

Best's National Scale Ratings: An Overview

A Best's National Scale Rating (NSR) is a relative opinion of financial strength among companies within a country.

NSRs were created to address country-specific limiting factors within each country—including economic, political and financial system risks, and other insurance industry factors.

All (re)insurers that enter AM Best's NSR process are first assigned a Best's Issuer Credit Rating (ICR), which is an independent opinion of an entity's ability to meet its ongoing financial obligations and is the basis for the NSR.

The NSR is determined using a country-specific ICR-to-NSR mapping table.

Best's National Scale Mapping

Thailand	
ICR	NSR
bbb+ or above	aaa.TH
bbb	aa+.TH
bbb-	aa.TH
bb+	aa-.TH
bb	a+.TH to a.TH
bb-	a-.TH to bbb+.TH
b+	bbb.TH to bbb-.TH
b	bb+.TH to bb.TH
b-	bb-.TH
ccc+	b+.TH to b.TH
ccc	b-.TH to ccc+.TH
ccc-	ccc.TH
cc	ccc-.TH to cc.TH
c	c.TH

Indonesia	
ICR	NSR
bbb+ or above	aaa.ID
bbb	aa+.ID
bbb-	aa.ID
bb+	aa-.ID to a+.ID
bb	a.ID to a-.ID
bb-	bbb+.ID
b+	bbb.ID to bbb-.ID
b	bb+.ID to bb.ID
b-	bb-.ID
ccc+	b+.ID to b.ID
ccc	b-.ID
ccc-	ccc+.ID to ccc.ID
cc	ccc-.ID to cc.ID
c	c.ID

Philippines	
ICR	NSR
bbb+ or above	aaa.PH
bbb	aa+.PH
bbb-	aa.PH
bb+	aa-.PH to a+.PH
bb	a.PH to a-.PH
bb-	bbb+.PH
b+	bbb.PH to bbb-.PH
b	bb+.PH to bb.PH
b-	bb-.PH
ccc+	b+.PH to b.PH
ccc	b-.PH
ccc-	ccc+.PH to ccc.PH
cc	ccc-.PH to cc.PH
c	c.PH

India	
ICR	NSR
bbb+ or above	aaa.IN
bbb-	aa+.IN
bb+	aa.IN
bb	aa-.IN to a+.IN
bb-	a.IN to a-.IN
b+	bbb+.IN to bbb.IN
b	bbb-.IN to bb+.IN
b-	bb.IN to bb-.IN
ccc+	b+.IN
ccc	b.IN to b-.IN
ccc-	ccc+.IN to ccc.IN
cc	ccc-.IN to cc.IN
c	c.IN

Vietnam	
ICR	NSR
bbb- or above	aaa.VN
bb+	aa+.VN
bb	aa.VN to aa-.VN
bb-	a+.VN to a.VN
b+	a-.VN to bbb+.VN
b	bbb.VN to bbb-.VN
b-	bb+.VN to bb.VN
ccc+	bb-.VN to b+.VN
ccc	b.VN to b-.VN
ccc-	ccc+.VN to ccc.VN
cc	ccc-.VN to cc.VN
c	c.VN

Best's Credit Rating Process

The duration from signed contract to ratings announcement is about eight to twelve weeks.

1

Rating Engagement and Contract

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

2

Meet with Company Management

The analytical team develops a tailored meeting agenda and meets with company management to discuss the organisation's operations, strategy, risk management and financial condition, incorporating a host of quantitative and qualitative measures to evaluate financial strength.

3

Compile Information and Perform Analysis

The assigned analytical team collects public and proprietary financial information and data to develop a rating recommendation for the rating committee.

4

Determine Best's Credit Rating

The AM Best rating committee ensures rating consistency and maintains the integrity of the rating process and methodology.

5

Disseminate Best's Credit Rating

If the initial Best's Credit Rating is accepted, it is distributed via the AM Best website, press releases and publications. The company can choose to keep the rating private. Private BCRs are disseminated to the rated entity only.

6

Monitor Best's Credit Rating

AM Best regularly monitors the rating by continually analysing the organisation's creditworthiness.

Mapping Best's ICRs to NSRs

The evaluation of the distribution of financial strength in a country is assessed through nine individual factors:

1. Reported Capital & Surplus
2. Ratio of Cash & Fixed Income Investments to Total Investments
3. Gross Leverage Ratio
4. Gross Premiums Written
5. Return on Equity
6. Return on Assets
7. Retention Ratio
8. Combined Ratio
9. Reported Assets

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