



BEST'S COMPANY REPORT



PROASSURANCE[®]
Treated Fairly

PROASSURANCE GROUP

AMB #: 018559

NAIC #: N/A

FEIN #: N/A

Phone:

Fax:

Website: N/A

Allied Eastern Indemnity Co	A
Eastern Advantage Assurance Co	A
Eastern Alliance Insurance Co	A
FD Insurance Company	A
Medicus Insurance Company	A
Medmarc Casualty Insurance Co	A
NORCAL Insurance Company	A
NORCAL Specialty Insurance Co	A
Pref Phys Med RRG, Mut Ins Co	A
ProAssurance Amer Mut, A RRG	A
ProAssurance Casualty Company	A
ProAssurance Indemnity Company	A
ProAssurance Ins Co of America	A
ProAssurance Specialty Ins Co	A



Best's Credit Rating Effective Date

May 23, 2023

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Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

Financial Data Presented

Financial data in this report: (i) includes data of affiliated entities that are not rating unit members where analytics benefit from inclusion; and/or (ii) excludes data of rating unit member entities if they operate in different segments or geographic areas than the Rating Unit generally. See [list of companies](#) for details of rating unit members and any such included and/or excluded entities.

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](#).

ProAssurance Group

AMB #: 018559

Associated Ultimate Parent: AMB # 050660 - ProAssurance Corporation

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

A
Excellent
Outlook: Stable
Action: Affirmed

Issuer Credit Rating (ICR)

a+
Excellent
Outlook: Stable
Action: Affirmed

Assessment Descriptors

Balance Sheet Strength	Strongest
Operating Performance	Adequate
Business Profile	Favorable
Enterprise Risk Management	Appropriate

Rating Unit - Members

Rating Unit: ProAssurance Group | AMB #: 018559

AMB #	Rating Unit Members
012527	Allied Eastern Indemnity Co
013861	Eastern Advantage Assurance Co
012115	Eastern Alliance Insurance Co
013063	FD Insurance Company
013758	Medicus Insurance Company
002216	Medmarc Casualty Insurance Co
003644	NORCAL Insurance Company

AMB #	Rating Unit Members
003744	NORCAL Specialty Insurance Co
011056	Prof Phys Med RRG, Mut Ins Co
022383	ProAssurance Amer Mut, A RRG
002698	ProAssurance Casualty Company
003826	ProAssurance Indemnity Company
001832	ProAssurance Ins Co of America
012468	ProAssurance Specialty Ins Co

Rating Rationale**Balance Sheet Strength: Strongest**

- Balance sheet strength is supported by ProAssurance's strongest level of risk-adjusted capitalization based on Best's Capital Adequacy Ratio (BCAR) at the 99.6% VaR.
- Surplus has declined over the five-year period through year-end 2022 due to stockholder dividends to the group's publicly traded parent, ProAssurance Corporation, as well as unrealized capital losses. However, adequate liquidity and positive cash flows over the period have supported its balance sheet strength assessment.
- Historically favorable loss reserve development on a calendar year and accident year basis. Despite some accident year deterioration in some years, the group has had favorable development in the most recent three accident years as management has been conservative when setting reserves.
- Members of the ProAssurance family of companies benefit from the financial flexibility afforded by the holding company, ProAssurance Corporation, via access to the capital markets.
- Common stock leverage has largely been reduced from prior years, although alternative investment and non-investment-grade bond leverage measures are higher than peers.

Operating Performance: Adequate

- Performance trends had reflected some deterioration in earlier years as results in 2020 and 2019 were impacted by a large national healthcare account, which was non-renewed, lending to some improvement in 2021 and meaningful improvement in 2022.
- Following a prolonged soft market, declining premium and increasing loss severity, the group benefited from continued rate gains, re-underwriting of its book of business, and synergies created through the acquisition and integration with NORCAL. These measures have worked to improve overall operating performance as results continue to trend in a positive direction.
- Net income continues to be bolstered by net investment income as its contribution to profitability increased in 2022 following a reallocation of investments and higher yields.

Business Profile: Favorable

- ProAssurance is a leading national provider of medical professional liability (MPL) insurance in the U.S., covering physicians, physician groups, podiatrists, dentists, chiropractors, hospitals, healthcare systems, clinics, allied professionals, as well as life sciences.
- The group has a successful track record of partnering and acquiring companies and integrating them into the ProAssurance family of companies. The acquisition of California-based NORCAL, which closed May 5, 2021, has benefited the organization by adding scale and expertise in the physician market.
- The group benefits from additional product diversification from the Eastern Alliance companies, a specialty workers' compensation underwriter primarily in rural and suburban areas of selected states within the mid-Atlantic, Midwest, Gulf South, and New England regions.
- In more recent years, the group has expanded through segregated portfolio cells and as a capital provider to Lloyd's syndicate 1729.

Enterprise Risk Management: Appropriate

- The group maintains a developed enterprise risk management (ERM) framework with risk management capabilities in line with its current risk profile. Material thresholds for risk appetite and tolerances are aggregated, modeled and formalized. Risk mitigations are listed and scored based on their effectiveness in reducing risks.
- The group ranks its risks in order of impact/likelihood/level of control, and these are monitored by an Enterprise Risk Analysis Committee. ERM plans for specialty and property/casualty have been consolidated to enable discussions with the entire segment rather than separate lines of business. Processes are reviewed by an internal audit board, also used for internal audit and SOX functions, with extensive oversight by the board of directors.
- The framework has expanded over time to include ERM activities both at the corporate and subsidiary levels to account for correlations of risk impacting multiple areas of the organization; continuing improvement with quantification of risk individually and in aggregate with stochastic modeling.

Outlook

- The stable outlooks reflect AM Best's expectation that the group will maintain its strongest level of balance sheet strength assessment, supported by effective capital management, while ongoing initiatives implemented by management will maintain stable operating performance over the intermediate term.

Rating Drivers

- Negative rating actions could occur if the group experiences materially weaker loss experience, reserve deficiency trends, or significant reductions in risk-adjusted capitalization, driven by adverse impacts in the medical professional liability market from rising severity and/or socially inflated verdicts, and/or changes in regulatory, legislative and judicial actions that could affect operations.
- Negative rating actions could also occur should changes to the Medical Injury Compensation Reform Act (MICRA), effective January 1, 2023, lead to material deterioration in the California professional liability book of business.

Credit Analysis

Balance Sheet Strength

Capitalization

Risk-adjusted capitalization, as measured by BCAR, remains at the strongest level. Available capital and surplus had declined steadily in recent years as excess capital was returned to shareholders. Dividend activity has funded the various capital management activities of the parent corporation, including the payment of shareholder dividends, mergers and acquisitions, share repurchases, and debt redemption. Net and gross underwriting leverage ratios are elevated relative to composite averages, resulting from the reductions in policyholders surplus and modest growth in loss reserves and premiums during this time.

The group maintains adequate liquidity as non-affiliated invested assets exceed overall liabilities; however, liquidity measures generally trail those of the MPL composite and overall property casualty industry. Operating cash flows are positive over the most recent five year period

Asset Liability Management - Investments

Invested assets have grown steadily over the most recent five year period. At year-end of 2022, long-term bonds comprised most of the portfolio. Fixed-income investments have a relatively short average duration at approximately three years. More than half of the bond portfolio is invested in high-grade corporate bonds. The portfolio's overall credit quality is excellent. Common shares and alternative investments (investments in real estate and tax credit partnerships), declined as the group actively reduced their allocation to equities in order to preserve capital for the planned acquisition of NORCAL, now member of the ProAssurance Group. Equities remained low in 2022.

Reserve Adequacy

Historically, ProAssurance has been conservative in establishing initial reserves and also cautious in recognizing the impact of underlying trends. The group had favorable loss reserve development on a calendar year and accident year basis for many years. However, adverse loss reserve development was reported on some recent accident years. In addition, in the fourth quarter of 2019, the group's statutory favorable reserve development was greatly reduced following losses from a single large healthcare account, which was subsequently non-renewed. Although, AM Best views the group's reserve cushions as diminished in comparison to the earlier portion of the prior ten year period, AM Best believes the group's reserving practices continue to be prudent.

Holding Company Assessment

AM Best views the ultimate parent, ProAssurance Corporation (PRA), as a neutral factor in the group's rating. PRA has the ability to access the capital markets and maintains financial leverage ratios that are well within AM Best ranges for the current rating. Balancing the low leverage and financial flexibility is the PRA's willingness and history of returning capital to its investors through special and regular dividends and share repurchases as well as its dependence on its insurance operations to service existing debt obligations and maintain holding company liquidity.

Operating Performance

ProAssurance's 2018 and prior operating results compared favorably to the industry and its medical professional liability (MPL) peers. More recent performance trends reflected some deterioration, however, results rebounded somewhat beginning in 2021 and through 2022 following the re-underwriting of the groups book of business and the successful integration with NORCAL since its acquisition in May 2021.

During the earlier portion of the prior five-year period, underwriting performance in MPL had gradually weakened due to a prolonged soft market reflected in declining premium in competitive markets and increasing loss severity caused by social inflation, higher settlements and higher-than-expected jury awards. MPL underwriting performance in 2022 benefited from the impacts of year-over-year rate increases and a complete re-underwriting of its book of business as well coverage changes. This led to a lower accident year loss ratio for 2022 as well as moderate favorable loss reserve development reported for the year. However, loss costs in the groups' MPL book of business remain pressured by the impacts of social inflation and the increasing frequency of excess verdicts, as seen in the first quarter of 2023.

The group's workers compensation line, written through its Eastern Alliance Insurance Group companies, has been profitable and is in line with peers. The group emphasizes rural underwriting territories with strong economies and diverse employer classifications, and focuses on risk management programs that would bring an injured worker back to employment quickly. In 2021, the group saw some increase in workers' compensation claims as insureds returned to work. Volatility continued in 2022 as results reflected an influx of violent crimes claims, wage inflation, an increase in the indemnity portion of claims, and medical inflation, which have all impacted results. However, despite changing dynamics in the market, overall results in this line are projected to remain profitable.

Management believes that its corporate strategy is most effective when it is applied locally to underwriting and claims. As such, ProAssurance has established a regional underwriting and claims presence in key markets. This has allowed the group to benefit from the local perspective and capitalize on the local knowledge gained from a legal standpoint. Claim defense continues to be one of the group's core competencies and ProAssurance remains committed to the aggressive defense of non-meritorious claims, which management believes provides a long term competitive advantage.

ProAssurance maintains a conservative investment approach that focuses primarily on fixed income markets, with limited exposure to equity markets. ProAssurance's net investment income had declined steadily in most years over the past five years due to persistently low yields and changes in allocations, despite and increasing invested asset base. However, net investment income increased in 2022 due to the rise in interest rates, and has benefited the operating ratio by approximately 13 points over the five year average.

Business Profile

ProAssurance is a leading national provider of medical professional liability insurance in the U.S., covering physicians, physician groups, podiatrists, dentists, chiropractors, hospitals, healthcare systems, clinics, allied professionals, as well as life sciences. The consolidated group also writes workers compensation through Eastern Alliance Insurance Group (EAIG), a specialty workers compensation underwriter. For MPL the group has licenses in all fifty states and the District of Columbia, with the majority of its business written in the Midwestern and Southeastern regions of the United States.

Companies within the group are engaged in the delivery of professional liability insurance to physicians and surgeons, dentists, hospitals and others involved in the health care industry. In addition, through Medmarc Casualty Insurance Company, the group provides product liability and completed operations liability coverage to manufacturers and distributors of medical technology and life science products and for clinical trials of these products, and effective January 1, 2017, housed a limited amount of legal professional liability business written within ProAssurance.

Policy limits range from \$250,000 (offered only where mandated by law) up to typically \$1 million per occurrence and \$3 million in the aggregate for physicians with limits in certain jurisdictions designed around state specific provisions, such as patient compensation funds. Higher limits are offered in a variety structures which may include with facultative quotes through the company's reinsurance partners. Policies are written on claims made forms in all states; a small amount of occurrence coverage is written for physicians in Wisconsin where a state fund bears responsibility for losses greater than \$1.0 million. A limited amount of dental professional liability coverage is also written on an occurrence form.

EAIG (consisting of Eastern Alliance Insurance Company, Eastern Advantage Assurance Co and Allied Eastern Indemnity Co), writes workers compensation primarily in rural and suburban areas of selected states within the mid-Atlantic, Midwest, Gulf South, and New England regions. About half of direct written premiums were in Pennsylvania. The target market is small to mid-sized employers (1,000 employees or less) generating an average workers' compensation premiums size of approximately \$20,000. The group offers workers' compensation coverage on a diverse platform including guaranteed cost, alternative markets, deductible, retrospective rating and policyholder dividend type of programs.

Business Profile (Continued...)

EAIG is affiliated with Inova Re and Eastern Re Ltd., S.P.C. (Eastern Re) through its common ownership by an intermediate holding company, Eastern Insurance Holdings Inc., and ultimately by ProAssurance Corporation. Inova Re is a Cayman Islands - domiciled reinsurance company that offers alternative market workers compensation solution to individual companies, groups and associations through the creation of segregated portfolio cells. It currently consists of 26 segregated portfolios including a cell that assumes 100% medical professional liability business from ProAssurance. EAIG cedes 100% of losses arising under the policies insured to Inova Re.

ProAssurance also provides capital to Lloyd's Syndicate 1729, which writes a range of property and casualty insurance and reinsurance lines. The group's participation in Syndicate 1729 for 2014 through 2022 underwriting years had ranged from a low of 5% to a high of 62%. For the 2022 underwriting year, ProAssurance had reduced its participation in Syndicate 1729 to 5% from 29%, and reduced participation in Syndicate 6131 to 50% from 100%. For the 2022 underwriting year, effective January 1, 2022, Syndicate 6131 ceased underwriting on a quota share basis with Syndicate 1729. Its business is retained within Syndicate 1729 and participation in the results of Syndicate 1729 remains unchanged at 5% for the 2023 underwriting year.

The group has a successful track record of partnering and acquiring companies and integrating them into the ProAssurance family of companies. The acquisition of California-based NORCAL has been no different as integration with NORCAL is nearly 100% complete and NORCAL Insurance Company and its subsidiaries have been added as members of the ProAssurance Group.

Enterprise Risk Management

The organization's enterprise risk management program (ERM) is comprehensive and makes use of various factors to assess the impact of risk on operations and capital levels across a wide range of time periods, jurisdictions, and market cycles. Analysis includes in depth reviews of market factors, discussion of strategic opportunities, and stress testing using economic capital models. Risk tolerances are clearly defined and actionable plans are in place to address challenges. The organization uses specific financial factors to measure overall operational performance and successful implementation of strategic initiatives. The group's ERM program consists of numerous processes and controls that have been designed by senior management with Board of Directors' oversight, and has been implemented across the organization. Given its national presence, the organization has extensive business continuation plans in place.

Reinsurance Summary

ProAssurance reinsures risks under excess of loss reinsurance treaties that are renewed annually. Since October 1, 2021, the healthcare professional liability treaty applies to both legacy ProAssurance and legacy NORCAL. Consistent with the expiring treaty, the excess of loss reinsurance arrangement that renewed on January 1, 2022 had a \$2.0 million retention and losses in excess of this amount are ceded up to \$24.0 million per insured. The medical technology liability treaty renewed on October 1, 2022, as expiring, with a retention of \$2.0 million, and ceded limits of \$8.0 million per policy.

The workers' compensation treaty renews annually on May 1. The retention is \$0.5 million per loss occurrence with coverage up to \$119.5 million. In addition to the per loss occurrence retention, the treaty includes an annual aggregate deductible under which the company retains losses in excess of the \$0.5 million per loss occurrence up to 3.5% of subject earned premium. The treaty includes a maximum per person limit of \$20.0 million.

Environmental, Social & Governance

AM Best views the main ESG risks to ProAssurance to be governance and social inflation. Governance covers all decision-making matters, including policy setting, underwriting, reserving, risk mitigation, claims management, setting corporate strategy, hiring practices as well as establishing risk tolerances and risk appetites that are appropriate for ProAssurance. Depending on how well management and the Board of Directors execute on these matters is key to adhering to good corporate governance. At this point, governance at ProAssurance has been appropriate.

AM Best defines social inflation in the US as the rise in current or future claims caused by higher court awards and legislated rises in claims payments driven by societal behavior. Changes in demographics, litigation financing, a perceived decay in the public trust of corporations, and changes in tort reform are some additional factors affecting higher claim settlements as well. Being a medical professional liability insurer, however, social inflation could present some challenges to the company in the future. While ProAssurance has not specifically identified social inflation as a primary driver when settling and litigating claims, they have noted an upward trend in loss costs as the frequency of higher severity losses is increasing.

Financial Statements

	Year End - December 31			
	2022		2021	
Balance Sheet	USD (000)	%	USD (000)	%
Cash and Short Term Investments	159,634	3.2	218,542	4.2
Bonds	3,833,846	76.3	3,904,481	75.3
Preferred and Common Stock	49,826	1.0	48,937	0.9
Other Invested Assets	344,478	6.9	381,710	7.4
Total Cash and Invested Assets	4,387,783	87.3	4,553,670	87.8
Premium Balances	358,046	7.1	348,737	6.7
Net Deferred Tax Asset	36,558	0.7	43,811	0.8
Other Assets	241,979	4.8	237,356	4.6
Total Assets	5,024,365	100.0	5,183,575	100.0
Loss and Loss Adjustment Expense Reserves:				
Net Reported Loss Reserves	1,739,084	34.6	1,609,258	31.0
Net IBNR Loss Reserves	90,616	1.8	276,002	5.3
Net LAE Reserves	942,373	18.8	945,561	18.2
Total Net Loss and LAE Reserves	2,772,073	55.2	2,830,821	54.6
Net Unearned Premiums	473,331	9.4	483,300	9.3
Other Liabilities	396,665	7.9	416,319	8.0
Total Liabilities	3,642,069	72.5	3,730,440	72.0
Capital Stock	35,455	0.7	35,455	0.7
Paid-In and Contributed Surplus	903,615	18.0	903,615	17.4
Unassigned Surplus	249,310	5.0	320,149	6.2
Other Surplus	193,915	3.9	193,915	3.7
Total Policyholders' Surplus	1,382,296	27.5	1,453,135	28.0
Total Liabilities and Surplus	5,024,365	100.0	5,183,575	100.0

Source: BestLink® - Best's Financial Suite

Last Update

June 02, 2023

Identifiers**AMB #:** 018559

This company is a data record that AM Best utilizes to represent the AM Best Consolidated financials for the Property/Casualty business of AMB#: [050660 ProAssurance Corporation](#).

AMB#: [003826 ProAssurance Indemnity Company, Inc.](#) has been assigned as the AMB Group Lead for this consolidation and should be used to access name, address, or other contact information for this AM Best Consolidated Group.

Financial Data Presented

See [LINK](#) for details of the entities represented by the data presented in this report.

ProAssurance Group**Operations****Date Incorporated:** October 01, 1976**Domiciled:** Alabama, United States**Business Type:** Property/Casualty**Organization Type:** Stock**Marketing Type:** Independent Agency**Best's Credit Ratings****Rating Relationship**

This group represents an AM Best Rating Unit. In our opinion, companies under this Rating Unit have an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

Best's Credit Rating Effective Date: May 23, 2023

Rating rationale and credit analysis can be found in the [Best's Credit Report for AMB# 018559 - ProAssurance Group](#).

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
012527	Allied Eastern Indemnity Co	A	a+
013861	Eastern Advantage Assurance Co	A	a+
012115	Eastern Alliance Insurance Co	A	a+
013063	FD Insurance Company	A	a+
013758	Medicus Insurance Company	A	a+
002216	Medmarc Casualty Insurance Co	A	a+
003644	NORCAL Insurance Company	A	a+
003744	NORCAL Specialty Insurance Co	A	a+
011056	Pref Phys Med RRG, Mut Ins Co	A	a+
022383	ProAssurance Amer Mut, A RRG	A	a+
002698	ProAssurance Casualty Company	A	a+
003826	ProAssurance Indemnity Company	A	a+
001832	ProAssurance Ins Co of America	A	a+
012468	ProAssurance Specialty Ins Co	A	a+

History

ProAssurance Indemnity Company, Inc. was formed as a mutual insurance company, Mutual Assurance Society of Alabama in 1976, to write professional liability insurance for Alabama physicians. The name was later shortened to Mutual Assurance, Inc. The company demutualized in 1991, and later became a subsidiary of Medical Assurance, Inc., an insurance holding company formed in 1996. Numerous acquisitions of smaller medical professional liability insurers pre-dated the 2001 merger that created ProAssurance Corporation; subsequent to that merger, there have been a number of other transactions. The West Virginia Hospital Insurance Company, a West Virginia medical professional liability writer acquired in 1993, was later renamed Medical Assurance of West Virginia, Inc., then Woodbrook Casualty Insurance, Inc. and merged into ProAssurance Indemnity effective December 31, 2008. American Physicians Insurance Company, a leading writer of medical professional liability insurance in Texas and surrounding states, was acquired by ProAssurance in late 2010 and was merged into ProAssurance Indemnity effective September 16, 2011. The NCRIC Group, the leading writer of medical professional liability policies in the District of Columbia, was acquired by ProAssurance Corporation in 2005 and subsequently renamed ProAssurance National Capital Insurance Company. It was merged into ProAssurance Indemnity effective July 1, 2012.

ProAssurance Casualty Company was formed in 1980, as Physicians Insurance Company of Michigan before changing its name first to ProNational Insurance Company, and then to ProAssurance Casualty. It is currently among Michigan's leading providers of medical professional liability insurance. The company is also well represented in Florida as a result of the 1998 merger of Physicians Protective Trust Fund (PPTF) into ProNational. ProAssurance Casualty is currently endorsed by various county medical societies and specialty organizations. Physicians Insurance Company of Wisconsin, the leading writer of medical professional liability insurance in Wisconsin, was acquired by ProAssurance in 2006 and subsequently renamed ProAssurance Wisconsin before being merged into ProAssurance Casualty effective December 31, 2011. Independent Nevada Doctors Insurance Exchange was acquired by ProAssurance in 2012 and was merged into ProAssurance Indemnity effective October 1, 2013.

ProAssurance Specialty Insurance Company, Inc.'s (ProAssurance Specialty) origins date back to 1994, when ProNational formed a wholly owned subsidiary, PICOM Insurance Company of Illinois, to renew a book of physician professional liability insurance formerly written by a physician-owned carrier in that state. This gave the group a significant entry into the Illinois market and broadened the group's spread of underwriting risk. In September 2002, the subsidiary adopted the name of Red Mountain Casualty Insurance Company, Inc., re-domesticated to Alabama and began writing business in several states on an excess and surplus lines basis. The company adopted its current name at the end of 2008, in order to identify better with its parent organization. It merged with Noetic Specialty Insurance Company, another E&S company in the ProAssurance Group, in December 2021, and is now a Vermont domiciled insurer still called ProAssurance Specialty Insurance Company.

In 2009, the Podiatry Insurance Company of America (PICA) was acquired through a sponsored demutualization and expanded the company's footprint into professional liability for podiatrists and chiropractic medicine. PICA was renamed ProAssurance Insurance Company of America in December 2019.

In 2013, ProAssurance Corporation acquired Medmarc Mutual, subsequently renamed Medmarc Casualty. This marked its entrance into the Product Liability lines.

In 2014, Eastern Insurance Holdings was acquired by the Company as it expanded its lines into Worker's Compensation. Eastern operations include its captive business, Inova Re.

The acquisition of Norcal Mutual Insurance Company, a medical professional liability insurance company, was completed May 2021. Upon acquisition, it became Norcal Insurance Company. Norcal Insurance Company wholly owns Norcal Specialty Insurance Company, Medicus Insurance Company, FD Insurance Company and operates Preferred Physicians Medical Risk Retention Group via its ownership of PPM Insurance Services Inc.

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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