

CARRIER FINANCIAL STRENGTH RATINGS

Financial ratings reflect an insurance company's claims paying ability

Source	Carrier	A.M. Best	Standard & Poor's	Moody's	Fitch
1	Unum	A	A	A2	A
2	John Hancock	A+	AA-	A1	AA-
3	MetLife	A+	AA-	Aa3	AA-
4	CNA	A	A-	A3	BBB-
5	Federal LTC Program	N/A	N/A	N/A	N/A
6	CalPERS	N/A	N/A	N/A	N/A
7	Aetna	A	A+	A1	AA-
8	Genworth	B++	BB	Ba1	A-
9	MedAmerica	B++	A-	N/A	N/A
10	Prudential	A+	AA-	A2	A+
11	Transamerica	A+	AA-	A1	AA-
12	United of Omaha	A+	A+	Aa3	N/A
13	LifeSecure	A- (Parent Company rating)	A+	Aa3	N/A

1. <http://www.investors.unum.com/phoenix.zhtml?c=112190&p=irol-ratings>

2. https://www.johnhancockltc.com/Group/Main/About_John_Hancock/Financial_Ratings.aspx

3. <http://www.metlife.com/about/corporate-profile/ratings/index.html>

4. <http://www.cna.com/portal/site/cna/about/#>; http://www.fitchratings.com/creditdesk/ratings/issr_rtnng.cfm?issr_id=80091036

7. <http://investor.aetna.com/phoenix.zhtml?c=110617&p=irol-ratings>

8. http://www.genworth.com/content/genworth/www_genworth_com/web/corporate/en/about_genworth/corp_company_ratings.html

9. <http://www.yourlongtermcare.com/strong>; <http://www.aaltci.org/long-term-care-insurance/learning-center/company-ratings.php>

10. <http://www.investor.prudential.com/phoenix.zhtml?c=129695&p=irol-ratings>

11. <https://www.taltc.com/ARC/public/aboutTALTC.jsf>

12. <http://www.mutualofomaha.com/about/company/ratings.php>

13. <http://www.aaltci.org/long-term-care-insurance/learning-center/company-ratings.php>

FINANCIAL STRENGTH RATING DEFINITIONS

A look at A.M. Best, Standard & Poor's, Moody's and Fitch's financial strength rating definitions

Rank	A.M. Best		Standard & Poor's		Moody's		Fitch	
1	A++	Superior	AAA	Extremely Strong	Aaa	Exceptional	AAA	Exceptionally Strong
2	A+	Superior	AA+	Very Strong	Aa1	Excellent	AA+	Very Strong
3	A	Excellent	AA	Very Strong	Aa2	Excellent	AA	Very Strong
4	A-	Excellent	AA-	Very Strong	Aa3	Excellent	AA-	Very Strong
5	B++	Good	A+	Strong	A1	Good	A+	Strong
6	B+	Good	A	Strong	A2	Good	A	Strong
7	B	Fair	A-	Strong	A3	Good	A-	Strong
8	B-	Fair	BBB+	Good	Baa1	Adequate	BBB+	Adequate
9	C++	Marginal	BBB	Good	Baa2	Adequate	BBB	Adequate
10	C+	Marginal	BBB-	Good	Baa3	Adequate	BBB-	Adequate
11	C	Weak	BB+	Marginal	Ba1	Questionable	BB+	Fairly Weak
12	C-	Weak	BB	Marginal	Ba2	Questionable	BB	Fairly Weak
13	D	Poor	BB-	Marginal	Ba3	Questionable	BB-	Fairly Weak
14	E	Regulatory Supervision	B+	Weak	B1	Poor	B+	Significantly Weak
15	F	In Liquidation	B	Weak	B2	Poor	B	Significantly Weak
16	S	Suspended	B-	Weak	B3	Poor	B-	Significantly Weak
17	-	-	CCC+	Very Weak	Caa1	Very Poor	CCC+	Possible: Ceased or Interrupted Payments
18	-	-	CCC	Very Weak	Caa2	Very Poor	CCC	Possible: Ceased or Interrupted Payments
19	-	-	CCC-	Very Weak	Caa3	Very Poor	CCC-	Possible: Ceased or Interrupted Payments
20	-	-	CC	Extremely Weak	Ca	Extremely Poor	CC	Probable: Ceased or Interrupted Payments
21	-	-	R	Regulatory Supervision	C	Extremely Poor	C	Imminent: Ceased or Interrupted Payments

The rating categories in any given rank are not equivalent to one another.
<http://www.metlife.com/about/corporate-profile/ratings/index.html>

Financial Strength Rating Details

A detailed outline of A.M. Best, Standard & Poor's, Moody's and Fitch's financial strength rating definitions

AM Best

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Financial Strength Ratings Explained

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have a weak ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by forced liquidation.
	S	Suspended	Assigned to companies when sudden and significant events affect their balance sheet strength or operating performance and rating implications cannot be evaluated due to a lack of timely or adequate information.

Rating Outlooks

Assigned to an interactive Financial Strength Rating (A++ to D) to indicate its potential direction over an intermediate term, generally defined as a 12 to 36 months.

Positive (+)	Indicated possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative (-)	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Standard & Poor's

A Standard & Poor's issuer credit rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet financial commitments as they come due.

Long-Term Issuer Credit Ratings

	Rating	Descriptor	Definition
Strong	AAA	Extremely Strong	Extremely strong capacity to meet its financial commitments.
	AA	Very Strong	Very strong capacity to meet its financial commitments.
	A	Strong	Strong capacity to meet its financial commitments, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
Adequate	BBB	Adequate	Adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to meet financial commitments.
Speculative Characteristics	BB	Less vulnerable	Less vulnerable in the near term than other low rated obligors. However, faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which could lead to inadequate capacity to meet its financial commitments.
	B	More Vulnerable	More vulnerable than the obligors rated 'BB', but does have the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair capacity or willingness to meet financial commitments.
	CCC	Currently Vulnerable	Currently vulnerable and is dependent upon favorable business, financial and economic conditions to meet its financial commitments.
	CC	Currently Highly Vulnerable	An obligor rated 'CC' is currently, highly vulnerable.
Supervised	R	Under Regulatory Supervision	Under regulatory supervision owing to its financial condition.
Failed to Pay	SD	Selective Default	Failed to pay one or more of its financial obligations when it came due. It is believed that the obligor has selectively defaulted on a specific issue or class of obligations, but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner.
	D	General Default	Failed to pay one or more of its financial obligations when it came due. It is believed that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

Moody's

Moody's ratings rate the financial strength of investment vehicles and institutions including insurance companies. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Credit Ratings

	Rating	Descriptor	Definition
	Aaa	Exceptional	Exceptional financial security. While the financial strength of these companies is likely to change, such changes as can be visualized are most unlikely to impair their fundamentally strong position.
Strength is subject to numerical modifiers assigned	Aa	Excellent	Excellent financial security, together with Aaa group, they constitute what are generally known as high-grade companies. They are rated lower than Aaa companies because their long-term risks appear somewhat larger.
	A	Good	Good financial security. However, elements may be present that suggest a susceptibility to impairment sometime in their future.
	Baa	Adequate	Adequate financial security. However, certain protective elements may be lacking or may be characteristically unreliable over any great length of time.
	Ba	Questionable	Questionable financial security. Often the ability of these companies to meet policyholder obligations may be very moderate and thereby not well safeguarded in the future.
	B	Poor	Poor financial security. Assurance of punctual payment of policyholder obligations over a long period of time is small.
	Caa	Very Poor	Very poor financial security. Company may be in default on their policyholder obligations or there may be present elements of danger with respect to punctual payment of policyholder obligations - claims.
	Ca	Extremely Poor	Extremely poor financial security. Such companies are often in default on their policyholder obligations.
	C	Lowest Rated Class	The lowest rated class of insurance company. can be regarded as having extremely poor prospects of ever offering financial security

Fitch Ratings

The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the ‘AAA’ Long-Term IDR category, or to Long-Term IDR categories below ‘B’.

Credit Ratings		
Rating	Descriptor	Definition
AAA	Highest Credit Quality	‘AAA’ ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very High Quality Rating	‘AA’ ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High Credit Quality	‘A’ ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Good Credit Quality	‘BBB’ ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative	‘BB’ ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.
B	Highly Speculative	‘B’ ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	Substantial Credit Risk	Default is a real possibility.
CC	Very High Levels of Credit Risk	Default of some kind appears probable.
C	Exceptionally High Levels of Credit Risk	Default is imminent or inevitable, or the issuer is in standstill. Conditions that are indicative of a ‘C’ category rating for an issuer include: the issuer has entered into a grace or cure period following non-payment of a material financial obligation; the issuer has entered into a temporary negotiated waiver or standstill agreement following a payment default on a material financial obligation; or Fitch Ratings otherwise believes a condition of ‘RD’ or ‘D’ to be imminent or inevitable, including through the formal announcement of a coercive debt exchange.
RD	Restricted default	‘RD’ ratings indicate an issuer that in Fitch Ratings’ opinion has experienced an uncured payment default on a bond, loan or other material financial obligation but which has not entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, and which has not otherwise ceased business.
D	Default	D’ ratings indicate an issuer that in Fitch Ratings’ opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.