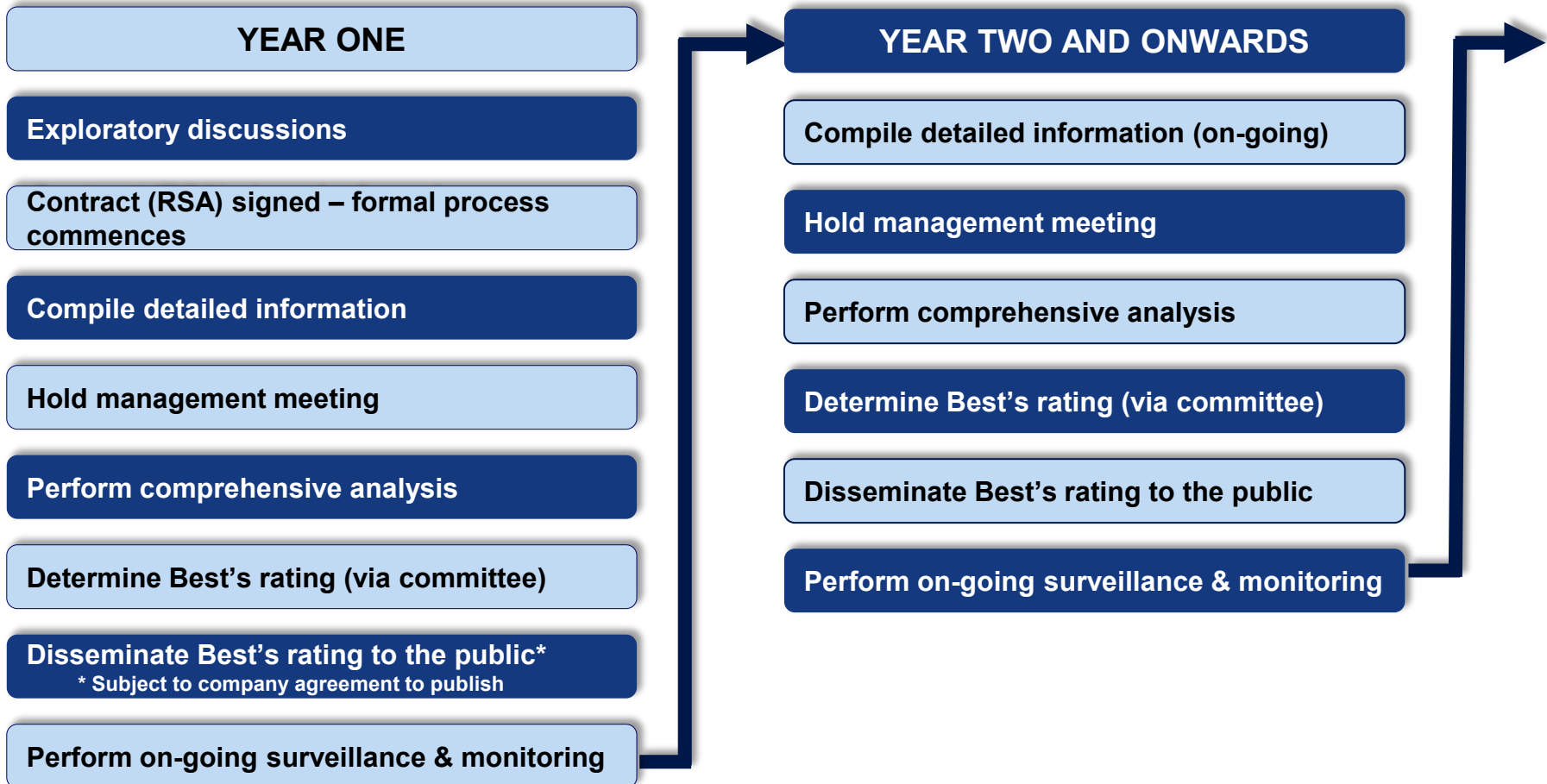


Best's Credit Rating Methodology (BCRM)

Notes:

- 1: A comprehensive adjustment can be applied of + 1 or - 1 for creditworthiness not captured elsewhere
- 2: Applies to assessment of non-lead rating units in relation to the broader organisation leading to lift/drag +4 to -4

The Interactive Rating Process



Leverage Your Best's Credit Rating

Display Your BestMark for Rated Insurers on Marketing Collateral

- BestMark is available to all re/insurers with a Best's Financial Strength Rating
- This special icon displays the appropriate rating and category (Superior, Excellent or Good)
- The icon represents AM Best's opinion of an insurer's ability to meet its obligations to policyholders
- Incorporating the BestMark icon into your firm's promotions provides an immediate, visual confirmation of your status within the global insurance industry



Awards & Recognition

AM Best Named Best Global Rating Agency



**Winner of 22 international “Best Rating Agency”
accolades from 2009-2023**

Read more about our awards and achievements at: www.ambest.com/ratings/awards.html

AM Best Company, Inc. (AMB) Regulatory Registrations and Recognitions

For a comprehensive profile of our regulatory registrations around the world, please visit <http://www.ambest.com/nrsro/index.html>

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