

International | Interactive | Insurance |  
Ratings

## **Introducing AM Best's Ratings**

The Global Symbol of Financial Strength

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# AM Best – An Overview

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- Established in 1899, pioneered the concept of insurer financial strength ratings in 1906
- Worldwide headquarters in New Jersey, USA. Regional centres in London, Amsterdam, Dubai, Hong Kong, Singapore & Mexico City.
- Provider of international ratings, financial data and news relating to the insurance industry
- Full-service global insurance ratings capabilities
- Interactive ratings coverage exceeding 3,600 companies, including 200 alternative risk transfer entities and 450 mutual companies, in more than 100 countries
- Financial data coverage of over 16,000 re/insurance companies worldwide
- Published market research through a broad range of Special Reports
- Extensive marketing and publishing capability to promote corporate ratings in local and international markets

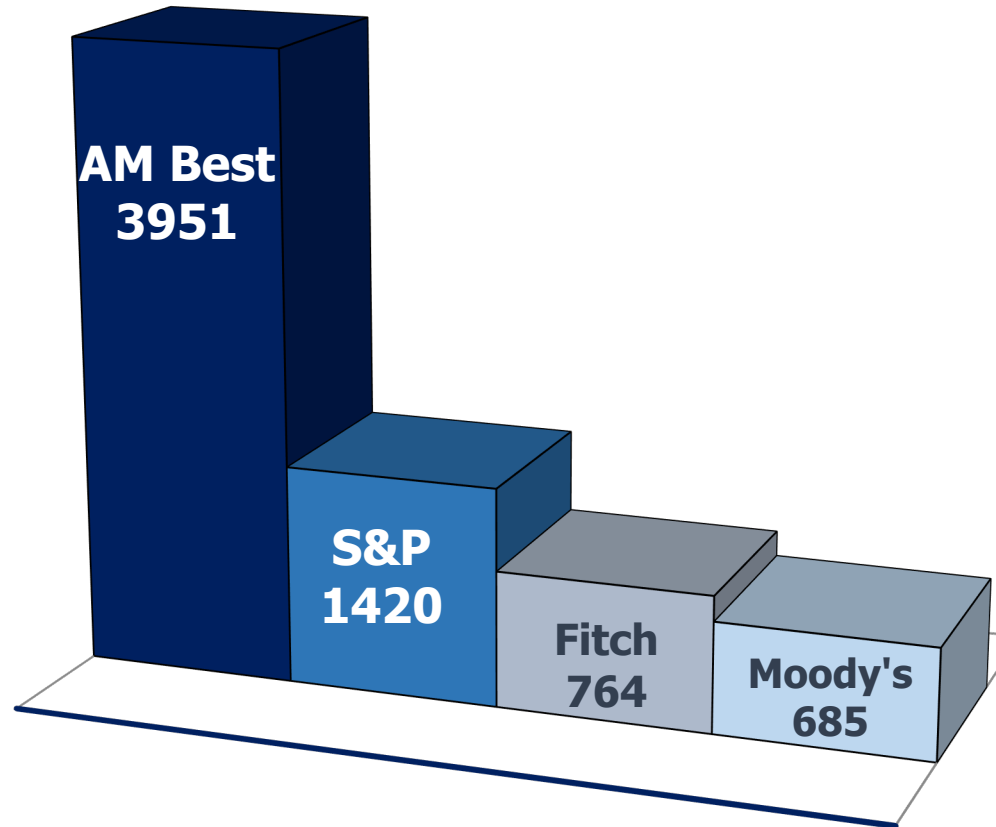
## Insurance specialisation means:

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- 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

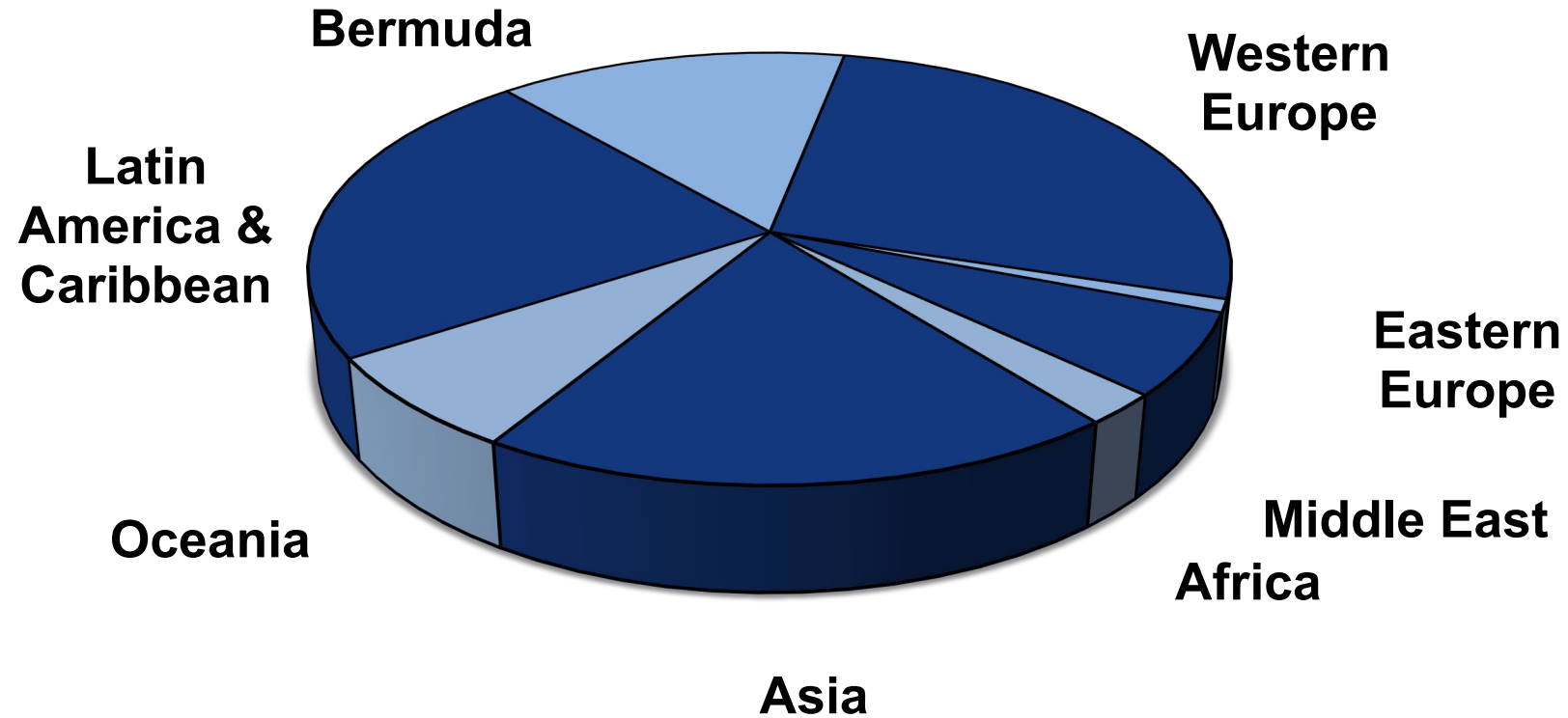
## Global insurer interactive Financial Strength Ratings (FSRs)



Source: AM Best , S&P, Moody's and Fitch's websites. Data as at December 2024 except for Fitch (2023).

# Best's global ratings coverage

Excl. USA/Canada



Interactive rating relationships with insurers/reinsurers in over 100 countries worldwide

# Why do (re)insurers get rated?

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- 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?

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- 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?

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- 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

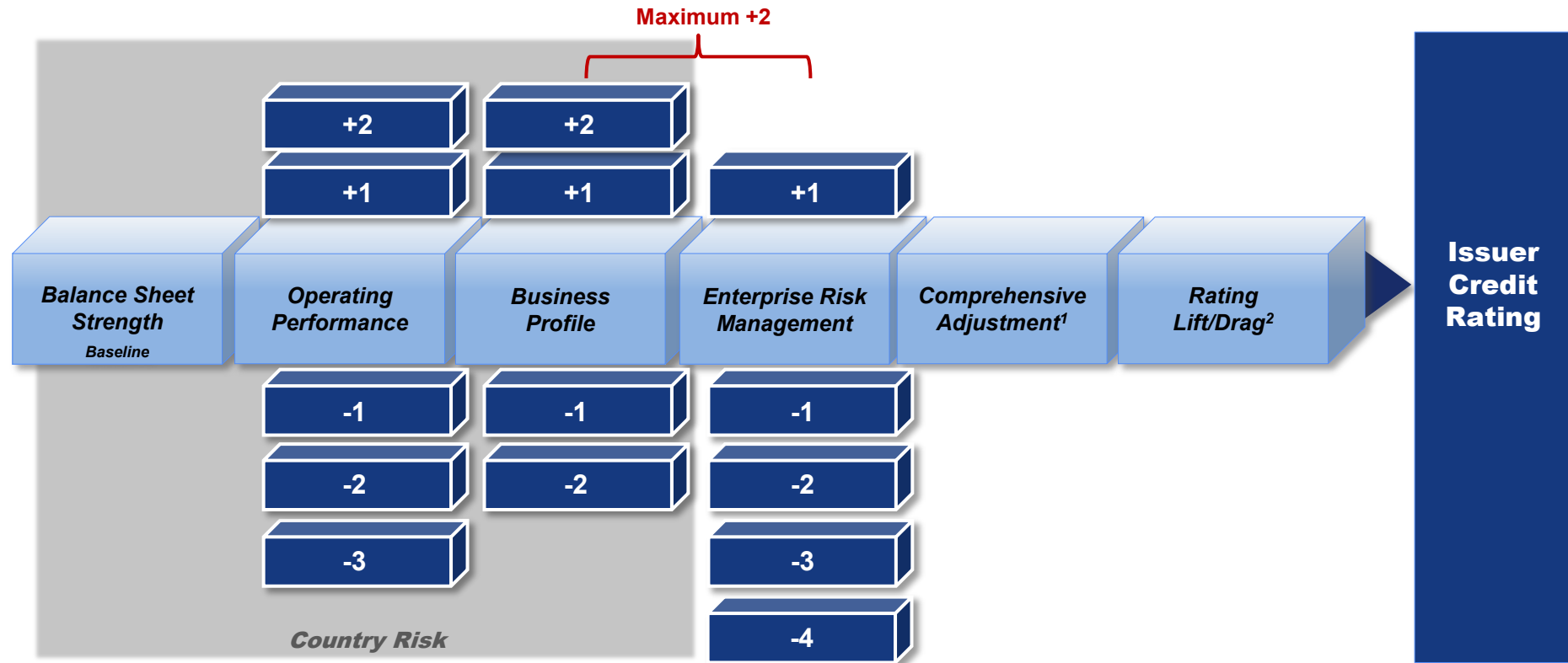
ICR	FSR	ICR	FSR
aaa aa+	A++	bb+ bb	B
aa aa-	A+	bb-	B-
a+ a	A	b+ b	C++
a-	A-	b-	C+
bbb+ bbb	B++	ccc+ ccc	C
bbb-	B+	ccc- cc	C-
		c	D

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

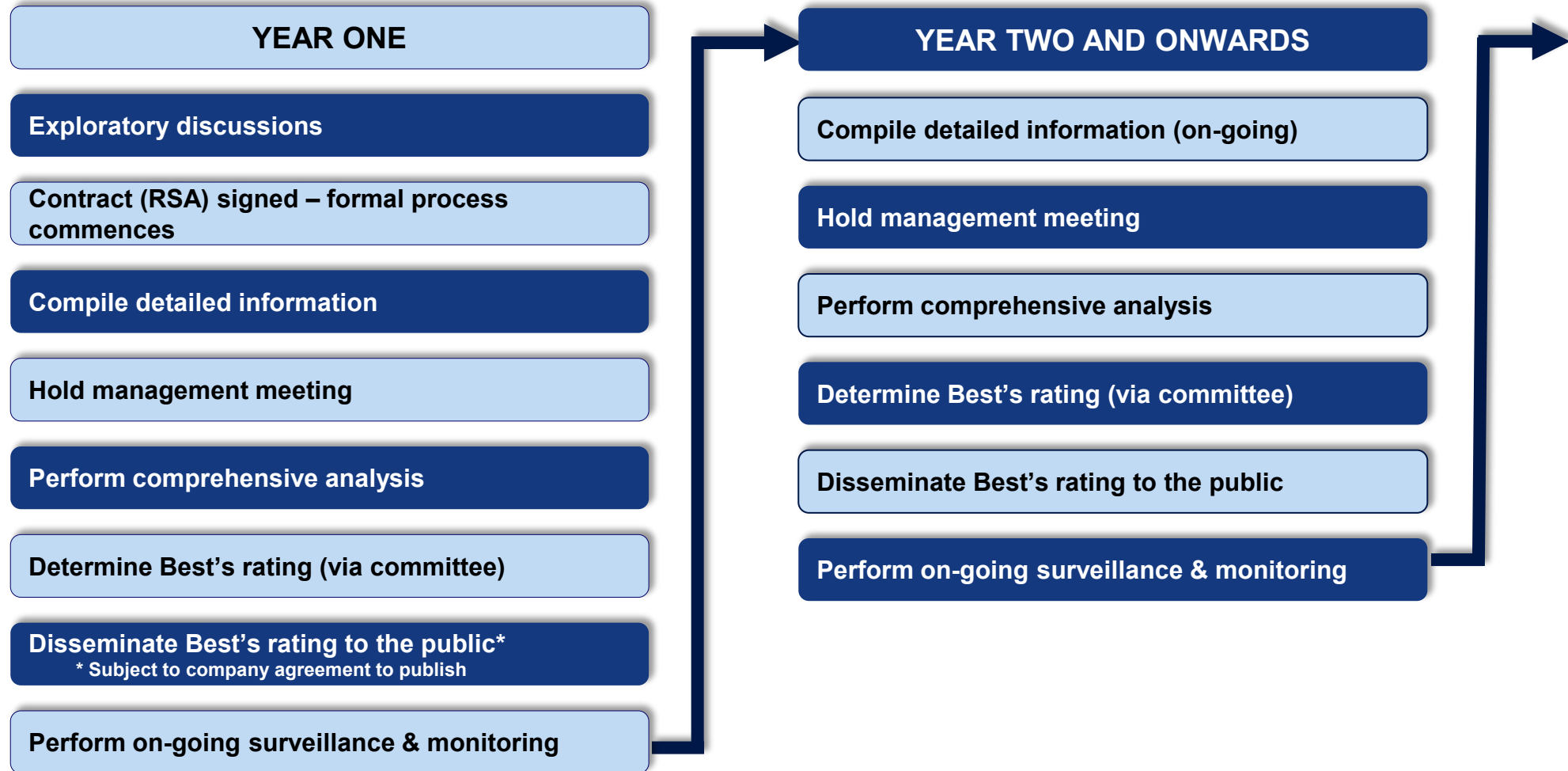


## Best's Credit Rating Methodology (BCRM)

### 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 24 international “Best Rating Agency”  
accolades from 2009-2024**

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