



General Nature of Compensation Arrangements

A.M. Best Rating Services, Inc. and its subsidiary businesses (AM Best) receive credit rating related services fees from the organizations/issuers that it rates, and in certain instances, receives such fees from organizations/issuers that do not result in the issuance of a publicly disclosed service or AM Best credit rating.

AM Best acknowledges that the “issuer-pays” business model, which is common to the major credit rating agencies, gives rise to the perception of a conflict of interest. To alleviate such concerns, AM Best has instituted strict policies and procedures related to its credit rating activities that focus on preserving the integrity, independence and objectivity of the credit rating process. These policies and procedures are outlined in the company’s Code of Conduct and related policies and procedures and are published on our web site at <http://www.ambest.com/nrsro/index.html>.

Within the European Union (EU) and the United Kingdom (UK), all ratings are issued on a “solicited” basis and are governed by contractual relationships that set out the rights and obligations of the respective parties.

Credit Rating Services Fees

All fee proposals in respect of ratings issued in the EU and the UK are generated by Market Development personnel in accordance with a documented pricing policy that seeks to address the EU and UK regulatory requirement for rating fees to be linked to actual costs.

Non-Rating Products and Services Fees

A.M. Best Company Inc. (the parent company of A.M. Best Rating Services, Inc.) and A.M. Best Europe – Information Services Limited, charge subscription fees for non-rating products and services including news services, publications and data products. Pricing for these products and services is available on Best’s website, or by contacting A.M. Best Company’s product sales team at sales@ambest.com. There is no relationship or link between the fees charged for credit rating services and any other services provided to the client by any other entity within the AM Best Group.

Ancillary Services – Performance Assessments Fees

AM Best offers products and/or services, which are not defined as credit rating services, such as performance assessment services, and receives compensation for such non-rating products and services.

