

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Financial Strength Ratings

| | Rating | Descriptor | Definition |
|-------------------|---------|------------------------------|---|
| Secure | A++, A+ | Superior | Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations. |
| | A, A- | Excellent | Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations. |
| | B++, B+ | Good | Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations. |
| Vulnerable | B, B- | Fair | Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions. |
| | C++, C+ | Marginal | Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions. |
| | C, C- | Weak | Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions. |
| | D | Poor | Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions. |
| | E | Under Regulatory Supervision | Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations. |
| | F | In Liquidation | Assigned to companies placed in liquidation by a court of law or by a forced liquidation. |
| | S | Suspended | Assigned to rated companies when sudden and significant events affect their balance sheet strength or operating performance and rating implications cannot be evaluated due to a lack of timely or adequate information. |

Rating Modifiers

| Modifier | Descriptor | Definition |
|----------|--------------|---|
| u | Under Review | Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications. |
| pd | Public Data | Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010) |
| s | Syndicate | Indicates rating assigned to a Lloyd's syndicate. |

Outlooks

Indicates potential direction of a Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.

| | |
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| Positive | Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level. |
| Negative | Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level. |
| Stable | Indicates low likelihood of a rating change due to stable financial/market trends. |

Affiliation Codes

Indicates rating is based on a type of affiliation with other insurers.

| | | | | | |
|---|-------|---|--------|---|-----------|
| g | Group | p | Pooled | r | Reinsured |
|---|-------|---|--------|---|-----------|

Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at www.ambest.com.

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