

Understanding the A.M. Best Insurance Rating System

What is an A.M. Best Rating? An A.M. Best Rating is an independent third-party evaluation that subjects all insurers to the same rigorous criteria, providing a valuable benchmark for comparing insurers, regardless of their country of domicile. Simply put, an A.M. Best rating gives the consumers an independent and clear “grade” of the insurance company’s financial strength.

Financial Strength Ratings

An A.M. Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. The following list outlines their rating scale and associated descriptions.

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

Financial Size Categories (FSC)

To enhance the usefulness of their ratings, A.M. Best assigns each letter rated (A++ through D) insurance company a Financial Size Category (FSC). The FSC is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts. *(Note: Ranges are in millions of U.S. dollars)*

Adjusted FSC	Policyholders' Surplus	Adjusted FSC	Policyholders' Surplus
I	Less than 1	IX	250 to 500
II	1 to 2	X	500 to 750
III	2 to 5	XI	750 to 1,000
IV	5 to 10	XII	1,000 to 1,250
V	10 to 25	XIII	1,250 to 1,500
VI	25 to 50	XIV	1,500 to 2,000
VII	50 to 100	XV	2,000 or greater
VIII	100 to 250		

For more information, you can visit the A.M. Best website at www.AMbest.com