BEST'S RATING REPORT

GEOVERA INSURANCE GROUP

Administrative Office: 1455 Oliver Road, Fairfield, California 94534 United States

AMB #: 088611	NAIC #: N/A	FEIN #: N/A
Phone: 800-785-2658	Fax: 707-863-9342	Website: N/A

COASTAL SELECT INSURANCE COMPANY — A

Domiciliary Address: 1455 Oliver Road, Fairfield, California, United States 94534

AMB #: 012042	NAIC #: 10887	FEIN#: 94-3266086
Phone: 415-591-7500	Fax: 415-591-7510	Website: N/A

Financial Strength Rating
A Excellent

Best's Credit Rating Effective Date
March 25, 2020

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Information

Best's Credit Rating Methodology

Understanding Best's Credit Ratings

Market Segment Outlooks

Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: Best's Financial Report.

GeoVera Insurance Group

AMB #: 088611
Associated Ultimate Parent: AMB # 059563 - Flexpoint Ultimate Management II (Cayman), Ltd.

Best's Credit Ratings – for the Rating Unit Members

Financial Strength Rating (FSR)	Issuer Credit Rating (ICR)
A	**a**
Excellent	**Excellent**
Outlook: **Stable**	Outlook: **Stable**
Action: **Affirmed**	Action: **Affirmed**

Assessment Descriptors

Balance Sheet Strength	**Very Strong**
Operating Performance	**Strong**
Business Profile	**Neutral**
Enterprise Risk Management	**Appropriate**

Rating Unit - Members

Rating Unit: GeoVera Insurance Group | AMB #: 088611

AMB #	Rating Unit Members	AMB #	Rating Unit Members
012042	Coastal Select Insurance Co	093520	GeoVera Reinsurance, Ltd.
012075	GeoVera Insurance Company	011678	GeoVera Specialty Insurance Co

Rating Rationale

Balance Sheet Strength: Very Strong

- The group's available capital is considered to be at the strongest level as measured by Best's Capital Adequacy Ratio (BCAR) score, although its surplus has generally declined since 2011 as profits considered as excess capital have been distributed to shareholders annually. Its quality of capital and asset/liability management (ALM) are also very strong.
- Given the nature of its business, GeoVera's balance sheet may be subject to higher than expected calls on capital and liquidity depending on catastrophic loss frequency and severity. The group has exposure to certain extreme "tail" events related to wind and earthquake.
- Management repaid the holding company's $10 million temporary capital contribution in 2018, which had been provided in 2017 to bolster capital in support of growth initiatives and to offset multiple catastrophic event losses experienced late in that year.
- The group prudently preserves its balance sheet through guidelines to cover in excess of a 250-year modeled all perils event. The current multi-year program covers a modeled 300-year all perils event. AM Best considers its program appropriate for its given risk appetite.

Operating Performance: Strong

- Historical operating performance is strong and consistent. Prospective operating performance is expected to remain strong, including forecast catastrophe loads. Volatility of key metrics is relatively low to moderate.
- GeoVera has potentially higher than average earnings volatility given its significant property business orientation and its inherent risk exposure to catastrophes. "Normalized" earnings (absent severe changes in loss and frequency and severity) are expected to produce returns in line with shareholder expectations.
- The group posted weaker than expected underwriting and operating results in both 2018 and 2017 due to abnormally high, but manageable, catastrophe activity.
- Revenues are expected to stabilize in 2019 after expansion initiatives introduced in 2015 subside. Further scaling of the business should help lower the overall expense ratio, which is significantly higher than that of peers.
- While soft reinsurance pricing has been beneficial to GeoVera, high reinsurance dependence leaves the group somewhat susceptible to changes in reinsurance availability, pricing and terms and conditions.

Business Profile: Neutral

- GeoVera Insurance Group focuses on underwriting catastrophe-exposed residential property risks, primarily in California, Florida, Texas, Louisiana, Washington, Alabama, South Carolina and Hawaii. The group's current mix of business is approximately 54% (of 2019 gross written premium) homeowners, 27% residential earthquake coverage, and 19% wind-only.
- The group is not a market leader but is viewed as competitive in chosen markets. It has some concentration and limited control of distribution. It has elevated product risk but a strong management team that has proven capable of managing severity and frequency of loss through its policy forms. Its use of technology is evolving, and its business spread of risk is adequate.
- Management continues to diversify the group's business profile away from its prior concentration in western U.S. earthquake exposure through increased southeastern homeowners insurance and recent expansion into the Northeast through non-admitted offerings, while admitted products await approval. The group is also gaining acceptance of a single-peril wind product through national carrier partnerships and pricing granularity.
- GeoVera combines an established catastrophe-modeled and web-based quoting and binding system to ensure proper pricing with an extensive catastrophe reinsurance program to mitigate its exposure.
- The group has a highly experienced senior management team with expertise in catastrophe-exposed markets that has developed a sound insurance delivery platform with progressive developments over time.

Enterprise Risk Management: Appropriate

- GeoVera’s ERM framework is well developed and appropriate given the size and complexity of its operations. Risk management capabilities are very good and are well aligned with the risk profile of the group.
- GeoVera's biggest individual risk is its susceptibility to a severe continental U.S. hurricane event with surge. The group has moderate to high underwriting risk, with its products in personal lines homeowners and earthquake coverages concentrated in California, Florida and Texas. Combined all perils PMLs are high in the course of its normal business, but management continues to diversify its book to minimize correlation geographically and by products, and risks are further mitigated by a strong reinsurance program and favorable surplus position.

- The group's reinsurance strategy endeavors to preserve capital in excess of 250-year combined all perils VaR. Current market conditions and models in 2019 resulted in the purchase of 300-year combined all perils VaR coverage with first event retention remaining at $19 million. Individual, uncorrelated perils are covered for return periods of 500 to 1,000 years.
- GeoVera's underwriting, investment and market risks are readily manageable by its solid capital structure and highly experienced, knowledgeable, and hands-on senior management team. Underwriting risks are continually reviewed and refined with timely implementation of adjustments.

Outlook

- The stable outlooks reflect AM Best's expectation that GeoVera will continue to maintain the strongest risk-adjusted capitalization as measured by BCAR, weighing dividends against its operating performance and prospective business planning in its capital management, while continuing to generate strong underwriting and operational results.

Rating Drivers

- Positive rating action may result from improved risk-adjusted capitalization driven by continued solid operating performance that compares favorably with the group's composite of personal property companies and similarly rated entities.
- Negative rating action may result from operating performance that falls materially short of AM Best's expectations.
- Negative rating action may result from a significant deterioration in capital strength.

Credit Analysis

Balance Sheet Strength

The balance sheet final assessment is 'very strong' based on the 'strongest' BCAR scores at the 99.6 return period, neutral holding company assessment, and satisfactory capital quality and financial flexibility. The company dividends capital it considers to be excess annually, even as it faces periodic CAT events and growth initiatives to diversify its business profile. It has begun evaluating dividends later in the year after CAT season to ensure the balance sheet is appropriately protected before returning capital.

Capitalization

GeoVera maintains the strongest risk-adjusted capitalization as measured by its Best Capital Adequacy Ratio (BCAR), which comfortably supports its very strong balance sheet strength assessment. The group's capital position reflects its moderate net underwriting leverage, a low reserve to surplus ratio, and conservative investment risk profile, partially offset by off balance sheet catastrophe exposure. Based on the group's business concentration in catastrophe-exposed lines of business and geographic locations, overall capitalization may be susceptible to significant catastrophe losses, primarily resulting from earthquake and hurricane occurrences. GeoVera effectively manages this exposure through its sophisticated catastrophe modeling techniques, a comprehensive catastrophe reinsurance program, and ongoing policy form improvements. Baseline and stress capital adequacy models reflect GeoVera's capacity to withstand an all-perils catastrophic loss scenario representing probable maximum losses (PMLs) comprised of an aggregate of uncorrelated catastrophe events derived from discrete single peril models.

Surplus has generally declined since 2011 as the group's stockholder dividends have exceeded net income generated by strong underwriting results. The company had historically paid interim dividends during the year until management opted in 2017 to stop this practice in response to higher catastrophe activity more common in the second half of the year. Further, in accordance with the company's policy of maintaining its balance sheet strength, the parent contributed $10 million in equity in the fourth quarter of 2017 to offset the impact of greater than expected catastrophe losses of Hurricanes Harvey and Irma and various other mini-cat events. The amount was returned to the parent in 2018. Capital also benefits from support of approximately $75 million of subordinated debentures (TRUPs) augmenting the policyholder surplus.

GeoVera's enterprise risk management (ERM) program includes internal capital management policies that have required minimum levels for stressed capital adequacy and for liquidity management in order to permit ownership and management to pay dividends of excess capital. The group has reported positive operating cash flows in each of the past five years due to favorable underwriting results. However, since the group's underwriting focus is on catastrophe-prone risks, the liquidity measures are exposed to certain degrees of variability. The company maintains sufficient cash per its investment guidelines and ERM requirements to fully cover its retention.

Asset Liability Management - Investments

BlackRock manages the investment portfolio. The investment portfolio's objective is to provide a total return that exceeds the total return of a Benchmark Index comprised of three US government bond indices; a muni index; a corporate index; an ABS index; and a

Balance Sheet Strength (Continued...)

CMO index. Portfolio duration is short and weighted average credit rating of the bond portfolio is 'AA'. The company takes minimal risk in equities with exposure less than 10% of surplus and 5% of surplus plus TRUPs.

Reserve Adequacy

Reserves appear adequate and the reserve to policyholder surplus ratio remains strong and lower than that of the industry. Calendar year and accident year development over the past five years has been generally favorable and less than 5 points annually.

Recent increases in reserves have been due proportionally to new business; to elevated catastrophic (and mini-cat) loss activity; and to an increase in frequency and severity of Florida water damage losses, which has been impacting most insurers operating in the Florida market. Aside from these items, the group generally had favorable development due to reductions in estimates as actual losses have not been as severe as modeled. That said, the company did have approximately $7 million adverse development on prior year CATs and Florida sinkholes in 2019.

Holding Company Assessment

GeoVera's parent, GeoVera Investment Group Ltd., was organized in 2012 by affiliates of Flexpoint Ultimate Management II (Cayman), L.P. (Flexpoint). Flexpoint is a fund of Flexpoint Ford, a private equity investment firm that has raised over $4.3 billion in capital and specializes in the financial services and healthcare industries. Flexpoint Ford has completed investments in over 30 companies since its formation in 2005. Flexpoint Ford will invest up to $500 million of its own capital in a single transaction in minority and control structures across private and public companies and has the ability to invest in larger transactions (or contribute incremental capital) with support from limited partners.

Flexpoint can augment GeoVera's supportive risk-based capitalization with financial flexibility, liquidity, and access to capital markets, if necessary.

Operating Performance

Operating results have generally been strong, underpinned by solid underwriting results. However, GeoVera's financial performance has experienced recent volatility due to its focus on catastrophe-prone risks. Through 2015, favorable underwriting performance had benefited from a lack of significant catastrophe (CAT) activity. In addition, the group's catastrophe-modeled web-based quoting/binding system, continuity of an experienced management team and its extensive catastrophe reinsurance program all are positive factors. GeoVera also maintains a very conservative investment portfolio, with minimal exposure to equity market fluctuations. The investment income generated from its fixed income portfolio in combination with other income from underwriting fees has complemented the group's solid underwriting income.

Attritional loss ratios have trended upward since 2013 due to the issue in the Florida market related to policyholders' Assignment of Benefits (AOB) that became a chronic detriment to Florida homeowner insurers. AOB for water loss claims continues to be a costly problem for all homeowner insurers in the market through inflated claims but they have slowed significantly since June 2019 as Florida revised its one-way fee law, which is designed to prevent abuses by plaintiff attorneys. GeoVera addressed the issue aggressively with increased rates and fees, exclusions for properties with prior water damage, and changes in its policy form. The impact of GeoVera's Florida water endorsement (excluding properties with any prior water loss (reported and/or paid) has resulted in favorable trends in 2019. However, with introduction of the new legislation becoming effective in July 2019, plaintiff lawyers rushed to file suits/claims ahead of the change resulting in an out-sized number of lawsuits to ensure treatment under the old law. This resulted in a small temporary spike in 2019 attritional losses for the current and 2014 accident years. The water losses in the Florida Tri-County (Miami-Dade, Broward, and Palm Beach counties) area remain the poorest performing segment of business for GeoVera. The company continues to recognize favorable calendar year development on prior year attritional and sinkhole losses as well as favorable development on prior year CAT loss claims since 2011.

In addition to the modesty higher attritional loss ratios, CAT activity, that had been somewhat benign, has increased since 2016. Underwriting results have included approximately 18, 31, and 24 points from CAT losses for 2016 through 2018, respectively.

The group's underwriting and operating performance for 2018 improved significantly with increased earned premium base from higher writings in 2017, a slight increase in attritional loss ratios, and moderate CAT activity primarily from Hurricanes Florence (North Carolina) and Michael (Florida panhandle) and from spring hail storm activity in the southeast. Offsetting the higher attritional loss rates, the group has grown and diversified through the company's single peril wind product, increased southeastern penetration, and new market initiatives into the northeast, which have resulted in net increases in net written and earned premiums, respectively.

Operating Performance (Continued...)

The company opportunistically grew both in-force premium and policy counts during 2019. The increase was driven by wind-focused products in the southeast US, especially Florida, Louisiana, and Texas after premium had increased significantly in 2016-2017, from the beginning of these efforts, as well as inclusion of an admitted Hawaii named hurricane product. Results benefited from modestly lower CAT losses (21 points) but the attritional loss ratio increased 3 points to 27%. Management is focusing on improving its attritional loss results through pricing and policy form adjustments as necessary. Net underwriting income declined despite the premium increases for these reasons along with the adverse development previously mentioned.

Business Profile

The ratings are based on the consolidation of the GeoVera Insurance Group (GeoVera or the group), which consists of three U.S.-based insurance companies and one Cayman Island-based reinsurance company, GeoVera Reinsurance, Ltd., all of which are owned by a Bermuda-based holding company. The three U.S.-based entities are GeoVera Insurance Company, Coastal Select Insurance Company (f.k.a. Pacific Select Property Insurance Company) and GeoVera Specialty Insurance Company. Effective November 1, 2005, these entities were acquired from St. Paul Travelers Companies, Inc., by an affiliate of private equity investors, Friedman Fleischer & Lowe, LLC and Hellman & Friedman, LLC. On August 8, 2012, the GeoVera Insurance Group was acquired by Flexpoint Ford, LLC.

An inter-company pooling agreement is in place among the three U.S.-based entities, with GeoVera Insurance Company acting as the lead company in the pool. Sixty percent of the net pooled liabilities of the three companies are assumed by the Cayman Island-based reinsurance operating company, GeoVera Reinsurance, Ltd., through a quota-share reinsurance agreement. The rating is assigned on a group basis for all four operating entities. The group focuses on underwriting catastrophe-exposed residential property risks, primarily in California, Florida, Texas, Louisiana, Washington, Alabama, South Carolina and Hawaii. The group's gross written premium mix of business in 2019 included 54%of its book in homeowners; 27% in residential earthquake coverage; and 19% in wind-only coverage. Homeowners business is primarily on a non-admitted basis in Alabama, Florida, Louisiana, South Carolina and Texas. Business is distributed through long-standing wholesale surplus lines brokerages. Residential earthquake business is on an admitted basis in California, Oregon and Washington, and is distributed through a network of approximately 3,600 independent brokers and agents plus direct channels. Continued market acceptance of GeoVera's wind-only product is driving growth in this line in Alabama, Florida, Louisiana, Hawaii, South Carolina, and Texas.

GeoVera is continuing to broaden and diversify its business profile by increasing penetration of the southeastern markets through homeowners and emphasizing single peril wind coverage via strategic marketing relationships with national carriers. It also offers its homeowner products in several northeastern coastal states on a non-admitted basis while admitted products await approval.

Enterprise Risk Management

Senior level officers of GeoVera are responsible for coordinating the Enterprise Risk Management (ERM) function. The group employs traditional risk management techniques with regard to operational risks focusing on such areas as underwriting, loss reserves, investments, regulation, disaster recovery and management succession planning. Potential impacts associated with these operational risks have been quantified where applicable. GeoVera's board and business units are kept apprised of risk metrics and risk management activities. It is expected that management will continue to enhance its existing risk management framework and, where appropriate, integrate elements of a more formalized ERM structure into its process.

GeoVera has a strong reinsurance program in place which includes conservative estimates for modeled losses of stringent all peril events as well as extreme tail exposure to uncorrelated individual catastrophic events. AM Best will continue to monitor the group's management of its PML scenarios as it expands in existing and new markets through its CAT-related products.

Reinsurance Summary

Effective March 1, 2018, a two year multi-layer homeowners catastrophe program provides coverage up to $1.3 billion with an underlying retention of $19 million for the first event and $25 million in case of a second event. A multi-layer earthquake catastrophe program also provides coverage up to $1.2 billion with the same retentions.

The company augments its CAT towers with a $50 million aggregate coverage for lower grade storms.

Financial Statements

Balance Sheet	12/31/2018 USD (000)	%	12/31/2017 USD (000)
Cash and Short Term Investments	91,300	17.1	86,812
Bonds	274,326	51.4	281,903
Equity Securities	6,481	1.2	6,516
Other Invested Assets	2,330	0.4	2,330
Total Cash and Invested Assets	374,437	70.2	377,561
Reinsurers' Share of Reserves	43,300	8.1	49,507
Debtors / Amounts Receivable	46,000	8.6	46,780
Other Assets	69,814	13.1	72,972
Total Assets	533,551	100.0	546,820
Gross Technical Reserves:			
Unearned Premiums	187,208	35.1	185,737
Non-Life Reserves	103,603	19.4	102,187
Total Gross Technical Reserves	290,811	54.5	287,924
Debt / Borrowings	73,559	13.8	73,228
Other Liabilities	40,465	7.6	55,688
Total Liabilities	404,835	75.9	416,840
Capital Stock	2	...	2
Paid-in Capital	137,250	25.7	146,384
Retained Earnings	-5,935	-1.1	-14,466
Other Capital and Surplus	-2,601	-0.5	-1,940
Total Capital and Surplus	128,716	24.1	129,980
Total Liabilities, Mezzanine Items and Surplus	533,551	100.0	546,820

Source: BestLink® - Best's Financial Suite
US $ per Local Currency Unit 1 = 1 US Dollar (USD)

Last Update
March 25, 2020

Identifiers
AMB #: 088611

Contact Information

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Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

GeoVera Insurance Group

Operations

Domiciled: Bermuda

Business Type:	Property/Casualty
Organization Type:	Stock
Marketing Type:	Independent Agency

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: 088611 - GeoVera Insurance Group

Refer to the Best's Credit Report for AMB# 088611 - GeoVera Insurance Group for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

		Best's Credit Ratings	
AMB#	**Rating Unit Members**	**Financial Strength Rating**	**Long-Term Issuer Credit Rating**
012042	Coastal Select Insurance Co	A	a
012075	GeoVera Insurance Company	A	a
093520	GeoVera Reinsurance, Ltd.	A	a
011678	GeoVera Specialty Insurance Co	A	a

History

Effective November 1, 2005, GeoVera Insurance Company, Coastal Select Insurance Company (f.k.a. Pacific Select Property Insurance Company) and GeoVera Specialty Insurance Company were acquired from St. Paul Travelers Companies, Inc., by an affiliate of private equity investors, Friedman Fleischer & Lowe, LLC and Hellman & Friedman, LLC. On August 8, 2012, these companies were acquired by Flexpoint Ford, LLC.

Last Update
April 06, 2020

Identifiers
AMB #: 012042
NAIC #: 10887
FEIN #: 94-3266086

Contact Information

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United States

Phone: +1-415-591-7500
Fax: +1-415-591-7510

Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Coastal Select Insurance Company

Operations

Date Incorporated: March 05, 1997 **|** **Date Commenced:** February 20, 1998

Domiciled: California, United States

Licensed: (Current since 04/18/2018). The company is licensed in AL, CA, HI, LA, MA, NJ, OH and SC. Credit is allowed for reinsurance as a licensed reinsurer in Arizona and Maryland.

Business Type:	Property/Casualty
Organization Type:	Stock
Marketing Type:	Independent Agency
Financial Size:	VIII ($100 Million to $250 Million)

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: 088611 - GeoVera Insurance Group

Coastal Select Insurance Company is a member of GeoVera Insurance Group (AMB# 088611). Coastal Select Insurance Company is a member of the GeoVera Insurance Group rating unit reflecting its overall strategic importance within the group, as demonstrated by the intercompany reinsurance arrangement between the affiliated group members.

Refer to the Best's Credit Report for AMB# 088611 - GeoVera Insurance Group for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

AMB#	Rating Unit Members
012042	Coastal Select Insurance Co
012075	GeoVera Insurance Company
011678	GeoVera Specialty Insurance Co

Best's Credit Rating History

AM Best has assigned ratings on this company since 2000. In our opinion, the company has an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to Rating History in BestLink:

	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
Effective Date	**Rating**	**Affiliation**	**Outlook**	**Action**	**Rating**	**Outlook**	**Action**
Current - Mar 25, 2020	**A**	**g (Group Rating)**	**Stable**	**Affirmed**	**a**	**Stable**	**Affirmed**
Feb 28, 2019	A	g (Group Rating)	Stable	Affirmed	a	Stable	Affirmed
Jan 31, 2018	A	g (Group Rating)	Stable	Affirmed	a	Stable	Affirmed
Nov 16, 2016	A	g (Group Rating)	Stable	Affirmed	a	Stable	Affirmed
Jun 5, 2015	A	g (Group Rating)	Stable	Affirmed	a	Stable	Affirmed

Management

Officers

President: Kevin Nish
Chief Underwriting Officer and Chief Risk Officer: Nesrin Basoz
SVP and CFO: Brian Sheekey
SVP, Secretary and Chief Operations Officer: Karen Padovese
Vice President and General Counsel: Robert Hagedorn
Director: Vida Loya (Accounting)

Directors

Nesrin Basoz
Robert Hagedorn
Vida Loya

History

The company was incorporated in California on December 31, 1996 as Pacific Select Insurance Company, changed its name to Pacific Select Property Insurance Company on February 2, 1999 and commenced business on February 26, 1999. The present name of the company was changed on June 24, 2014. The company offers residential earthquake products on an admitted basis in California.

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – P/C, US. Access Statement Pages in Excel available in the Comprehensive Financial Overview (CFO) Report for additional details.

Currency: USD **Company's local Currency:** US Dollar

	Year End - December 31			
	2019		2018	
Balance Sheet	**USD (000)**	**%**	**USD (000)**	**%**
Cash and Short Term Investments	18,740	14.2	15,210	13.8
Bonds	88,706	67.4	72,581	65.8
Other Invested Assets	9,730	7.4	10,070	9.1
Total Cash and Invested Assets	117,177	89.0	97,861	88.8
Premium Balances	5,646	4.3	5,208	4.7
Net Deferred Tax Asset	4,183	3.2	3,774	3.4
Other Assets	4,675	3.6	3,380	3.1
Total Assets	131,682	100.0	110,223	100.0
Loss and Loss Adjustment Expense Reserves:				
Net Reported Loss Reserves	5,860	4.4	5,293	4.8
Net IBNR Loss Reserves	2,756	2.1	2,452	2.2
Net LAE Reserves	6,986	5.3	5,607	5.1
Total Net Loss and LAE Reserves	15,601	11.8	13,351	12.1
Net Unearned Premiums	37,827	28.7	34,930	31.7
Other Liabilities	36,651	27.8	24,184	21.9
Total Liabilities	90,079	68.4	72,466	65.7
Capital Stock	5,200	3.9	5,200	4.7
Paid-In and Contributed Surplus	24,508	18.6	24,508	22.2
Unassigned Surplus	11,894	9.0	8,049	7.3
Total Policyholders' Surplus	41,602	31.6	37,758	34.3
Total Liabilities and Surplus	131,682	100.0	110,223	100.0

Source: BestLink® - Best's Financial Suite

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

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