

GUIDE TO BEST'S CREDIT RATINGS

A Best's Credit Rating is an independent opinion based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile and, where appropriate, the specific nature and details of a rated debt security. Best's Credit Ratings are not a warranty of a company's ability to meet its ongoing financial obligations.

Financial Strength Ratings

A Best's Financial Strength Rating (FSR) is an opinion as to an insurer's financial strength and ability to meet its ongoing obligations to policyholders.

	Rating	Descriptor
Secure	A++, A+	Superior
	A, A-	Excellent
	B++, B+	Good
Vulnerable	B, B-	Fair
	C++, C+	Marginal
	C, C-	Weak
	D	Poor
	E	Under Regulatory Supervision
	F	In Liquidation
	S	Suspended

A Best's Long-Term Issuer Credit Rating (ICR) is an opinion as to the ability of the issuer to meet its ongoing senior financial obligations. A.M. Best also assigns Issuer Credit Ratings to insurance companies using its Long-Term Credit Rating Scale. The definitions applied to insurance companies that are assigned a long-term Issuer Credit Rating are as follows: (aaa) - Exceptional; (aa) - Superior; (a) - Excellent; (bbb) - Good; (bb) - Fair; (b) - Marginal; (ccc and cc) - Weak; (c) - Poor; (rs) - Regulatory Supervision/Liquidation. The (nr) designation may be assigned to insurers that were previously rated.

A.M. Best may also assign Short-Term Issuer Credit Ratings to certain insurance companies using its Short-Term Credit Rating scale.

Rating Modifiers		Affiliation Codes	
"u"	Under Review	"g"	Group
"pd"	Public Data	"p"	Pooled
"s"	Syndicate	"r"	Reinsured

Not Rated Categories (NR)

NR-1	Insufficient Data
NR-2	Insufficient Size and/or Operating Experience
NR-3	Rating Procedure Inapplicable
NR-4	Company Request
NR-5	Not Formally Followed

Long-Term Issuer Credit, Bank Deposit and Debt Ratings

A.M. Best uses its long-term credit rating scale when assigning:

- **Debt Ratings** (an opinion as to the issuer's ability to meet its financial obligations to security holders when due);
- **Issuer Credit Ratings** (an opinion as to the ability of the issuer to meet its ongoing senior financial obligations) and
- **Bank Deposit Ratings** (an opinion as to a bank's ability to meet its ongoing obligations to depositors).

	Rating	Descriptor
Investment Grade	aaa	Exceptional
	aa	Very Strong
	a	Strong
	bbb	Adequate
Non-Investment Grade	bb	Speculative
	b	Very Speculative
	ccc, cc, c	Extremely Speculative
	d	In Default

Ratings from "aa" to "ccc" may be enhanced with a "+" (plus) or "-" (minus) to indicate whether credit quality is near the top or bottom of a category, and a ("u") modifier for Under Review.

Ratings prefixed with an ("i") denote indicative ratings. Issuer Credit Ratings may also be assigned a ("pd") modifier, which indicates that a company does not subscribe to A.M. Best's interactive rating process. A.M. Best may also assign the ("rs") designation, which indicates that a company is under regulatory supervision or liquidation.

Short-Term Issuer Credit and Debt Ratings

A.M. Best uses its short-term credit rating scale when assigning:

- **Debt Ratings** (an opinion as to the issuer's ability to meet its obligations having maturities generally less than one year) and
- **Issuer Credit Ratings** (an opinion as to the ability of the issuer to meet its senior financial commitments on obligations maturing in generally less than one year).

	Rating	Descriptor
Investment Grade	AMB-1+	Strongest
	AMB-1	Outstanding
	AMB-2	Satisfactory
	AMB-3	Adequate
Non-Investment Grade	AMB-4	Speculative
	d	In Default

A company's Short-Term Credit Rating also may be assigned an Under Review modifier ("u") that generally is event-driven (positive, negative or developing) and indicates that the company's Best's Rating opinion is under review and may be subject to near-term change. Ratings prefixed with an ("i") denote indicative ratings.

Not Rated (nr)

The (nr) designation may be assigned to issuers or issues that were previously rated.

Rating Outlook

Best's Credit Ratings (A++ to D, aaa to c) are assigned a Rating Outlook that indicates the potential direction of a company's/issue's rating for an intermediate period, generally defined as the next 12 to 36 months. A.M. Best does not assign Public Data Ratings to Bank Deposit or Debt Ratings. Financial Strength and Issuer Credit Public Data Ratings are not assigned an Outlook. Rating Outlooks are as follows:

Positive	Indicates a company's financial/market trends are favorable, relative to its current rating level, and if continued, the company has a good possibility of having its rating upgraded.
Negative	Indicates a company is experiencing unfavorable financial/market trends, relative to its current rating level, and if continued, the company has a good possibility of having its rating downgraded.
Stable	Indicates a company is experiencing stable financial/market trends and that there is a low likelihood that its rating will change in the near term.