

A.M. BEST EUROPE - RATING SERVICES LTD.

Transparency Report

March 2025

This report is provided in accordance with the UK version of Regulation (EC) 1060/2009, as amended by Regulation (EU) 513/2011 and Regulation (EU) 462/2013, article 12, and Annex 1 Section E. The report covers the 12-month period from the 1 January 2024 to 31 December 2024.



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1. Introduction

AM Best has been producing credit ratings and opinions on the insurance market for over 100 years. AM Best is renowned for its experience and knowledge of the insurance sector and currently provides ratings to circa 3,500 entities in that market.

AM Best remains a privately owned company and as at the date of this report has credit rating operations based in Oldwick (New Jersey), London, Amsterdam, Hong Kong, Singapore and Mexico City.

As at the date of this report, AM Best has regulatory registrations in:

- The USA (A.M. Best Rating Services, Inc. – AMBRS)
- Brazil (AMBRS; A.M. Best América Latina, S.A. de C.V. - AMBAL)
- Guatemala (AMBAL)
- The European Union – (A.M. Best (EU) Rating Services B.V. – AMB-EU)
- The United Kingdom (A.M. Best Europe – Rating Services Limited - AMBERS)
- Dubai International Financial Centre (AMBERS)
- Switzerland (AMBRS)
- Hong Kong (A.M. Best Asia-Pacific Limited – AMBAP)
- Singapore (A.M. Best Asia-Pacific (Singapore) Pte. Limited – AMBAPS)
- New Zealand (AMBAPS)
- Australia (AMBAPS)
- Mexico (AMBAL)
- Kenya (AMBERS)
- Panama (AMBAL)

AMBERS submitted its application for registration as a Credit Rating Agency (CRA) in the European Union (EU) in September 2010 and was subsequently registered on 7 September 2011 by the European Securities and Markets Authority (ESMA) as a CRA under the applicable European legislation. In accordance with the terms of the Withdrawal Agreement between the United Kingdom (UK) and the EU, and further to the end of the Brexit transition period, ESMA ceased to be the supervisor of UK based CRAs (including AMBERS) on 31 December 2020. At this point, the UK Financial Conduct Authority (FCA) assumed supervisory and regulatory oversight of UK registered CRAs and AMBERS was assigned the Firm Reference Number 910017.

The EU CRA Regulation (EC) 1060/2009 (as amended by Regulation (EU) 513/2011 and Regulation (EU) 462/2013) was “on shored” into UK law on Exit Day with the necessary modifications contained in the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019. Throughout this document, this will be referred to as UK CRAR.

The credit ratings issued by AM Best are independent and objective opinions regarding an insurer’s, issuers, or financial obligation’s relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile, and enterprise risk management or, where appropriate, the specific nature and details of a security. Like most other rating agencies, AM Best operates on an issuer pays model, which allows the public to gain free access to the published rating opinions.

The credit rating opinions are forward-looking opinions, rather than a backwards verification of facts. AM Best’s credit ratings are assigned using a number of simple, straight-forward scales, with each scale representing a rank ordering of our opinion of the relative creditworthiness of an insurer, issuer or financial obligation. For example, insurers that are assigned higher credit ratings are deemed to be less likely, in our opinion, to become financially impaired than insurers that are assigned lower credit ratings. While ratings reflect our opinions of relative creditworthiness at the time they are assigned, they are not indicators or predictors of defined impairment or default probabilities with respect to any specific insurer, issuer, or financial obligation. The ratings themselves are opinions of relative credit risk. Therefore, users of ratings should consider the rating assigned to an entity alongside other information to reach an informed opinion.

AMBERS assigns four types of ratings:

- Financial Strength Ratings (FSRs) – These are an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. This type of rating is assigned to insurance companies.
- Issuer Credit Ratings (ICR) – These are an independent opinion of the ability of an issuer or entity to meet its ongoing financial obligations and can be issued on either a long or short-term basis. This rating is assigned to insurance companies and their related holding companies as well as other legal entities authorised to issue financial obligations.
- Issue Credit Ratings (IR) – These are an independent opinion of credit quality assigned to issues that gauges the ability to meet the terms of the obligation and can be issued on a long or short-term basis. An IR assigned to a specific issue is an opinion of the ability to meet the ongoing financial obligations to security holders when due. The IRs are assigned to the securities issued by entities rated by AM Best.
- National Scale Ratings (NSRs) – These are a relative measure of creditworthiness in a specific local jurisdiction that is issued on a long-term basis and derived exclusively by mapping the NSR from a corresponding global ICR using a transition chart. NSRs are assigned to insurance companies, insurance operating holding companies and holding companies, as well as special purpose entities established for the issuance or other financial purpose. AMBERS began offering NSRs in 2023.

Our credit ratings are not a warranty, nor are they a recommendation to buy, sell, hold, or trade any securities or insurance related products. They do not address the suitability of any particular financial obligation for specific purposes or for potential purchasers.

Pursuant to the UK CRAR, a CRA established and registered in the UK may “endorse” ratings from non-UK CRAs that are part of the same Group and where the third country CRA fulfils requirements that are at least “as stringent as” requirements in the UK CRAR. AMBERS endorses selected credit ratings issued by the following affiliated CRA group companies:

- A.M. Best Rating Services, Inc. (Parent company: A Nationally Recognized Statistical Rating Organization domiciled in the United States of America)
- A.M. Best Asia-Pacific Limited (Affiliate company: A licensed entity permitted to provide Credit Rating Services domiciled in Hong Kong)
- A.M. Best Asia-Pacific (Singapore) Pte. Limited (Affiliate company: A licensed entity permitted to provide Credit Rating Services domiciled in Singapore)
- A.M. Best America Latina S.A. de C.V. (Affiliate company: A licensed entity permitted to provide Credit Rating Services domiciled in Mexico)
- A.M. Best (EU) Rating Services B.V. (Affiliate company: A licensed entity permitted to provide Credit Rating Services domiciled in The Netherlands)

Ancillary Product

AM Best has an ancillary product called Performance Assessment (PA) for Delegated Underwriting Authority Enterprises (DUAEs). A DUAЕ is a third-party entity that is appointed by a (re)insurer, through contractual agreements, to perform underwriting, claims handling, and/or administrative functions on behalf of their carrier partners. DUAЕ is a blanket term used to capture Managing General Agents (MGAs), managing general underwriters, cover holders, program administrators, program underwriters, underwriting agencies, direct authorisations and appointed representatives. The PA is a forward-looking, independent, and objective non-credit opinion indicative of a DUAЕ's ability to perform services on behalf of insurance partners. Key components are assessed and assigned points based on the entity's performance, serviceability, and alignment of interests in relation to its business partners.

Contact Information:

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2. Legal Structure & Ownership

2.1 Legal Structure

A.M. Best Europe - Rating Services Limited (AMBERS) is a wholly owned subsidiary of A.M. Best Rating Services, Inc. (AMBRIS). AMBRIS is, in turn, a subsidiary of A.M. Best Company, Inc.

A.M. Best Company, Inc. is a privately owned company incorporated in Delaware, USA and physically based in New Jersey, USA. The shares of A.M. Best Company, Inc. are not admitted for trading on a regulated market.

AMBERS is incorporated in accordance with the laws of England and Wales.

2.2 Board of Directors

As at 31 December 2024, the Directors of AMBERS were:

- Mr. Matthew Mosher (Chairman & CEO)
- Mr. James Gillard (Executive Director)
- Mr. Nick Charteris-Black (Executive Director)
- Mrs. Suzanne Pool (Executive Director)
- Mr. Steven Wilson (Independent Non-Executive Director)
- Mr. Andrew Power (Independent Non-Executive Director)

The Board of Directors currently meets on an approximately quarterly basis, although ad hoc meetings are scheduled as required.

Mr. Matthew Mosher resigned with effect from 31 December 2024, and a new Chairman & CEO was appointed on 1 January 2025. This will be reflected within the Transparency Report for 2025 which will be published in March 2026.

3. Description of Internal Control Mechanisms

AM Best strives to ensure that credit ratings are free from conflicts of interest, are consistent, and are not subject to geographical variations. AMBERS is a separate legal entity based in the UK. However, as part of the AM Best Group, it shares common methodologies and processes.

At a high level, AMBERS internal control mechanisms ensure the quality of its credit rating activities and can be grouped into seven broad headings;

- Management Structure
- Code of Conduct and Policies and Procedures
- The Credit Rating Process
- The Management of Conflicts of Interest
- Performance of Credit Ratings
- Endorsement Assurance Mechanisms
- Internal Control Functions and Frameworks.

3.1 Management Structure

All the Directors of AMBERS have extensive experience in the insurance industry supplemented in most instances with credit rating specific experience gained within the AM Best Group.

3.2 Code of Conduct and Policies and Procedures

AMBERS adheres to the AMBERS' Code of Conduct (AMBERS' Code) which is based on the IOSCO Code of Conduct. The AMBERS' Code sets out the principles under which all AMBERS Directors (Including INEDs), Senior Managers and Employees are expected to operate. The AMBERS' Code is regularly reviewed to take account of changes in legislation on a global basis.

The AMBERS' Code is viewed as the high-level standards and principles against which the company operates. AM Best also has a range of other policies and procedures which provide detailed interpretations of the laws, rules and regulations which govern the ways in which the business operates.

A summary of the policies and procedures used to determine credit ratings can be found [here](#).

The above document provides an overview of the critical quality control role played by Rating Committees and outlines the high-level processes for reviewing methodologies and maintaining ongoing surveillance of published ratings. Within the UK, all ratings are subject to review on at least an annual basis.

The rating process is regulated by the CRPC Policy Framework, which consists of a set of Global Policies and Procedures that seek to ensure that the process is rigorous, properly documented, systematically and consistently applied, and subject to regular review and validation.

More detailed information on rating methodology/criteria for the types of ratings issued by AM Best is available on our website [here](#).

Employees are provided with training and testing on compliance and ratings policies including the management of conflicts of interest. All policies are made available to employees through AM Best's intranet pages and training is provided regarding new or amended requirements.

Analysts are provided with training and are tested on AM Best's credit rating methodology used in the credit rating process.

With the exception of the changes identified in this report, there were no other material changes to the systems, procedures and/or resources during 2024 that require disclosure under point 6 of Section E.I of Annex I of the UK CRA Regulation.

3.3 The Credit Rating Process

The foundation of the interactive credit rating process is an ongoing dialogue with the rated company's management, which is facilitated by AM Best's rating analysts. Each interactively rated entity is assigned to a lead analyst who is supervised by a team leader. The lead analyst is charged with managing the ongoing relationship with company management and performing the fundamental credit analysis prescribed in AM Best's rating criteria. It is the lead analyst's responsibility to monitor the financial and non-financial results and significant developments for each rated entity or issue in their portfolio. While ratings are generally updated on an annual basis, a rating review can take place any time AM Best becomes aware of a significant development that may have an impact on the rating.

This ongoing monitoring and dialogue with management occurs through formal annual rating meetings, as well as interim discussions on key trends and emerging issues as needed. Management meetings afford analysts the opportunity to review factors that may affect the company's rating(s), including strategic goals, financial objectives and management practices.

The dialogue with management continues throughout the rating process which is described in more detail below.

1. Compile Information. The rating assessment begins with the compilation of detailed public and proprietary financial information, including audited annual and quarterly financial statements, regulatory filings, certified actuarial and loss-reserve reports, investment details and guidelines, internal capital models, Own Risk and Solvency Assessment (ORSA) reports, annual business plans and Best's Supplemental Rating Questionnaire (SRQ). The primary rating analyst uses this information to develop a tailored meeting agenda for the annual rating meeting. The annual meeting is a key source of quantitative and qualitative information.

2. Perform Analysis. AM Best's analytical process incorporates a host of quantitative and qualitative measures that evaluate various sources of risk to an organisation's financial health, including underwriting, credit, interest rate, country and market risks, as well as economic and regulatory factors. The analysis includes comparisons with peers, industry standards and proprietary benchmarks, as well as assessments of operating plans, philosophy, management, risk appetite, and the implicit or explicit support of a parent or affiliate.

3. Determine Best's Credit Rating. An initial rating recommendation is developed and subsequently updated by a rating committee. Each rating recommendation is reviewed and modified, as appropriate, through a rigorous committee process that involves analysts and senior rating officers who possess relevant expertise. This committee approach ensures consistency of ratings across different business segments and maintains the integrity of the rating process and methodology. The final rating outcome is determined by one or more rating committees after a robust discussion of the pertinent rating issues and financial data.

Before public dissemination, the rating outcome as well as the principal grounds on which the rating is based is communicated to the company to which it is being assigned. If the company disagrees with the rating and believes that the information on which it was based was incomplete or misunderstood, then the rating can be appealed. If material new information is forthcoming in a timely manner, then the rating committee may reconsider the rating.

4. Disseminate Best's Credit Rating. AM Best's Credit Ratings are disseminated as soon as practicable once the rating process is finalised. The ratings are made available to the public via AM Best's website and through a number of different data providers and news vendors.

5. Monitor Best's Credit Rating. Once an interactive credit rating is published, AM Best monitors and updates the rating by regularly analysing the company's creditworthiness. Analysts continually monitor current developments (e.g. financial statements, public documents, news events) to evaluate the potential impact on a company's rating. Significant developments can result in an interim rating evaluation, as well as modification of the rating or outlook. The primary analyst will typically initiate an evaluation of the rating upon becoming aware of any information that might reasonably be expected to result in a rating action.

AM Best adopts a hybrid working style, with a combination of virtual and in-person engagements. A Flexible Working Policy was implemented in January 2023. All Policies and Procedures and analytical standards continued to be followed and there was no material interruption to AM Bests' operations.

3.4 The Management of Conflicts of Interest

AMBERS operates an "issuer pays" business model in respect of the fees collected in return for the provision of a credit rating. The "investor pays" is the other recognised business model which requires the general investors or users of the ratings to pay a subscription to access company ratings. It is AM Best's belief that whilst both models have an inherent potential conflict of interest risk; the issuer pays model is the better method for making sure that the maximum exposure is given to any specific rating.

AMBERS has initiated a number of processes to manage potential conflicts of interest. These include:

- The adoption of the Code of Conduct based on the IOSCO principles. The Code is regularly updated to keep it current and address evolving risks.
- The adoption of policies and procedures which address and manage conflicts of interest. Every quarter, employees affirm that they are aware of the details contained within the Code of Conduct and that they follow the policies and procedures, particularly with respect to gifts and entertainment, securities trading and ownership and other situations that could cause a real or potential conflict of interest.
- All employees are offered training at least annually on the Code of Conduct and various internal policies and procedures which includes the management of conflict of interest.
- Employees are expected to take and pass annual tests regarding internal compliance policies and procedures.
- The business model operated by AMBERS separates the commercial aspects of providing a rating from the analytical process. The Code of Conduct expressly prohibits analytical employees from any knowledge of the commercial terms between the company and a rated entity.
- The working environment of AMBERS' analytical staff is physically separated from that of all other employees.
- The rating process ensures that any potential conflicts of interest are declared at the outset of the ratings' determination and analysts declare whether they have any potential conflicts of interest before joining any rating committee.
- The rating decision reached is that of a committee rather than the judgment of any single individual.
- When an analyst leaves the employment of AM Best to work for a rated entity, a look-back review is conducted to make sure that the analyst did not exert any undue influence on the decision of the rating committee for that entity.
- The compensation for analysts does not contain any element for the retention or acquisition of business.

The Compliance Officer actively monitors the potential and actual conflicts of interest that may occur within the business and reports his findings to the AMBERS' Board.

3.5 Performance of Credit Ratings

AM Best provides annual performance measurement statistics associated with Financial Strength Ratings, Issuer Credit Ratings, and Issue Credit Ratings. The performance measurement statistics are based on public and private ratings associated with individual US and non-US operating insurance companies. Consequently, AMBERS believes the results are applicable to its rated population given the consistent global application of rating criteria. The applicable periods for the performance statistics are the most recent 1-year, 3-year and 10-year periods all ending on 31 December in the prior calendar year.

Performance measurement statistics are updated annually at the end of the first quarter, and these are made available on AM Best's website. These performance measurement statistics display the following ratings transition data for the various rating types:

- a) 1-year ratings transition matrix and 1-year impairment/default rate for each rating level;
- b) 3-year ratings transition matrix and 3-year impairment/default rate for each rating level,
- c) 10-year ratings transition matrix and 10-year impairment/default rate for each rating level.

The most recently available performance measurement statistics can be found [here](#).

AM Best, along with credit markets in general, deems a non-insurer issuer default as having occurred when an issuer misses interest or principal payments on its obligations, restructures its debt in a way that is deleterious to investors, or files for bankruptcy.

For the purposes of presenting credit ratings performance measurement statistics consisting of credit rating transition and default rates "Form NRSRO: Exhibit 1 Rating Performance Measurement Statistics" ([Exhibit 1](#)), AM Best classifies an entity as in default if the entity was assigned any of the following non-rating designation symbols: ("d"); ("e" or "E"); or ("f" or "F").

For the purpose of tabulating impairment rates for insurers, AM Best designates an insurer as a Financially Impaired Company (FIC) upon the public placement of a company, via public court order or other international equivalent, into conservation, rehabilitation and/or insolvent liquidation. Supervisory actions undertaken by Insurance Department regulators without court order are not considered impairments for purposes of compiling Exhibit 1 statistics unless clear direction is given by the regulator to delay or limit policy or contract payments.

There are a number of regulatory oversight actions that may be taken with respect to troubled insurers in which court orders are not sought, such as required company action plans, various forms and levels of supervision, and licensure actions. Companies may be subject to these insurance department orders and actions on multiple occasions, particularly in certain jurisdictions, and while these regulatory actions suggest concern and impose constraints, they are not necessarily indicative of an insurer's inability to meet its ongoing policy and contract obligations.

Additionally, companies that enter voluntary dissolution and are not under financial duress at that time are not counted as financially impaired.

3.6 Endorsement Assurance Mechanisms

On 31 December 2020, AMBERS ceased to be regulated by ESMA and became FCA registered. The FCA have continued to apply all of the standards and guidelines introduced by ESMA prior to this date. AM Best operates using a single global policy framework. AM Best has undertaken a gap analysis exercise to validate that policies and procedures are "as stringent as" the requirements of the CRAR.

Additionally, AMBERS introduced an Endorsement Procedure that captures ongoing assurance mechanisms aimed at ensuring that the endorsed ratings comply with the required standards. This procedure, which sets out the process for endorsing ratings into the UK, was last updated in October 2024.

Assurance is provided through three key steps:

- Ongoing verification that the Policies and Procedures employed by the third country CRA meet appropriate standards;
- Analysis of a range of Management Information to enable the AMBERS Compliance Officer to monitor compliance on an ongoing basis; and
- Specific assurance testing by both the AMBRs and AMBERS Compliance function.

On an annual basis, the AMBERS Compliance Officer produces a report for the AMBERS Board that provides an overview of the activity performed to demonstrate compliance with ESMA's endorsement guidelines. The 2024 report was completed in December 2024 and did not identify any material concerns.

3.7 Internal Control Functions and Frameworks

3.7.1 Cross Jurisdictional Management Support Functions

In the interest of consistency AM Best looks to utilise centralised functions wherever it is most appropriate to do so. The function responsible for the production of methodologies and models is centralised in AM Best's Head Office in Oldwick, New Jersey.

3.7.2 Credit Rating Policy Committee

The Credit Rating Policy Committee (CRPC) is the global operating committee responsible for overseeing the establishment, maintenance, appropriateness and documentation of AM Best's global policy, procedures, methodology, criteria procedures and models pertaining to the production of credit ratings. The committee is independent of the business lines that are responsible for the determination of credit ratings, sales/marketing activities and compliance. Members of the CRPC possess appropriate expertise in the credit rating process (and/or related disciplines) as to be able to provide sufficient knowledge to execute the committee's responsibilities. The CRPC is responsible for overseeing the ongoing review of Best's Rating Methodology (BRM) items (i.e. methodologies, criteria procedures and/or models) and CRPC policies and procedures. This process of ongoing review seeks to ensure that the rating process employed by AM Best is at all times rigorous, properly documented, effectively communicated and systematically and consistently applied.

3.7.3 Methodology Advisory Committee (MAC)

The Methodology Advisory Committee is the global forum which reviews and provides independent oversight of the establishment, maintenance and appropriateness of the Company's global credit rating methodology, procedures, and models. The AM Best Rating Services (AMBRs) Board is the approving authority for global credit rating methodology, procedures, and models, and as such, takes into account comments from MAC. This Committee also provides independent oversight to the work of the Credit Rating Policy Committee (CRPC). The membership of MAC includes the two AMBERS' INEDS.

3.7.4 Audit and Risk Committee (ARC)

The Audit and Risk Committee (ARC) is a global oversight body that assists the AM Best Boards of Directors with the oversight of the Group's internal controls framework, which includes the Group's internal audit and risk management programs. The Committee ensures these programs are reasonable and effective for the identification and management of risk and the oversight of internal controls. While each Board of Directors retains ultimate responsibility for ensuring effective internal controls and the management of risk within that entity, the Committee provides advice and perspective to the Boards by adopting a holistic and group wide view of the firm and its material risks. Each local Board reserves the right to commission an independent review of internal controls, including Committee activities.

3.7.5 Compliance

The Compliance function is responsible for assessing the Group's compliance with AMBRs Code of Conduct, and policies and procedures on a global basis. The Group's Compliance Officers are responsible for identifying potential and actual conflicts of interest, and assisting the Group in managing and, where possible, eliminating these conflicts.

The Chief Compliance Officer operates from the Group's Head Office in Oldwick, New Jersey, USA. Compliance for the UK office is handled by the AMBERS Compliance Officer who operates independently of business management and provides regular reports to the AMBERS Board to apprise the Directors of the efficacy of compliance arrangements in accordance with the Annual Compliance Plan. This includes, but is not limited to, providing updates on:

- Compliance monitoring activity conducted on a global and local basis where necessary.
- Any identified compliance issues.
- Any regulatory interactions in the reporting period.
- Changes to policies and procedures; and
- Progress being made to deliver the Annual Compliance Plan.

AMBERS has a whistle-blowing policy in place, and it is responsibility of the Compliance Department to investigate any issues raised through this channel.

4. Statistics regarding Staff Allocation

The table below lists the number of staff employed by AMBERS as at 31 December 2024.

Staff Type	Number
Rating Analysts	19
Credit Rating Criteria Support Staff	3
Credit Rating Support Staff	5
Other Support Staff (e.g., HR, Market Development, Finance, Compliance etc.)	37 ¹
Total	64
Senior Management ² (Senior Managing Director Internal Operations, Senior Director - Head of Analytics, Managing Director Market Development, Senior Managing Director and Chief Finance Officer (ex-Americas), Managing Director International Compliance (ex-Americas))	5

As outlined earlier in this report, methodology and model appraisal is undertaken by AM Best's Credit Rating Policy Committee based in AM Best's US Head Office.

All AMBERS analysts are involved in both new and existing ratings and are solely allocated to corporate ratings (and associated securities) of insurance companies. AMBERS does not issue either structured finance or sovereign ratings.

¹ Includes one maternity cover and two fixed term contract employee.

² From the total 64 Staff, 5 are deemed as Senior Management which excludes AMBERS CEO who is a Director of AMBERS but is employed by an affiliate AM Best Rating Services Company.

5. Record Keeping Policy

The record keeping requirements for AMBERS are governed by AM Best's globally applicable record keeping and retention policy. The purpose of having a centrally administered policy is to allow AM Best to present a single standard which is understood by all employees.

The policy classifies documents according to whether the documents themselves are central to the procedures and determinations of rating decisions, refer to the commercial relationships with our clients, or are documents that AM Best retains to satisfy its legal and regulatory obligations.

Details of AM Best's Credit Rating Division record keeping policy and procedures can be found [here](#).

6. Review of the Compliance Function

The AMBERS Board has conducted an internal assessment of its compliance function and has concluded that the company's compliance arrangements are operating effectively and with the appropriate degree of independence.

In helping to form this opinion, the results of an in-house review of the Compliance function undertaken by AM Best's Governance team were considered. Furthermore, the AMBERS Board commissioned a targeted internal audit review on Regulatory Reporting. Neither internal audit reviews found any areas of material concern.

7. Description of Management and Analyst Rotation Policy

7.1 Management

AM Best ratings cover approximately 3,500 insurance companies globally throughout the Americas, Europe, Middle East and the Asia-Pacific region, with offices in the U.S., London, Amsterdam, Hong Kong, Dubai, Mexico City and Singapore.

AMBERS' Chief Executive Officer (CEO) and Chairman, Mr. Matthew Mosher, is also the CEO of A.M. Best Rating Services, Inc. and AMB-EU. Mr. Mosher is responsible for leading the development and execution of the AMBERS strategy and setting the appropriate "tone from the top" to help ensure AMBERS operates effectively, consistently and in line with the expectations of key stakeholders including, but not limited to, regulatory authorities and the users of ratings.

Reporting to Mr. Mosher, are a number of Senior Managers responsible for areas including Analytical Services, Market Development, Finance, Operations and Compliance. Where appropriate, these reports have dotted reporting lines into equivalent Group personnel based in the US, which enables potential issues / conflicts of interest to be escalated and mitigated.

NB. Mr. Mosher resigned from AM Best with effect from 1 January 2025. Further to this decision, structural changes took effect from 1 January 2025 to fill the vacancies caused by Mr. Mosher's departure. This report captures the position as of the 31 December 2024 and the subsequent changes will be captured in the 2025 Transparency Report that will be published in 2026.

7.2 Rotation Policy

AM Best Global Rotation Procedure (CRPC Control Procedure 2A: READ Function Staffing & Rotation) captures the following requirements:

- a) The lead Rating Analyst will have a maximum of four years' interaction with an assigned rating entity / issuer or its related third parties at which time the rating will be reassigned.
- b) The required cooling off period for any employee who reaches the maximum interaction time frame is two consecutive years. During the cooling-off period, analysts cannot be involved in credit rating activities, meaning they cannot be assigned as a Rating Analyst or Reviewer, are not to conduct surveillance, and cannot vote in rating committees for the entity.

It is the responsibility of the AMBERS Analytical function to track and enforce compliance with the above requirements.

With respect to endorsed ratings, the headcount of AMB-EU, AMBAP, AMBAPS and AMBAL, per individual entity, is significantly lower than the 50 FTE threshold set in the CRAR. As such, those entities are exempt from the analytical rotation requirements, but still aspire to comply, where possible, with the rotational benchmarks captured in the internal Rotation Procedure.

For AMBRS (US), FTE is above the 50 FTE threshold. As such, AMBRS is covered by the requirements below as outlined in the Rotation Procedure:

- a) The lead Rating Analyst will have a maximum of six consecutive years' interaction with an assigned rated entity/issuer or its related third parties at which time the rating will be reassigned.
- b) The Reviewer will have a maximum of seven consecutive years' interaction with an assigned rated entity/issuer or its related third parties at which time the rating will be reassigned.

8. Financial Information

8.1 Revenue of AMBERS

In 2024, AMBERS total turnover was £11,184,238. Turnover represents the total value of fees earned in the year, excluding value added tax. Revenue is earned by recognising fees throughout the period of service under the rating service agreement. Any billed fees unearned at the year-end are held in the balance sheet as deferred revenue. AMBERS has one ancillary service, PA for DUAEs, which generated a total revenue of £51,700 equating to 0.46% of AM Best total revenue for 2024.

As outlined earlier in this report, AMBERS does not provide sovereign or structured finance ratings. As such, all its ratings revenue is attributable to corporate ratings related to the insurance sector.

No single rated entity or related third party accounted for more than 5% of AMBERS' revenue.

During 2024, AMBERS provided ratings to organisations based within the United Kingdom, Europe, the Middle East and Africa. Based on the location of the entity billed, AMBERS' revenue can be assigned as follows:

United Kingdom – 17%

Non-United Kingdom – 83%

Please note that AM Best does not charge clients to endorse ratings into the UK.

9. Corporate Governance Statement

The UK CRAR Annex I Section E Paragraph 8 requires Credit Rating Agencies to provide a governance statement within the Transparency Report in accordance with the UK provisions which implemented Article 20(1) of Directive 2013/34/EU. As a subsidiary of a privately owned company, AMBERS is exempt from Article 20(1).

However, in the interests of transparency, AMBERS makes the following disclosures:

9.1 Corporate Code of Conduct

As a privately owned company, AMBERS is not subject to any mandatory corporate governance code in the United Kingdom. However, as outlined in section 3.2 of this report, AMBERS adheres to the AMBERS' Code of Conduct based on the IOSCO Code of Conduct. The Code sets out the principles under which all AMBERS Directors (Including INEDs), Senior Managers and Employees are expected to operate. The Code is regularly reviewed to take account of changes in legislation on a global basis.

AM Best's Code of Conduct can be accessed [here](#).

In addition, AMBERS has implemented a Governance Manual setting out the various roles and responsibilities within the company. The AMBERS Board is committed to reviewing its governance processes and updating the Governance manual on at least an bi-annual basis.

9.2 Share Ownership

As described in Section 2.1 above, AMBERS is a privately owned company with all its shares held by A.M. Best Rating Services, Inc. (AMBRIS). AMBRIS is in turn 100% owned by A.M. Best Company, Inc. a privately owned company incorporated in Delaware, USA but physically based in New Jersey, USA.

As at the date of this report, the AMBERS Board consists of four executive directors and two INEDs.

The CEO & Chairman of the Board is also the 'Nominated Director'. Under the Company's Memorandum and Articles of Association, the Nominated Director is appointed by the shareholder and carries additional voting powers in the Board process. Specifically, no Board resolution is valid unless the Nominated Director supports the Board's majority decision. Whilst the Nominated Director is unable to mandate a particular course of action without the backing of the Board as a whole, his voting rights do enable him to veto any proposal supported by the other members of the AMBERS Board. To date, there has been no instance where the Nominated Director has exercised this right of veto.

Directors of the Company can be appointed by the shareholders or by the Board when casual vacancies arise. Executive Directors have no fixed term of office and there is no retirement and re-appointment by rotation. AMBERS' INEDs are appointed for a fixed five-year period with no renewal.

Names of the current Board members as at 31 December 2024 are included within Section 2.2, above.

END