

How Insurance Companies Are Rated





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Insurance companies are rated by five major rating services. Each service uses its own criteria to issue a "report card" for the companies it rates. Although each service uses an alphabetical rating scale, an A+ from one service may not mean the same as an A+ from another. The following chart lists the ratings available from the five companies and groups them by rating strength.

Rating description	Rating services				
	A. M. Best	Fitch	Moody's	Standard & Poor's	TheStreet.com
Superior minimal risk of financial instability, most able to meet claim obligations.	A++ A+	AAA	Aaa	AAA	A+
Excellent financially strong with excellent claims-paying ability.	A A-	AA+ AA AA-	Aa1 Aa2 Aa3	AA+ AA AA-	A A-
Good good claims-paying ability, stronger than the average company.	B++ B+	A+ A A-	A1 A2 A3	A+ A A-	B+ B B-
Adequate higher risk than "good" rating.	B B-	BBB+ BBB BBB-	Baa1 Baa2 Baa3	BBB+ BBB BBB-	C+ C C-
Below Average below-average claims-paying ability and financial strength.	C++ C+	BB+ BB BB-	Ba1 Ba2 Ba3	BB+ BB BB-	D+ D D-
Financially Weak high degree of risk, vulnerable to default.	C C- D	B+ B B-	B1 B2 B3	B+ B B-	E+ E E-
Nonviable extremely risky, in or near default.	E F	CCC CC C DDD DD D	Caa Ca C	CCC CC R	F

To get rating information, visit the rating services' websites or call their customer service departments. Most rating services provide free rating information to consumers, although you may have to pay if you need more than a few ratings. Ratings can be found in books and magazines available at your local library. You can also ask your insurance agent or broker for rating information.

IMPORTANT DISCLOSURES

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