

Best's Credit Ratings: The Rating Process

An AM Best Market Development contact can help get you started by answering your questions and supplying the information necessary to make an informed decision about obtaining a Best's Credit Rating.

Upon determination of rating feasibility, a rating fee will be quoted. If accepted, a contract will be issued for signature, and when returned, and fee paid, the company will be assigned a rating analyst for the process to begin.

The Rating Process, Step by Step



Preliminary Discussions on Rating Objectives, Benefits and Scope of Analysis

Discussions resulting in the company requesting to enter the rating process

STEP 1: Rating Engagement and Contract

Once a contract is signed and returned, the company is assigned a rating analyst, and the interactive rating process commences.

STEP 2: Compiling Information

The rating assessment begins with the compilation of detailed public and proprietary financial information, including annual and quarterly financial statements, regulatory filings, certified actuarial and loss-reserve reports, investment detail and guidelines, reinsurance transactions, annual business plans and Best's Supplemental Rating Questionnaire.

STEP 3: Rating Management Meeting

AM Best analysts meet with senior management and technical staff of the company that has applied for a rating, often at the applicant company's head office or in some cases at another mutually agreed location. This may include video conference options.

STEP 4: AM Best's Analysis and Decision

A rating recommendation is arrived at from the analysis and is taken to the Rating Committee for review and final determination.

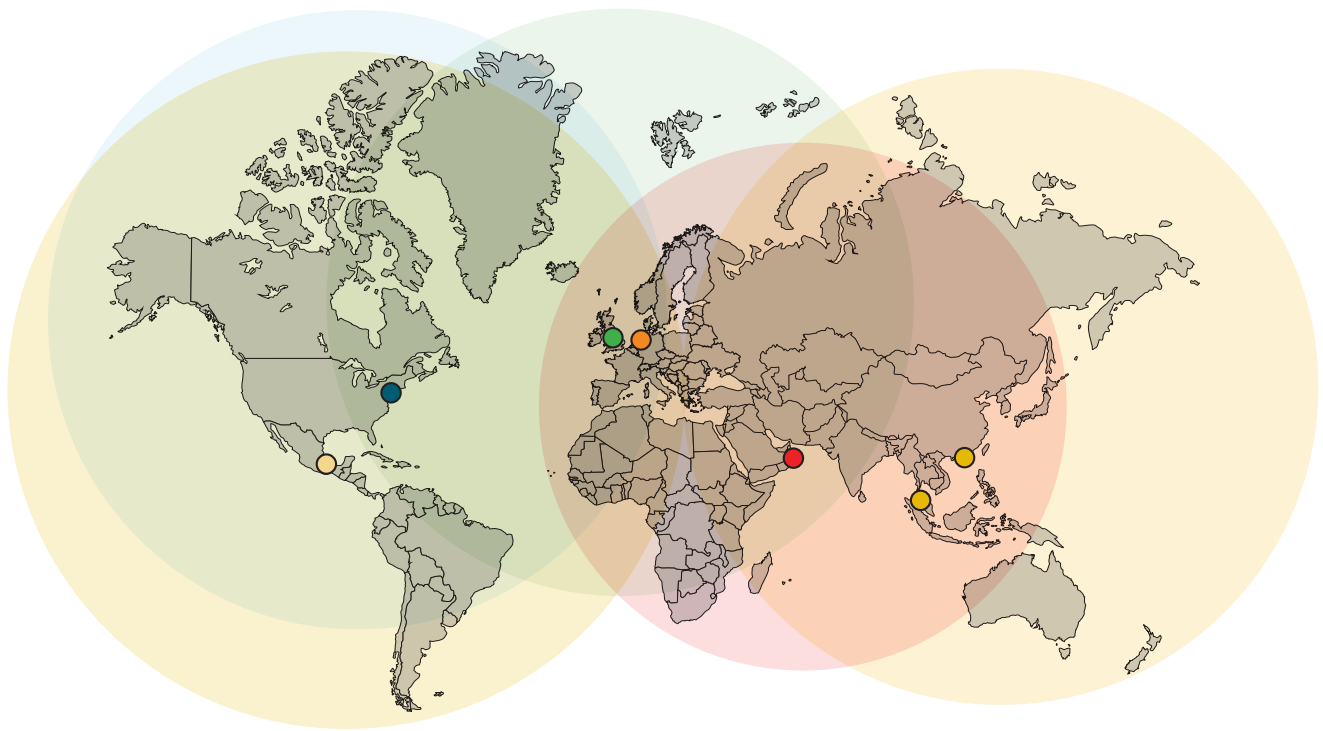
STEP 5: Rating Communication and Dissemination

The rating is communicated to the rated entity. Once the rating is accepted by the rated entity, it is published immediately.

STEP 6: Monitoring Best's Credit Rating

The company is continuously monitored after the rating has been accepted. Open dialogue with AM Best's analytical team is fundamental for the ongoing maintenance of the company's rating, which will be formally reviewed at least annually.

The typical duration of the rating process, from signed contracts to announcement of assigned ratings, is approximately three to four months.



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