

# Best's Credit Ratings: Captives and Other Alternative Risk Transfer Entities – Sample Information Requests

## Information to Be Furnished

- Annual reports – latest five years, then annually; if the company has recently been established, loss experience and premiums from previous carriers
- Audited financial statements for parent and subsidiary companies (annually)
- Full actuarial reports, when available (annually)
- Corporate structure/organizational chart and history (initially and as changed)
- Management structure and key executive committees (initially and as changed)
- Biographical information on principal officers and board members (initially and as changed)
- Current insurance structure – net retention and policy limits by line of business, primary and excess layers, aggregates
- Operating plan/five-year projections (annually as changed)
- Capital management strategies
- Risk management program
- Investment guidelines/strategies
- Reinsurance program/reinsurance contracts
- Completed Best's Supplemental Rating Questionnaire (completed online annually)
- Underwriting guidelines
- Fronting information – copy of fronting policy/contract including:
  - Name of fronting company, length of policy, policy renewal details, limits, terms and conditions, exclusions, what hazards are covered, etc.
  - Collateral or security requirements of the front and how they are being met by the company
- Any other information requested by AM Best, including but not limited to:
  - Estimated impact (net and gross) from catastrophe or other unusual event
  - Details of changes in ownership, management, products or operations
  - Revised projection of year-end results
  - Plans to mitigate losses and/or correct an identified problem

## Continuing Obligation to Provide Information

Once a Best's Credit Rating has been assigned, the (re)insurer shall be required to provide similar and various other pieces of information to be agreed upon. Some of these information items would be required at periodic intervals (at least quarterly or annually as applicable).

### Notification of Certain Events

Once a Best's Credit Rating has been assigned and for such time as the rating remains current, the (re)insurer shall notify AM Best of any events that:

- May have a material effect on the financial position or business of the (re)insurer.
- May have a material effect upon the (re)insurer's Best's Credit Rating.
- May affect the (re)insurer's ability to meet any obligation pursuant to a contract of (re)insurance.
- Materially impacts, varies from or conflicts with any information previously provided to AM Best.

### Miscellaneous

In connection with its collection of rating information, AM Best will:

- From time to time, solicit clarification and/or additional information by letter, phone or email.
- Meet with senior management and technical staff of the (re)insurer, typically every calendar year, either at the company's offices, AM Best's offices or in some cases at another mutually agreed upon location. This may include video conference options.



Find out more about getting a  
Best's Credit Rating.



Find out more about the  
captive rating process.

[www.ambest.com](http://www.ambest.com)

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