



SUA Insurance Company- AM Best B+ Rating

As a newly formed company, it is extremely difficult to obtain a rating of higher than B+ as A.M. Best applies additional standards over those of established carriers. In particular, risk-adjusted capital levels need to be well above the assigned rating level and earnings and investment returns are very conservative. A.M. Best looks at key financial ratios as well as qualitative factors such as business plans and philosophies. Obviously newly formed companies are unable to show historical key ratios.

Attached is a report from A.M. Best on how they treat new companies. By their admission they are conservative in initial assignments and they continue this approach for 3-5 years. An exception to this process would be companies that were able to raise very large funds from private investors, hence due to our size; we are unable to get a higher rating despite our financial and managerial position.

About A.M. Best Ratings

- A.M. Best assigns 16 ratings in two major groups; Secure and Vulnerable
- B+ is a Secure Rating classified as Very Good
- In recent years A.M. Best has taken a stringent position in rating new carriers – and in fact, new companies are held to higher standards, than established carriers
- SUA rating was reaffirmed in May 2006, as was its stable outlook meaning that AM Best has confidence in the rating

About SUA Insurance Company

- SUA has surplus of almost \$100 million
- SUA has NO prior liabilities and no legacy. SUA has a “clean” balance sheet
- SUA is admitted in the 43 states it is licensed to operate in
- SUA has protected its surplus from adverse and catastrophic claims with reinsurance from some of the highest quality reinsures including Arch Re and Odessey Re
- SUA is primarily a casualty company- we write limited property and do no reinsurance so cat exposure is minimal
- SUA is a new company, not one that has been downgraded to B+. We will petition A. M. Best for a rating upgrade as the business develops- perhaps as early as 18-24 months

About SUA's Business Model and Leadership

- SUA management team is a seasoned group of professionals who have lead a number of successful specialty companies. Staff has experience with and is committed to program business
- Distribution model built on specialization through strong relationships with a limited number of Partner Agents