

# Rating Definitions

A.M. Best		Standard & Poor's		Moody's		Kroll		Comdex	
A.M. Best's Financial Strength Rating is an opinion of an insurer's ability to meet its obligations to policyholders. A.M. Best uses letter grades ranging from A++, the highest, to F, companies in liquidation. Rating modifiers and affiliation codes may also be associated with these ratings.		S&P uses a letter grade scale that ranges from AAA, the highest rating, to D, the lowest rating. Ratings from AA to CCC may be modified by a plus or minus sign to show relative standing within those grades. An insurer rated BBB or higher is regarded as having financial security characteristics that outweigh any vulnerability and is highly likely to have the ability to meet financial commitments.		Moody's uses a letter grade scale that ranges from Aaa, the highest rating to C, the lowest rating. It also applies modifiers (1, 2, or 3) for ratings from AA through Caa to indicate approximate rank of the company in a particular class. This provides investors with a system for measuring an insurance company's ability to meet its policyholder claims and obligations.		Kroll uses a letter grade scale that ranges from AAA, the highest rating to D, the lowest rating. Ratings from AA through CCC may be modified by a plus or minus sign to indicate upper and lower risk levels within the broader category.		The Comdex ranking is not a rating. Instead, it is a composite index that is based on the ratings a company has earned from the leading rating services – A.M. Best, Standard & Poor's, Moody's, Fitch and TheStreet.com. These ratings are very important, but because the rating agencies do not employ a universal ratings scale, it can create a sense of uncertainty when comparing companies to each other. Therefore, the Comdex ranking provides a company's standing on a scale of 1 to 100 in relation to other companies that have been rated.	
Superior	A++, A+	Highest – extremely strong	AAA	Highest Quality	Aaa	Highest Quality	AAA		
Excellent	A, A-	Highest – very strong	AA+, AA, AA-	High Quality	Aa1, Aa2, Aa3	Very High Quality	AA+, AA, AA-		
Good	B++, B+	High – strong	A+, A, A-	Upper Medium Grade	A1, A2, A3	High Quality	A+, A, A-		
Fair	B, B-	Adequate	BBB+, BBB, BBB-	Medium Grade	Baa1, Baa2, Baa3	Medium Quality	BBB+, BBB, BBB-		
Marginal	C++, C+	Regarded as having vulnerable characteristics that may outweigh its strengths. 'BB' indicates the least degree of vulnerability and 'CC' the highest.	Marginal	BB+, BB, BB-	Speculative	Ba1, Ba2, Ba3	Low Quality		BB+, BB, BB-
Weak	C, C-		Weak	B+, B, B-	Considered speculative	B1, B2, B3	Very Low Quality		B+, B, B-
Poor	D		Very Weak	CCC+, CCC, CCC-	Poor standing	Caa1, Caa2, Caa3	Substantial Risk		CCC+, CCC, CCC-
			Extremely Weak	CC	Highly speculative / near default	Ca	Near Default - Average		CC
Regulatory Supervision	E	Selected default or default on one or more of its insurance policy obligations. A 'D' rating will also be used upon the filing of bankruptcy or similar action if payments on a policy obligation are at risk.	SD or D	Lowest Rated (typically in default)	C	Near Default - Low	C		
Liquidation	F					Default	D		