HCC Insurance Holdings, Inc.

And Insurance Subsidiaries
Full Rating Report

Ratings

Long-Term Issuer Default Rating	A
Houston Casualty Company	
Insurer Financial Strength	AA–

Note: See additional ratings in the *Appendix*.

Rating Outlook

Stable

Financial Data

HCC Insurance Holdings, Inc.

($ Mil.)	2016	2017
Net Income	424	385
Total Capital	5,252	5,126
ROE (%)	10.4	9.2
Combined Ratio (%)	87.6	89.0

Note: GAAP accounting.
Source: TMHCC.

Related Research

HCC Insurance Holdings, Inc. - Ratings Navigator (August 2018)

North American Property/Casualty Insurers' 2017 Results (March 2018)

Fitch 2018 Outlook: U.S. Property/Casualty Insurance (Underwriting Loss to Narrow Following 2017 Cat Losses) (December 2017)

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Key Rating Drivers

Ownership Limits Ratings: HCC Insurance Holdings, Inc. (TMHCC) was acquired by Tokio Marine Holdings, Inc. in October 2015 for $7.3 billion. TMHCC's operating company Issuer Default Rating (IDR) aligns with its new parent's core operating companies, allowing the Insurer Financial Strength (IFS) rating to be one notch above those core operating companies. The Tokio Marine operating company (IFS: A+/Stable) is constrained by its exposure to country risks in Japan (Fitch local-currency sovereign rating: A/Stable), which is viewed as only indirectly affecting TMHCC.

Consistently Favorable Underwriting Results: TMHCC is a diversified specialty underwriter that maintains a strong market position in a number of narrowly defined, less correlated insurance lines. The company targets a long-run average combined ratio of 88% with its current mix of business. From fiscal 2013 to 2017, the combined ratio averaged 86%.

Compensation Linked to Profitability: TMHCC compensates both underwriters and executive officers on the company's long-run profitability, encouraging a focus on both short-term and long-term profitability. The compensation strategy tangibly facilitates the company generating consistent solid underwriting results throughout market cycles.

Very Strong Capitalization: Fitch Ratings views TMHCC's property/casualty (P/C) insurance subsidiaries capitalization as very strong based on operating leverage of 0.8x and an RBC ratio of 226% as of Dec. 31, 2017. TMHCC's financial leverage ratio remained moderate at 20% as of YE 2017 and has very high fixed-charge coverage due to low interest rates on debt.

Adequate Loss Reserves: TMHCC has a history of favorable reserve experience and the company's overall reserve position developed favorably by $37 million in 2017. Fitch believes the company's process for setting reserves is robust and is prudent in setting initial reserve levels.

Rating Sensitivities

Factors Supporting a Downgrade: Factors that could lead to a downgrade include a downgrade of Tokio Marine's operating company IDR or a material change in operating profile.

Fitch believes it is unlikely that any potential future downgrade of the TMHCC ratings would be to levels lower than those of the parent.

Factors Supporting an Upgrade: Fitch views a rating upgrade as unlikely, but an upgrade of Tokio Marine's IDR could result in an upgrade to TMHCC's ratings.

Business Profile

Strong Business Profile

- Solid niche position in specialty markets.
- Market leader in medical stop-loss coverage.

Solid Niche Position in Specialty Markets

TMHCC's underwriting operations focus on several narrowly defined, low-correlated specialty insurance lines, which generate consistent underwriting profits. TMHCC writes in lines where underwriter expertise is meaningful. The company also prioritizes bottom-line results over top-line growth.

Market Leader in Medical Stop-Loss Coverage

TMHCC's Accident & Health (A&H) segment primarily consists of medical stop-loss coverage for employer-sponsored, self-insured health plans, which allows organizations that self-insure their group medical insurance to limit their aggregate and specific losses. The company's scale and low cost structure allows it to remain a top competitor in this marketplace.

Corporate Governance

Corporate governance and management are adequate and neutral to the rating.

Ownership Is Negative to the Rating

TMHCC is a specialty insurance group formed in 1974, based in Houston and acquired by Tokio Marine in October 2015 for $7.3 billion. Fitch aligns TMHCC's operating company IDR with that of its new parent's core operating companies, but allows the IFS rating to be one notch above those same core operating companies. The Tokio Marine operating company IFS rating of 'A+' is constrained by the operations' exposure to country risks in Japan (Fitch local-currency sovereign rating: A), which Fitch views as only indirectly affecting U.S.-based TMHCC.

Ratings Range Based on Business Profile

Related Criteria

Insurance Rating Criteria (November 2017)

Sovereign-and Country-Related Constraints

Fitch rates the local-currency sovereign obligations of the United States of America at 'AAA' with a Stable Outlook, and the Country Ceiling is similarly 'AAA'.

Fitch rates the local-currency sovereign obligations of Japan at 'A' with a Stable Outlook. The Country Ceiling is at 'AA'.

The local-currency sovereigns rating expresses the maximum limit for local currency ratings of most, but not all, issuers in a given country. In the case of Tokio Marine, Fitch believes its IFS ratings could exceed the sovereign's local currency IDR by up to one notch, based on its strong capital; liquidity; and franchise, which is well diversified globally.

Industry Profile and Operating Environment

Non-Life Industry Sector Outlook Negative Due to Competitive Factors

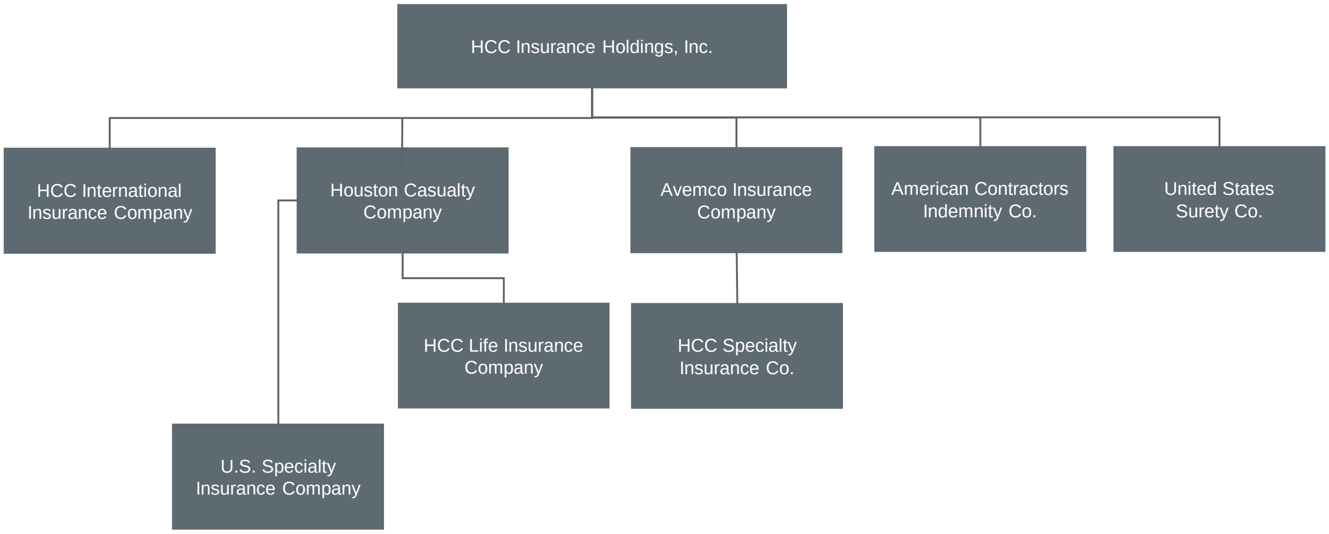
Key U.S. non-life industry risk factors include cyclical pricing, intense market competition, pricing and reserving uncertainty, investment risk tied to fixed-income and equity holdings, catastrophe loss exposures and regulatory issues.

The P/C industry reported a statutory underwriting loss in 2016 and 2017 and weaker operating returns on capital, reflecting poorer automobile segment performance, a more competitive pricing environment, more modest benefits from favorable loss reserve development and investment earnings challenges from continued low portfolio yields. Large catastrophe losses relating to hurricanes and wildfires in 2017 contributed to further deterioration in underwriting results.

Despite weaker profitability, industry policyholders' surplus grew modestly in 2017 fueled by investment gains on equity investments. P/C industry capital adequacy remains very strong based on traditional operating leverage measures, RBC ratios and Fitch's Prism capital model. Strong individual capital positions support Stable Outlooks for a large majority of P/C insurer ratings.

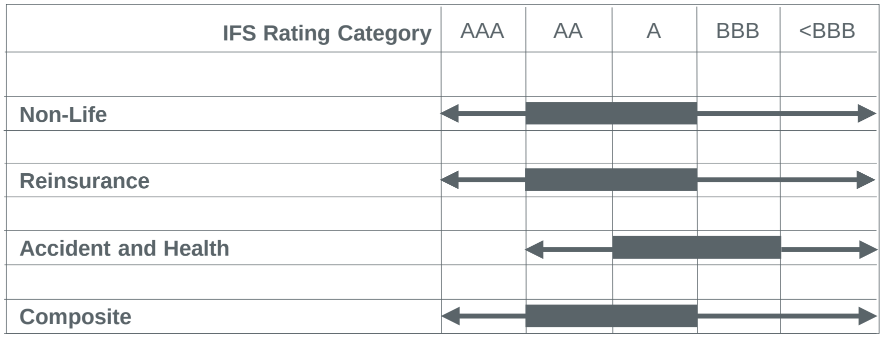
The fundamental sector outlook remains negative due to less attractive profit fundamentals. Barring any further unusually large catastrophe losses, the industry is anticipated to approach a break-even underwriting performance in 2018. Insurance pricing is improving in auto lines and catastrophe loss affected property markets. However, a shift to a broader hard market is unlikely as overall underwriting capacity and competitive dynamics are largely unchanged following recent events. Near-term returns on capital will moderately benefit from lower U.S. corporate tax rates.

Simplified Organizational Structure



Source: TMHCC.

Ratings Range Based on Industry Profile/Operating Environment



Peer Comparison

		YE17		Five-Year Average (%)			
	IFS Rating	Equity ($ Mil.)	NPW/ Equity (x)	CR	Standard Deviation of CR	CAGR NPW	ROE
HCC Insurance Holdings, Inc.	AA-	4,142	0.8	85.8	3	7	10
American Financial Group, Inc.	NR	5,331	0.9	94.8	0.4	10	10
Markel Corporation	A+	9,504	0.5	95.5	6	15	6
RLI Corporation	NR	854	0.9	87.6	6	5	15
W. R. Berkley Corporation	A+	5,451	1.2	94.7	1	5	12

IFS – Insurer Financial Strength. NPW – Net premiums written. CR – P/C combined ratio. NR – Not rated. Note: U.S. GAAP. All five-year periods are through 2017.
Source: SNL Financial, Fitch Ratings.

Peer Analysis

TMHCC Compares Favorably with Peers

Fitch views TMHCC's closest peers as specialty writers, such as American Financial Group, Inc.; Markel Corporation; RLI Corporation (RLI); and W. R. Berkley Corporation. Additionally, TMHCC faces competition from Lloyd's of London, as well as large multi-line carriers, such as American International Group, Inc. (AIG); XL Capital Ltd.; Chubb Limited; and Travelers Property Casualty Corp. In its A&H segment, TMHCC also faces competition from UnitedHealth Group, Inc. and Symetra Financial Corp. Fitch views TMHCC's competitive positioning in specialty markets as strong.

As demonstrated in the table above, overall performance for the peer group was solid over the past five years, with average combined ratios well below 100% and double-digit ROEs. TMHCC's underwriting performance over the past five years was the top performer in this peer group. The volatility of TMHCC's results remains moderate relative to peers. When measured by ROE, TMHCC's operating performance is in line with peers.

Capitalization and Leverage

(Years Ended Dec. 31)	2013	2014	2015	2016	2017	Fitch's Expectation
Total Capital ($ Mil.)	4,329	4,728	4,854	5,252	5,126	Fitch expects TMHCC's capitalization to remain solid with operating and net leverage near current levels. Financial leverage is expected to remain at or below 20%.
Financial Leverage Ratio (%)	15	18	20	19	20	
Net Premiums Written/Equity (x)	0.6	0.6	0.7	0.7	0.8	
Net Leverage (x)	1.9	1.8	1.9	1.8	2.0	
P/C RBC Ratio (%)	271	268	287	266	226	
Life RBC Ratio (%)	206	246	241	260	149	

Note: RBC ratio is calculated at company action level for lead operating subsidiary and is based on statutory accounting. Financial leverage ratio excludes FAS 115. GAAP accounting principles.
Source: TMHCC, company SEC filings.

Very Strong Capitalization

- Solid capitalization.
- Moderate financial leverage.
- 'Extremely Strong' Prism score.

Solid Capitalization

Fitch evaluates capital on both a nonrisk-adjusted basis, such as operating and net leverage, and a risk-adjusted basis, such as RBC and Fitch's Prism capital model, to gain a more holistic view of capital. From a nonrisk-adjusted perspective, TMHCC's metrics are slightly favorable relative to the rating category and peer-rated companies.

TMHCC's life RBC declined in 2017 due to the acquisition of AIG's medical stop-loss operations. Since the P/C company owns the life company, the P/C company's decline in RBC was related to ownership of the life subsidiary. Management is working to increase the life RBC over the next several years in line with longer term averages.

Moderate Financial Leverage

Fitch believes TMHCC's financial leverage will approximate the 20% range over the near to intermediate term. TMHCC retired all existing public debt in 2015. The company's current debt structure consists of two debt facilities: a bank term loan and borrowings under a revolving credit facility. Both of these instruments bear floating-rate interest and are significantly cheaper than prior existing debt. Fitch believes that facilities may be extended and notes that currently interest rate risk is not hedged, which exposes the company to risk.

'Extremely Strong' Prism Score

From a Prism perspective, TMHCC scored 'Extremely Strong' based on YE 2017 results as seen in the figure on page 7. The Prism score is a ratio of available capital (AC) divided by target capital (TC) at various levels, with the Prism score itself being equal to the highest category where AC exceeds TC.

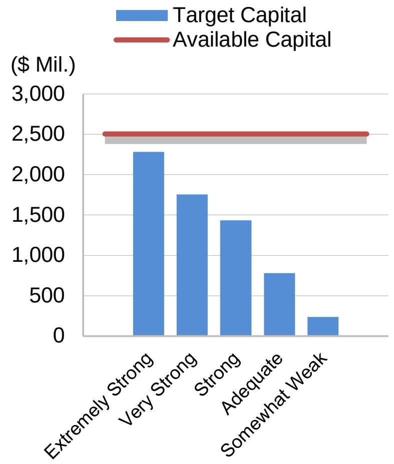
From a TC perspective, TMHCC benefits from low underwriting leverage coupled with low loss ratio volatility and a modest expected loss ratio. Conversely, two main drivers of TC for TMHCC are reserves and catastrophe risk. Fitch notes both reserve and catastrophe risk are modest in total; however, when looking at TC drivers as a percentage of the whole, these two risks, along with underwriting, combine to represent almost three quarters of TC.

AC is a range of four different measures that give various haircuts for unrealized gains and losses and affiliated investment values. If companies do not have significant positions in unrealized gains and losses and affiliated investments, the band of AC is relatively narrow.

Fitch's AC measure used to calculate the Prism score gives 100% credit for unrealized gains and losses and gives a modest haircut for investments in affiliates. However, Fitch believes there can be value in looking at the range of AC, as certain macroeconomic or industry trends may be better captured in an AC measure other than the base.

Fitch consolidates underwriting reserve and asset exposures from HCC Life Insurance Co., which primarily writes accident and health business, and the international business when analyzing capital via Prism. While Fitch recognizes the benefit unrealized gains have on current financial positions, the agency cautions that all gains from a lower interest rate environment will reverse if the bonds are held to maturity, giving only a temporary raise in capital. Further, if interest rates increase, there will be a reversal in the unrealized gain positions.

2017 Prism Score — HCC Insurance Holdings Group



($ Bil.)	2015	2016	2017
Prism Score	Extremely Strong	Extremely Strong	Extremely Strong
AC/TC at Prism Score (%)	112	106	108
AC/TC at Higher Prism Score (%)	N.A.	N.A.	N.A.
Statutory Surplus	2.2	2.2	2.2
Affiliated Investments	—	—	—
Unrealized Bond Gains/(Losses)	0.1	0.1	0.1
Other Adjustments	0.2	0.1	0.2
Available Capital (AC Base)	2.5	2.4	2.5
Target Capital Contributors (%)			
Underwriting	31	30	27
Reserves	23	19	20
Investments	12	17	18
Catastrophe	15	14	14
Other	19	20	20

AC – Available capital. TC – Total capital. N.A. – Not applicable. Note: Red line is available capital base; shaded area represents the high and low of AC due primarily to value of affiliated life subsidiary and unrealized bond gains/(losses).
Source: Fitch Ratings, SNL Financial.

Debt Service Capabilities and Financial Flexibility

(Years Ending Dec. 31)	2013	2014	2015	2016	2017	Fitch's Expectation
Interest Expense ($ Mil.)	26	28	85[a]	13	21	Due to the low interest rates on borrowings, Fitch anticipates that coverage ratios will be high over the near term.
GAAP Fixed-Charge Coverage (x)	21.2	22.2	5.7[a]	45.6	24.0	
Statutory Fixed-Charge Coverage (x)	11.3	12.5	2.8[a]	26.5	12.4	

[a]These ratios were influenced by early retirement of debt and amortization of bond discount. Adjusted figures are: $32 million for interest expense, GAAP fixed-charge coverage of 13.9x, and statutory fixed-charge coverage of 7.5x. Note: GAAP.
Source: TMHCC, company SEC filings.

Very Strong Debt-Servicing Capabilities

- Favorable earnings-based interest coverage.
- Low interest rates.
- Sufficient statutory dividend capacity.

Favorable Earnings-Based Interest Coverage

TMHCC demonstrated very strong debt-servicing capabilities historically as shown in the table above. Fitch notes that YE 2015 had elevated interest expense due to early retirement of debt and acceleration of a bond discount. Adjusting for these one-time charges shows a fixed-charge coverage ratio in line with prior results.

Due to the company's strong profitability, moderate financial leverage and low interest expense, fixed-charge coverage will remain high over the near to intermediate term.

Low Interest Rates

TMHCC's interest coverage is aided by the low interest rates on the debt that are variable and unhedged. To the extent there are sharp increases in interest rates, Fitch believes TMHCC would hedge some of the interest rate risk, but notes that even a modest increase in LIBOR would still produce very low rates. Nonetheless, the decline in fixed-charge coverage is a function of increased interest expense due to an increase in rates.

Sufficient Statutory Dividend Capacity

During 2018, TMHCC's U.S. insurance subsidiaries are permitted to pay $206 million in dividends to the parent without prior regulatory approval from insurance subsidiaries. Holding company cash and investments provide additional liquidity and flexibility.

TMHCC Debt Outstanding

($ Mil., As of Dec 31, 2017)	
Bank Term Loan	475
Revolving Credit Facility	510

Source: TMHCC.

Financial Performance and Earnings

($ Mil., Years Ending Dec. 31)	2013	2014	2015	2016	2017
Premiums Earned	2,239	2,324	2,774	2,947	3,130
Pretax Operating Income	531	595	401	567	486
Net Income	407	458	302	424	385
ROE (%)	11.3	12.1	7.7	10.4	9.2
Combined Ratio (%)	83.4	82.1	86.1	87.6	89.0
Operating Ratio (%)	73.6	72.6	78.5	80.4	81.6

Note: GAAP accounting principles. Operating income excludes investment gains/(losses).
Source: TMHCC, company SEC filings.

Fitch's Expectation

TMHCC is expected to maintain solid underwriting results and continue to outperform the aggregate P/C industry given its specialty focus.

Very Strong Profitability

- Consistently strong operating performance.
- Crop business continues to grow.
- A&H Segment is subject to broader medical trends.
- Product growth could lead to increased volatility.

Consistently Strong Operating Performance

TMHCC's underwriting performance is a hallmark of the rating. TMHCC's underwriting expertise in specialty lines has led to consistently strong operating results, evidenced by very strong yoy combined ratios with minimal deviations.

The company's management and underwriters are compensated, in part, on delivering very strong bottom line results over top-line growth. In fact, the company actively reduces writings in lines of business that are too competitive to sustain a strong underwriting margin at the expense of maintaining market share or top-line growth.

TMHCC's combined ratio was 89% in 2017, with catastrophe losses for the year slightly above historical norms at 2.2 loss ratio points. In comparison, Fitch published a report in March 2018 titled *North American Property/Casualty Insurers' 2017 Results* and noted that YE 2017 had a GAAP calendar-year combined ratio of 102.0 for a group of 51 companies with losses from catastrophes accounting for 9.5 percentage points primarily related to Hurricanes Harvey, Irma and Maria, and the California wildfires. TMHCC also outperformed the group of publicly held specialty writers whose GAAP calendar-year combined ratio was 98.9% and 5.7 percentage points of catastrophe losses.

Property/Casualty Profitability and Underwriting Performance

(%)	2013	2014	2015	2016	2017
Loss Ratio	59.1	57.1	61.9	63.5	65.6
Expense Ratio	24.8	25.4	24.2	24.1	23.4
Calendar-Year Combined Ratio	83.9	82.5	86.1	87.6	89
Prior-Year Reserve	(3.4)	(2.4)	(1.3)	(0.4)	(1.1)
Catastrophe Losses	2.4	1.2	0.7	1.4	2.2
Accident-Year Combined Ratio	87.3	84.9	87.4	88	90.1
AY Combined Ratio, Excluding Catastrophes	84.9	83.7	86.7	86.6	87.9

AY– Accident year. Note: U.S. GAAP accounting principles.
Source: SNL Financial, company filings, Fitch Ratings.

Crop Business Continues to Grow

TMHCC entered the crop insurance market on Jan. 1, 2015, with the acquisition of Producers Ag Insurance Group, Inc. for approximately $100 million. As of YE 2017, crop insurance accounted for approximately 16% of net written premium. Fitch believes crop insurance will continue to grow but at a reduced pace going forward.

Overall, crop insurance performed within expectations. Fitch believes that crop insurance will be a long-term value, enhancing the overall profile as crop insurance has little correlation to its existing book of business. In particular, TMHCC has scale and analytics, two important variables for long-term success in crop insurance.

A&H Segment Is Subject to Broader Medical Trends

Early in 2017, the company decided to discontinue U.S. short-term medical and international travel business. The loss in revenue was offset by an increase from the acquisition of AIG's medical stop-loss business. Uncertainty surrounding the ultimate direction of the future of healthcare in the U.S. is a slight benefit to TMHCC; however, any material changes to the U.S. healthcare market could affect this segment.

Product Growth Could Lead to Increased Volatility

Any time a meaningful expansion of premiums occurs in segments, particularly new segments or geographies, the potential for earnings volatility increases, particularly if the segments are exposed to unforeseen events such as catastrophe losses. Fitch notes that while it anticipates a certain amount of revenue and earnings growth from a specialty writer, given TMHCC's high ratings, sustained volatility to earnings would likely be a catalyst for a downgrade.

Investment and Liquidity

(Years Ending Dec. 31)	2013	2014	2015	2016	2017	Fitch's Expectation
Total Invested Assets ($ Mil.)	6,777	7,267	6,938	7,281	7,115	Fitch expects TMHCC's investment portfolio to remain conservative, despite the company's attempt to offset the low interest rate environment with modest increases in higher yielding investments and dividend-paying stocks.
Invested Assets/Common Equity (x)	1.8	1.9	1.8	1.7	1.7	
Risky Assets/Equity (%)	18	11	8	12	11	
Investment Yield (%)	3.2	3.2	3.0	3.0	3.2	

Note: GAAP accounting principles.
Source: TMHCC, company SEC filings.

Conservative Investment Portfolio

- High credit quality fixed-income securities.
- Delphi synergy.

High Credit Quality Fixed-Income Securities

TMHCC maintains high-quality, fixed-income securities with an 'AA–' average credit rating and a modest 6% allocation to below investment-grade bonds. The duration of its fixed-income portfolio is 4.7 years. Fitch believes that TMHCC's liquidity remains adequate to pay claims.

Delphi Synergy

Tokio Marine purchased Delphi Financial Group, Inc. in 2012 for approximately $2.7 billion. Delphi has unique investment management expertise, particularly in longer duration assets. Delphi's investment management organization oversees a portion of TMHCC's risk asset portfolios. TMHCC's investment strategy of allocating approximately 15% of assets into risk assets is unlikely to change from this shift in management, but the composition of these assets will differ over time.

Reserve Adequacy

($ Mil., Years Ending Dec. 31)	2013	2014	2015	2016	2017	Fitch's Expectation
Loss and LAE Reserves	2,779	2,658	2,524	2,566	2,855	Fitch expects TMHCC's reserving philosophy to remain conservative. Calendar-year reserve development is likely to continue to trend favorably, with all development at relatively low levels compared with total reserves or capital.
PAY Reserve Development	(74)	(56)	(35)	(15)	(37)	
PAY Reserve Development/NPE (x)	(3.3)	(2.4)	(1.3)	(0.5)	(1.2)	
PAY Reserve Development/BOY Common Equity (x)	(2.1)	(1.5)	(0.9)	(0.4)	(0.9)	
Net Reserves/Common Equity	0.8	0.7	0.6	0.6	0.7	

LAE – Loss adjustment expense. PAY – Prior accident year. NPE – Net premiums earned. BOY – Beginning of year. Note: GAAP accounting principles.
Source: TMHCC, company SEC filings.

Reserves Appear Sufficient

- Reserves develop favorably in 2017.
- Modest reserve volatility.
- Closely monitoring agricultural reserves.

Reserves Develop Favorably in 2017

TMHCC demonstrates conservatism when estimating reserves and continues to take prompt and sufficient measures when claims diverge from initial estimates. In 2017, the company reported $37 million of net favorable reserve development. Favorably, the company also has low reserve leverage, which leads to limited capital exposure to any development.

Modest Reserve Volatility

TMHCC reports modest reserve volatility, as longer tail professional liability and casualty lines are offset by shorter tail A&H and surety lines. The company's weighted average duration of all claims was approximately 2.0 years in 2017 and has approximated this level for several years.

TMHCC consistently reports consolidated net reserves above its actuarial point estimate, but within the actuarial range.

Closely Monitoring Agricultural Reserves

Agricultural reserves are short tailed, but have a potential for volatility tied to weather, economic conditions and reinsurance utilization practices. New product segments tend to pose a risk for pricing reserving errors. The expertise and distribution scale in crop insurance gained by TMHCC from the acquisition will be monitored more closely over the rating horizon for underwriting performance and reserve adequacy.

Reinsurance, Risk Management and Catastrophe Risk

Catastrophe Risk Effectively Managed

- Adequate reinsurance utilization.
- Effective risk management practices.

Adequate Reinsurance Utilization

TMHCC continues to purchase significant reinsurance to protect against catastrophe losses. The company also uses a fair amount of proportional reinsurance to more effectively manage risk in new lines of business.

Effective Risk Management Practices

Fitch views TMHCC's risk management process as effective and notes the company has a history of favorable long-term underwriting performance. The company has also built an economic capital model, which allows it to better assess risks associated with capital management decisions.

Key Non-Insurance Operations/Exposure

Expected Low-Frequency, Potentially High-Severity Indemnity Guaranty Book

- Exposure is manageable.
- Risk remote exposure.

Exposure Is Manageable

TMHCC writes residual value insurance in its North America Property & Casualty segment, which insures minimum asset values, primarily international aircrafts and commercial real estate. Fitch believes the company's exposure is manageable at current levels.

Risk Remote Exposure

Fitch believes lease provisions and guaranty amounts relative to estimated values mitigate the risk of loss. However, the difficulty in estimating future values increases uncertainty. Favorably, there are minimal collateral-posting requirements related to this business.

Appendix: Other Ratings Considerations

Below is a summary of additional ratings considerations of a technical nature that are also part of Fitch's ratings criteria.

Group IFS Rating Approach

Fitch considers TMHCC's insurance subsidiaries (listed in the table to the left) as Core operations. HCC Life Insurance Co. is owned by Houston Casualty Co. and writes predominately medical stop-loss business. These entities share common management, resources and branding. Only normal regulatory barriers exist to dividend movement between entities and the parent.

Notching

For notching purposes, the regulatory environment of the U.S. is assessed by Fitch as being Effective and classified as following a Ring-Fencing approach.

Complete Ratings List for Core Subsidiaries

Houston Casualty Co.	
Avemco Insurance Co.	
U.S. Specialty Insurance Co.	
HCC Specialty Insurance Co.	
American Contractors Indemnity Co.	
United States Surety Co.	
HCC Life Insurance Co.	
Insurer Financial Strength	AA–

Notching Summary

IFS Ratings
A baseline recovery assumption of Good applies to the IFS ratings, and standard notching was used from the IFS "anchor" rating to the implied operating company IDR.

Holding Company IDR
Standard notching was applied between the implied operating company and holding company IDRs, with no adjustments made for unusual leverage, coverage or diversification of cash flow.

IFS – Insurer Financial Strength. IDR – Issuer Default Rating.

Criteria Variations

None.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.