

October 5, 2018

GUIDE TO PROPER USE

Best's Credit Rating, Best's Financial Size
Category, Public Preliminary Credit Assessment,
Best's Credit Reports, Best's Rating Reports,
Rating Rationale, Press Release and BestMark



I. Introduction

This document outlines the proper use of A.M. Best Rating Services, Inc.'s (AM Best) proprietary information, specifically a Best's Credit Rating, Best's Financial Size Category, public Preliminary Credit Assessment, Best's Credit Report, BestMark, Best's Rating Reports, Rationales and Press Releases. It is intended as a guide and does not supersede any existing contracts or licensing agreements.

All queries regarding the use of proprietary information or to obtain a letter of consent should be directed to:

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Office of Intellectual Property
Ambest Road
Oldwick, New Jersey 08858
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Phone: +1 908-439-2200, extension 5644

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II. Use of a Best's Credit Rating

Best's Credit Ratings (BCRs) include Financial Strength Ratings (FSRs), Issuer Credit Ratings (ICRs) and Issue Credit Ratings (IRs). AM Best publicly discloses BCRs on its website, which are used by rated companies, insurance professionals, distributors, consumers and other financial market participants around the world. BCR is a registered trademark of A.M. Best Company, Inc.

A company rated by AM Best can request its distribution channel(s) be permitted to display its BCR. AM Best will grant these requests as long as the distribution channel (e.g., agent or broker) is licensed by and/or has a contractual right to sell policies for that company. Please contact the Office of Intellectual Property to obtain a letter of consent.

Companies have the option of displaying only the FSR, only the ICR or IR, or the FSR along with the ICR and/or IR. In general, a BCR can be communicated verbally and/or in print or electronic format. Any use must be in accordance with the following guidelines:

All references to BCRs should include:

- proper attribution, whether referenced in print, on the internet or verbally on the radio, television or internet (e.g., "ABC Company has a Best's Credit Rating of A+" or "ABC Company is rated A+");
- a print/date stamp, and wherever possible, the phrase: "For the latest rating, access www.ambest.com" when it appears in *print media* (e.g., brochures, magazines, newspapers) – publishing in a dated periodical (e.g., newspapers, magazines, and professional journals) typically satisfies this guideline; and/or,
- an effective date, and wherever possible, the phrase, "For the latest rating, access www.ambest.com" (with the appropriate hyperlink) when a BCR appears in *electronic media* (e.g., internet, intranet).

Acceptable representations of a BCR are the latest assigned letter rating, with or without its Rating Category. The Rating Category can be presented with or without parentheses. For example, FSRs may be displayed as follows:

- rated A+ by AM Best
- rated A+ (Superior) by AM Best
- AM Best: “A+”
- AM Best (A+)
- AM Best A+ rating
- A+ Superior
- A+ (Superior)
- A+ (Superior) by AM Best
- A+ Superior from AM Best
- A+ by AM Best
- “A+” AM Best
- AM Best Rating “A” (Excellent) to “A+” (Superior) with Positive Outlook
- A+ AM Best rated insurer

If the rated company displays its ICR or IR, on a rated security, acceptable representations would be the same as those for FSR above using the ICR or IR “aaa” scale. Additionally, the appropriate Rating Category on the “aaa” scale would need to be substituted.

It is not necessary to present the Rating Category with the letter rating. However, the Rating Category cannot be presented without the letter Rating Symbol. In addition, it is recommended that the rating modifier, for example “u” (under review), or the outlook be included when displaying a BCR.

For companies rated by AM Best and their agents/brokers, any copy/language to be used in connection with the display of a BCR should be submitted to the Office of Intellectual Property for review and approval.

A company rated by AM Best may:

- communicate a BCR verbally and/or in print or electronic format, in accordance with the guidelines noted above;
- display its BCR (in accordance with the guidelines above) in different media:
 - electronic (e.g., intranet, internet)
 - print (e.g., annual reports, advertisements and marketing literature)
 - broadcast (e.g., radio, television, cable and internet);
- compare and contrast its BCR with the BCRs of its competitors during client sales presentations; and/or,
- request that its agents and/or brokers—those who are licensed by and have a contractual right to sell policies for the company—also be permitted to use its BCR as defined above.

An agent or broker may:

- communicate a BCR verbally and/or in print or electronic format in accordance with the guidelines noted above: and/or
- use the ratings, as defined above, of companies rated by AM Best with whom they are licensed and have a contractual right to sell policies upon receipt of a letter/email of consent from an appropriate representative of the rated company and the issuance of a letter of consent by AM Best to post the rating to an agent or broker’s website or inclusion in a brochure.

III. Use of Best's Financial Size Category

AM Best assigns a Best's Financial Size Category (FSC) to each letter-rated company. The FSC is designed to provide a convenient indicator of the size of a company in terms of its most recent cross-checked submission of year-end, first-, second- or third-quarter regulatory surplus and related accounts. Best's FSC is based on reported policyholders' surplus plus conditional or technical reserve funds, such as the asset valuation reserve, other investment and operating contingency funds and miscellaneous voluntary reserves reported as liabilities.

The FSC is represented by Roman numerals ranging from Class I (smallest) to Class XV (largest). The FSC is not part of the BCR and does not have to be displayed alongside the rating.

Acceptable representations of the FSC:

- Financial Size Category of Class XV
- FSC of Class XV
- XV

When displaying the BCR and FSC together, the BCR and the FSC must be kept distinct. For example:

- A+ (Superior), Financial Size Category XV
- A+ (Superior), FSC XV
- A+ (Superior) from AM Best (XV Financial Size Category)
- AM Best rating of A+ (Superior), Financial Size Category of XV
- Rated A+ (Superior) by AM Best with a Financial Size Category of XV

An improper representation would be to insert the FSC between the BCR and the Rating Category. Additionally, the rated company may substitute its ICR for its FSR and utilize the appropriate Rating Category on the "aaa" scale if a Rating Category is being included.

IV. Use of a Public Preliminary Credit Assessment

A Preliminary Credit Assessment (PCA) is an independent, unmonitored, point-in-time opinion, not a statement of fact, on the relative, general credit strengths and weaknesses of an issuer, obligor, security, or a proposed transaction or financing structure primarily based on business plans, term sheets, and the expectations of AM Best relative to the execution of such business plans. While not a BCR, this opinion is expressed using the existing AM Best credit rating scales and may be disclosed publicly and displayed by the requesting entity. Any public dissemination of a PCA opinion will be publicly available for a maximum of 180 calendar days. For additional information on the PCA, please see **Understanding Best's Credit Ratings** at www.ambest.com.

In these cases, all references to the PCA should include:

- proper attribution, whether referenced in print, on the internet or verbally on the radio, television or internet
- the PCA must be displayed with the reference "pca" designating it as such (e.g., ABC Company has a Preliminary Credit Assessment of A+ pca)

- a print/date stamp when the non-rating opinion appears in print media (e.g., brochures, magazines, newspapers)—publishing in a dated periodical (e.g., newspapers, magazines, and professional journals) typically satisfies this guideline
- an effective date when the non-rating opinion appears in electronic media (e.g., internet, intranet)
- as the PCA is not a credit rating, communication of the opinion in any medium must not be presented as a credit rating

V. Use of Best's Credit Report, Best's Rating Report and Rating Rationale

The rated company is provided a copy of its Best's Credit Report, which includes its financial performance, BCR, key performance indicators and detailed analysis. The Best's Credit Report may not be copied for internal or external use. In addition, the Best's Credit Report may not be posted on a company's website or intranet site.

A company may not post its rating rationale to its website. A company can, however, use its rating rationale as long as it is:

- not a select portion that changes the context of the copy; and/or,
- accompanied by its FSR.

The rated company also has the option of a preprinted Best's Rating Report, produced in English and other languages. The Best's Rating Reports and Best's Credit Reports are also available in an online PDF version. To request information on Best's Rating Reports, contact AM Best's Rating Report Services at +1 908-439-2200, ext. 5117 or email rating.reports@ambest.com.

Should a company's BCR change, it should promptly cease distribution of any Best's Rating Report that contains the outdated rating and contact AM Best's Ratings Reports Services team at rating.reports@ambest.com. An agent or broker may be provided a preprinted Best's Rating Report for redistribution to clients by the rated company; however, the report may not be copied.

VI. Use of a Best's Press Release

AM Best issues rating announcements through its website. However, in some cases a secondary republication of the rating announcements is completed via press release which is disseminated through BusinessWire; our AM Best website (www.ambest.com/press and <http://ratings.ambest.com/ratingeventdisclosures.aspx>); BestWire, Best's News Service; and via email to preferred publishers. All BCRs are maintained at www.ambest.com and can be verified using rating search tools.

A rated company can display its BCR by using the AM Best press release in the following ways:

- Link back to the AM Best website for the full press release/rating disclosure;
- Redistribute or post the title of the AM Best press release with a link back to the AM Best website for the full press release/rating disclosure;
- Redistribute copies of the complete AM Best press release (in print or electronic format). Post an electronic copy of the AM Best press release on the rated company's website. In all cases of redistribution and/or website posting, the press release cannot be modified and must be

- presented in its entirety, including the AM Best copyright notice at the end of the press release.
- Extract direct quotes from the press release for use in company materials, like the annual report, marketing materials, etc., but not a select portion that changes the context of the copy.

Please contact the Public Relations staff with any questions.

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VII. Use of BestMark

BestMark provides insurers with an easily recognized image to depict the assigned level of financial strength. This image is customized with an individual company's assigned FSR symbol of B+ or higher, and can be used in print and electronically for offline or online activities.

In print, BestMark is a visual image to consumers and other interested parties showing the company has undergone AM Best's rigorous rating process and has been assigned a BCR. Permission for use of BestMark in print can be obtained by email at bestmarkinsurers@ambest.com, or by contacting AM Best's Office of Intellectual Property, which will provide a letter of consent.

When used in the electronic world, BestMark has added value as an interactive image, linking a rated company's website visitors to its insurer capsule page. Linkage to the capsule page is part of the basic complimentary service, which can be obtained by completing a simple, free online agreement (<http://www3.ambest.com/bestmark/default.aspx>).

A company rated by AM Best may:

- use the BestMark in print; a letter/email of consent from AM Best will follow the request;
- use the BestMark in electronic format (e.g., internet or intranet) after completing a free online agreement; and/or,
- request its agents and/or brokers—who are licensed by and have a contractual right to sell policies for that company—also be permitted to use its BestMark.

An agent or broker may have limited rights to use, convey or otherwise promote the BestMark of a company with which a contractual arrangement is maintained. Upon receipt of a letter/email of consent from an appropriate representative of the rated company, the issuance of a letter of consent by AM Best can be completed. Requests should be made directly to the rated company, which then can contact AM Best.