

A.M. Best Company Customer Notification: **A.M. Best to Cease Publishing Best's Credit Ratings on Consolidated Data Records**

Effective second quarter of 2012, A.M. Best Company will publish Best's Credit Ratings only on legal entities and will no longer publish ratings on consolidated data records (such as A.M. Best Groups and Subgroups) created as part of the rating process. All insurance company ratings that are based on these consolidated data records will remain unchanged.

Consolidated data records reflect A.M. Best's internal consolidation of statutory financial statements filed by affiliated U.S. property and casualty insurers. Once created, these consolidations are used for analytical purposes. While these records are associated with legal insurance entities, they are analytically based and do not represent the legal entities themselves. Therefore, the ratings on these analytical records will no longer be published.

This change will benefit our customers by making it easier to distinguish between what is a legal entity (a "real" company) and what is a data record (an A.M. Best consolidated record or a consolidated financial statement). This change will also help clarify the way that companies are identified by eliminating duplicate and/or similar names and other potential sources of confusion. This action will also address various regulatory inquiries regarding the rationale behind publishing ratings on non-legal entities.

The process of eliminating ratings on consolidated data records began early in 2010 as ratings of newly created data consolidations were not published externally. With the elimination of published ratings on non-legal entities, insurance ratings will be published only on insurance companies that issue policies and bear some form of underwriting or credit risk. Additionally, for companies outside the U.S., a consistent standard will be applied to determine the legal entity on which the rating will be published. A.M. Best will also place a greater emphasis on legal entities on our Web site and within our products.

While A.M. Best will no longer publish ratings on consolidated data records, users of our products will still have the ability to access and compile data associated with these records, as we will continue to publish the records, with their respective AMB Number and Name. Customers will continue to have access to data from all affiliated insurance companies that are assigned the Best's Credit Rating and Financial Size Category (FSC) of the group based on the consolidated data record.

At A.M. Best, we continually seek to adapt our analytical approach to meet the needs of today's marketplace. This change represents the latest step in that ongoing effort. If you have questions or need more information, please contact Customer Service at (800) 424-2378 or (908) 439-2200, ext. 5742.



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