

Sample: AMB Credit Reports – Business Professional

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AMB Credit Report - Business Professional

00000 Sample Insurance Company

As of August 20, 2007

Company Information

123 Main Street
Suite 2000
Anytown, NJ 12345

Telephone: **555-123-4567**
Fax: **555-123-4567**
Web: www.company.com

Top Officer: **Jane Doe**
Top Officer's Title: **President & CEO**
Secretary: **John Doe**

A.M.Best Number: **00000**
NAIC Number: **00000**
FEIN Number: **00000000**

History: Sample Insurance Company began business in 2001.


Licensing: The company is licensed in New York.

Best's Ratings

Financial Strength Ratings

Rating: **A+ p (Superior)**
Affiliation Code: **p (Pooled)**
Financial Size Category: **IX (\$250 Million to \$500 Million)**
Outlook: **Stable**
Action: **Affirmed**
Effective Date: **5/11/2007**

Issuer Credit Rating

Long-Term: **aa-** 
Outlook: **Stable**
Action: **Assigned**
Effective Date: **5/11/2007**

Previous FSR Rating Event

A+ p (Superior) 4/18/2006

Security Ratings

No data available

Rating Rationale

AMB Credit Reports – Business Professional are ideal for non-insurance professionals and are available for \$35 on the A.M. Best Web site.



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Rating Rationale

The following text is derived from the report of Sample Group.

Rating Rationale: The rating and outlook reflect the group's favorable risk-adjusted capitalization, improved operating performance and strong market presence in the New York State insurance market. These positive attributes are partially offset by the group's single state risk concentration which exposes its results to competitive market pressures, legislative and regulatory environment changes. Despite these factors, A.M. Best considers the group favorably positioned and sufficiently capitalized to meet these challenges.

The group's positive attributes are derived from management's local market expertise, disciplined underwriting approach and conservative operating strategies. Ranked as the largest regional writer of personal lines automobile and homeowners insurance in the state of New York, the group further benefits from its long-standing agency relationships. In recent years, favorable earnings have been attributed to advanced rating models, management's aggressive position on fraud and ongoing underwriting discipline. These attributes are supported by a prudent reinsurance program to effectively manage weather-related exposures. Although the gross catastrophe exposure from a 100-year hurricane event is high as depicted in a probable maximum loss (PML) analysis, the net after-tax PML has been reduced to a moderate level of less than 10% of surplus.

Deterioration in prior year earnings was mostly attributed to unfavorable loss experience in the automobile assigned risk personal injury protection (PIP) line of business due to fraud. Historically, assigned risk automobile no-fault loss experience has been problematic for the group. However, in recent years improvement in this segment has been attributed to management's aggressive claim settlement and sting operations involving the group's in-house special investigation unit to mitigate fraud. Lastly, Sample Services' single state exposure subjects earnings to frequent and severe weather-related events as well as increased competition, regulatory and economic influences.

Business Review (Excerpt)

Sample Insurance Company was incorporated and became licensed to write insurance in the state of New York on April 17, 2001. The company officially began writing business in July 2001. Sample is a wholly owned subsidiary of Sample Holdings Inc., who in turn is a wholly owned



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Business Review (Excerpt)

subsidiary of Sample Insurance Co.

Sample currently operates exclusively in New York State writing mid-market, personal lines, automobile insurance. Although the company is licensed to write all property and casualty lines of business, it is the company's plan to only write automobile. A pooling agreement was established between Sample and Sample whereby all business written by both companies is ceded in a pool with Sample retaining 95% of the total and Sample retaining the remaining 5% through December 31, 2001. The pooling agreement was revised effective January 1, 2002 whereby Sample retains 98% of the total and Sample retains the remaining 2%.

Note: The commentary above is an excerpt. Please refer to the [Best's Company Report](#) for the complete text.





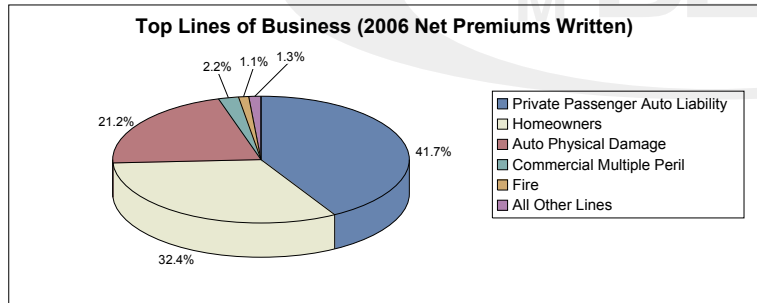
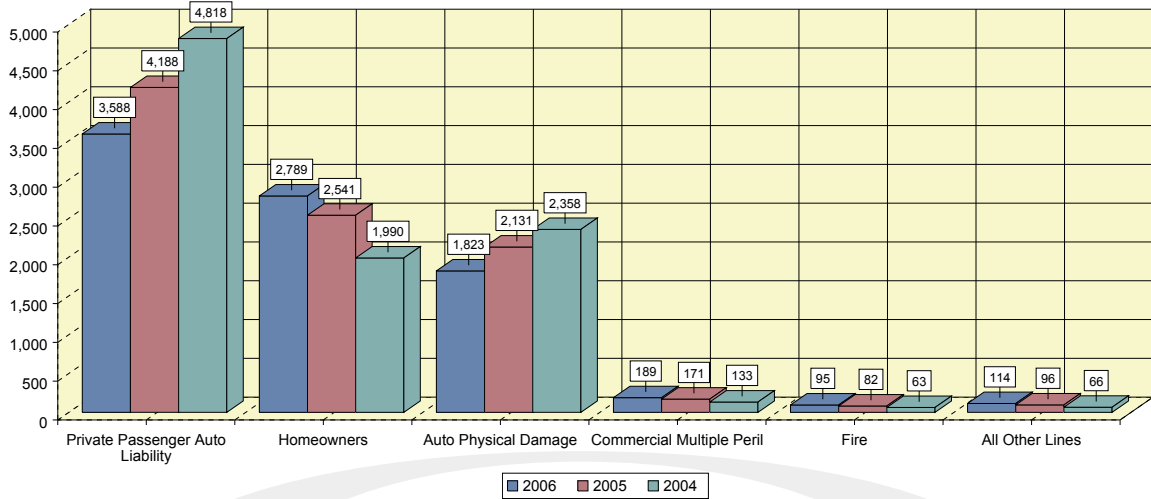
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As of August 20, 2007

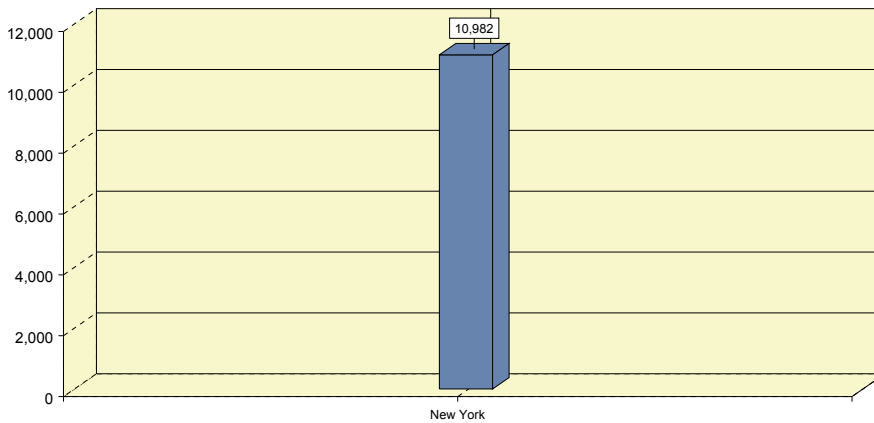
Top Lines and States of Business (\$000)

3-Year Net Premiums Trend Analysis



	2006	2005	2004
Private Passenger Auto Liability	3,588	4,188	4,818
Homeowners	2,789	2,541	1,990
Auto Physical Damage	1,823	2,131	2,358
Commercial Multiple Peril	189	171	133
Fire	95	82	63
All Other Lines	114	96	66
Total	8,598	9,209	9,428

Top States of Business (2006 Direct Premiums Written)



State	2006
New York	10,982



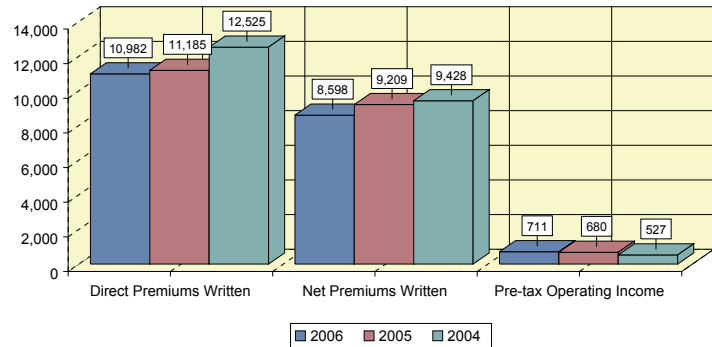
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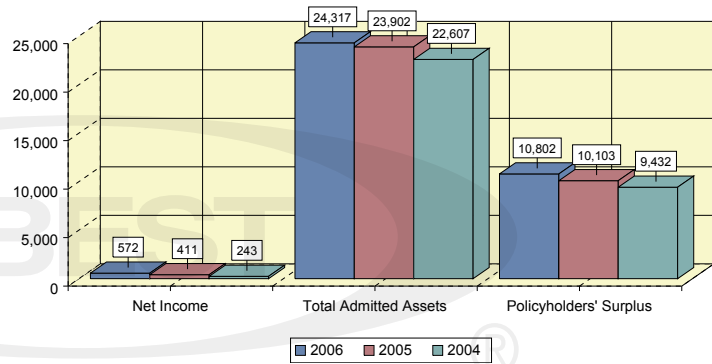
As of August 20, 2007

Key Financial Indicators (\$000)

	Direct Premiums Written	Net Premiums Written	Pre-tax Operating Income
2006	10,982	8,598	711
2005	11,185	9,209	680
2004	12,525	9,428	527



	Net Income	Total Admitted Assets	Policyholders' Surplus
2006	572	24,317	10,802
2005	411	23,902	10,103
2004	243	22,607	9,432



Profitability

	Comb. Ratio	Inv. Yield (%)	Pre-tax ROR (%)
2006	102.2	3.6	7.9
2005	99.5	3.1	7.5
2004	99.9	2.7	5.7

Leverage

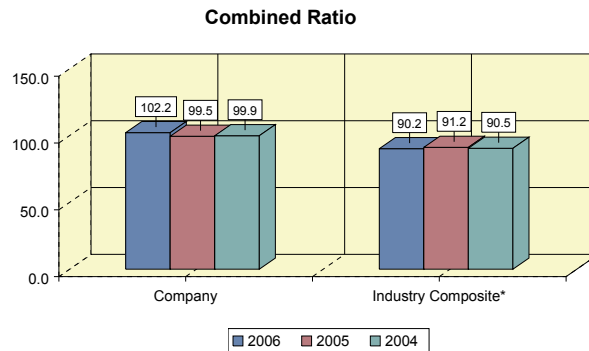
	NA Inv. Leverage	NPW to PHS	Net Leverage
2006	6.3	0.8	2.0
2005	26.4	0.9	2.3
2004	6.4	1.0	2.4

Liquidity

	Overall Liq. (%)	Oper. Cash Flow (%)
2006	179.9	110.1
2005	173.2	117.2
2004	171.6	111.7

Combined Ratio

	Company	Industry Composite*
2006	102.2	90.2
2005	99.5	91.2
2004	99.9	90.5



*Industry Composite for this company is Private Passenger Automobile Composite



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Underwriting Experience (\$000)

	Net Underwriting Income	Loss Ratios			Expense Ratios				Comb. Ratio
		Pure Loss	LAE	Loss & LAE	Net Comm.	Other Exp.	Total Exp.	Div. Pol.	
2006	-78	49.6	18.5	68.1	18.7	15.4	34.1	0.0	102.2
2005	3	45.2	22.6	67.8	17.7	13.9	31.6	0.0	99.5
2004	-64	51.7	18.5	70.1	16.6	13.2	29.8	0.0	99.9

	2006	2005	Change Amount	Change %
Direct Premiums Written	10,982	11,185	-203	-1.81%
Net Premiums Written	8,598	9,209	-611	-6.63%
Pretax Operating Income	711	680	31	4.56%
Net Income	572	411	161	39.17%
Total Admitted Assets	24,317	23,902	415	1.74%
Policyholders' Surplus	10,802	10,103	699	6.92%



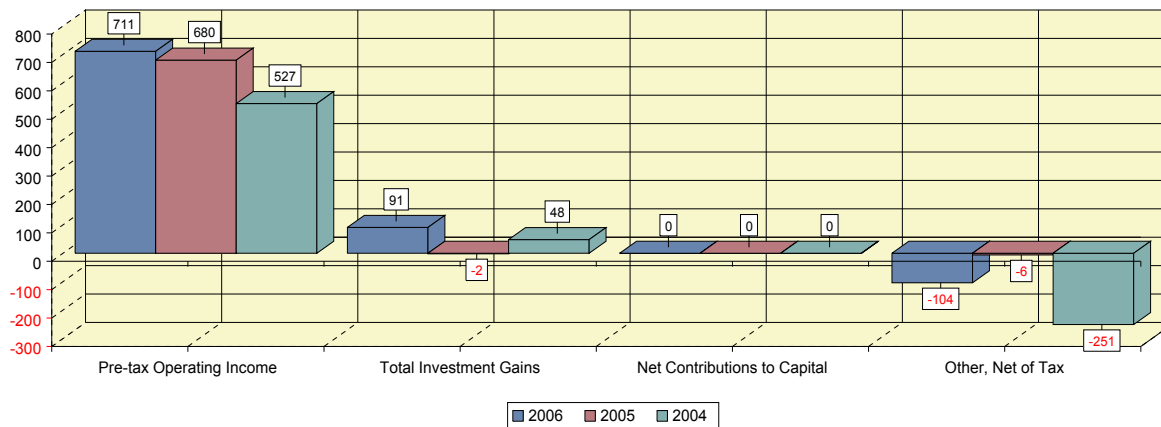


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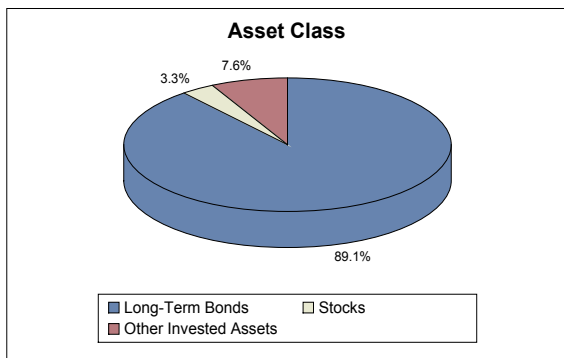
Capital Generation Analysis (\$000)



	Pre-tax Operating Income	Total Investment Gains	Net Contributions to Capital	Other, Net of Tax
2006	711	91	0	-104
2005	680	-2	0	-6
2004	527	48	0	-251
3-Year Total	1,918	137	0	-361

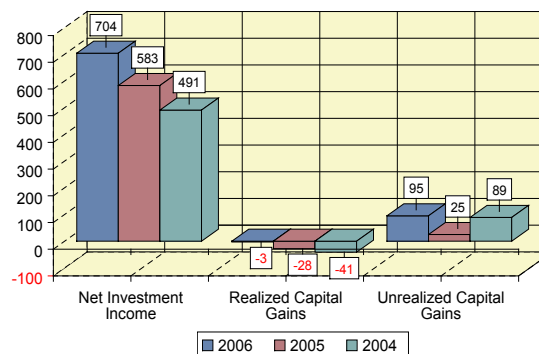
2006 Investment Portfolio Analysis (\$000)

Asset Class	(\$000)
Long-Term Bonds	18,388
Stocks	684
Affiliated Investments	0
Other Invested Assets	1,566
Total	20,638



Investment Income Analysis (\$000)

	Net Investment Income	Realized Capital Gains	Unrealized Capital Gains
2006	704	-3	95
2005	583	-28	25
2004	491	-41	89





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Balance Sheet (\$000)

ADMITTED ASSETS		2006
Bonds		18,388
Common Stock		684
Cash & Short-Term Invest		1,404
Total Invested Assets		20,475
Premium Balances		2,576
Accrued Interest		162
All Other Assets		1,103
Total Assets		24,317
LIABILITIES & SURPLUS		2006
Loss & Lae Reserves		7,196
Unearned Premiums		4,319
All Other Liabilities		2,001
Total Liabilities		13,515
Capital & Assigned Surplus		10,050
Unassigned Surplus		752
Total Policyholders' Surplus		10,802
Total Liabilities & Surplus		24,317

Summary of Operations

STATEMENT OF INCOME		2006
Premiums Earned		8,950
Losses Incurred		4,436
LAE Incurred		1,659
Underwriting Expenses Incurred		2,933
Net Underwriting Income		-78
Net Investment Income		704
Other Income/Expenses		86
Pre-tax Operating Income		711
Realized Capital Gains		-3
Income Taxes Incurred		136
Net Income		572

Note: The most recent data contained in this AMB Credit Report is "Quality Checked" indicating that this financial data was recorded after having cleared A.M. Best Quality Checks.

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