

# A Guide To Define Financial Strength & Long-Term Issuer Credit/Default Ratings

## AM Best

Financial Strength Ratings			Long-Term Issuer Credit Ratings		
Opinion	Rating	Descriptor	Opinion	Rating	Descriptor
Secure	A++, A+	Superior	Investment Grade	aaa	Exceptional
	A, A-	Excellent		aa	Superior
	B++, B+	Very Good		a	Excellent
Vulnerable	B, B-	Fair		bbb	Very Good
	C++, C+	Marginal		Non-Investment Grade	bb
	C, C-	Weak	b		Marginal
	D	Poor	ccc, cc		Weak
	E	Under Regulatory Supervision	c		Poor
F	In Liquidation				
S	Suspended				

## Standard & Poor's

Financial Strength Ratings			Long-Term Issuer Credit Ratings		
Opinion	Rating	Descriptor	Opinion	Rating	Descriptor
Secure	AAA	Extremely Strong	Secure	AAA	Extremely Strong
	AA	Very Strong		AA	Very Strong
	A	Strong		A	Strong
	BBB	Good		BBB	Adequate
	Vulnerable	BB		Marginal	Speculative
B		Weak	B	More Vulnerable	
CCC		Very Weak	CCC	Currently Vulnerable	
CC		Extremely Weak	CC	Currently Highly-Vulnerable	
R		Regulatory Action	Other	R	Under Regulatory Supervision
NR		Not Rated		SD	Selective Default
				D	General Default
			NR	Not Rated	

### AM Best Rating Outlooks & Modifiers

Positive	Indicates a company's financial/market trends are favorable, relative to its current rating level and, if continued, the company has a good possibility of having its rating upgraded.
Stable	Indicates a company is experiencing stable financial/market trends and there is a low likelihood that its rating will change in the near term.
Negative	Indicates a company is experiencing unfavorable financial/market trends, relative to its current rating level and, if continued, the company has a good possibility of having its rating downgraded.
U	A modifier that generally is event-driven (positive, negative or developing) and is assigned to a company whose Best's Rating opinion is under review and may be subject to change in the near-term, generally defined as six months.
pd	Ratings reflect qualitative and quantitative analyses using public data and information.

### Standard & Poor's Rating Outlooks & Modifiers

Plus (+) or Minus (-)	Signs following ratings from 'AA' to 'CCC' show relative standing within the major rating categories.
CreditWatch	CreditWatch highlights the potential direction of a rating, focusing on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's.
pi	Ratings based on an analysis of published financial information and additional information in the public domain. They do not reflect in-depth meetings with an insurer's management nor do they incorporate material non-public information, and are therefore based on less comprehensive information than ratings without a 'pi' subscript.

## Moody's

Financial Strength Ratings			Long-Term Issuer Credit Ratings		
Opinion	Rating	Descriptor	Opinion	Rating	Descriptor
Strong	Aaa	Exceptional	Strong	Aaa	Minimal Credit Risk
	Aa	Excellent		Aa	Very Low Credit Risk
	A	Good		A	Low Credit Risk
	Baa	Adequate		Baa	Moderate Credit Risk
Weak	Ba	Questionable	Weak	Ba	Substantial Credit Risk
	B	Poor		B	High Credit Risk
	Caa	Very Poor		Caa	Very High Credit Risk
	Ca	Extremely Poor		Ca	Likely In, or Very Near, Default
	C	Lowest-rated Class		C	In Default

### Moody's Rating Modifiers

1	Numeric modifier that indicates that the rating is in the higher end of its generic rating category.
2	Numeric modifier that indicates that the rating is in the mid-range of its generic rating category.
3	Numeric modifier that indicates that the rating is in the lower end of its generic rating category.

## Fitch

Financial Strength Ratings			Long-Term Issuer Default Ratings		
Opinion	Rating	Descriptor	Opinion	Rating	Descriptor
Secure	AAA	Exceptionally Strong	Investment Grade	AAA	Highest Credit Quality
	AA	Very Strong		AA	Very High Credit Quality
	A	Strong		A	High Credit Quality
	BBB	Good		BBB	Good Credit Quality
	Vulnerable	BB		Moderately Weak	Speculative Grade
B		Weak	B	Highly Speculative	
CCC, CC, C		Very Weak	CCC, CC, C	High Default Risk	
DDD, DD, D		Distressed	DDD, DD, D	Default	

### Fitch Rating Outlooks & Modifiers

Plus (+) or Minus (-)	May be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' category or to categories below 'CCC'.
NR	Indicates that Fitch Ratings does not publicly rate the issuer or issue in question.
Withdrawn	A rating is withdrawn when Fitch Ratings deems the amount of information available to be inadequate for rating purposes, or when an obligation matures, is called, or refinanced.
Rating Watch	Indicates a reasonable probability of a rating change and the likely direction of such change. These are designated as "Positive", indicating a potential upgrade, "Negative", for a potential downgrade, or "Evolving", if ratings may be raised, lowered or maintained. Rating Watch is typically resolved over a relatively short period.
Outlook	Indicates the direction a rating is likely to move over a one to two-year period. Outlooks may be positive, stable, or negative. A positive or negative Outlook does not imply a rating change is inevitable. Occasionally, Fitch may be unable to identify the fundamental trend, and in these cases, the Rating Outlook may be described as "evolving".