



086278 - MAPFRE RE, Compania de Reaseguros, S.A.

Report Revision Date: 10/21/2015

Rating and Commentary ¹	Financial ²	General Information ³
Best's Credit Rating: N/A Rating Rationale: 10/14/2015 Report Commentary: 10/21/2015	Time Period: Annual - 2014 Last Updated: 06/04/2015 Status: Quality Cross Checked	Corporate Structure: N/A States Licensed: N/A Officers and Directors: 05/16/2014
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¹ The **Rating and Commentary** dates outline the most recent updates to the company's Best's Credit Rating, Rating Rationale, and Report Commentary for key rating and business changes. Report Commentary may include significant changes to the Business Profile, Risk Management, Operating Performance, Balance Sheet Strength, or Reinsurance sections of the report.

² The **Financial** dates reflect the current status of the financial tables and charts found within the AMB Credit Report, including whether the data was loaded "As Received" or had been run through A.M. Best "Quality Cross Checks".

³ The **General Information** dates cover key changes made to Corporate Structure, States Licensed, or Officers and Directors.

Operating Company Composite

Associated With: [MAPFRE S.A.](#)

MAPFRE RE, Compania de Reaseguros, S.A.

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AMB #: 086278

Associated Ultimate Parent #: [085418](#)

NAIC #: N/A

AIIN#: AA-1840000

Report Revision Date: 10/21/2015

Rating Rationale

Rating Rationale: The ratings of MAPFRE RE, Compania de Reaseguros S.A. (MAPFRE RE) (Spain) reflect its strong risk-adjusted capitalisation, well-established business profile and stable operating performance. Additionally, the ratings consider the financial strength of MAPFRE S.A. (MAPFRE) (Spain) and are based on the role of MAPFRE RE as a key operating subsidiary of MAPFRE.

MAPFRE RE provides reinsurance services to MAPFRE subsidiaries and exclusively underwrites all third-party inwards reinsurance of the group, which represents approximately three-fifths of its annual gross written premiums (GWP). MAPFRE RE is fully integrated within MAPFRE, sharing many group services such as investment management. The group's recent reorganisation highlights the importance of its global reinsurance operations and places this subsidiary as the sole outwards reinsurance treaty purchaser of MAPFRE.

MAPFRE has maintained excellent risk-adjusted capitalisation over recent years due to a combination of good levels of earnings generated from its underwriting operations and strong returns from its investment portfolio. Although the group remains heavily exposed to the Spanish economy, the recent sale of its stake in CatalunyaCaixa Vida, S.A. d'Assegurances I Reassegurances and CatalunyaCaixa Assegurances Generals, S. A. d'Assegurances I Reassegurances to Catalunya Banc in combination with the acquisition of the German and Italian operations of the Direct Line Insurance Group plc has resulted in increased geographic diversification away from its domestic roots. This is further enhanced by growth in MAPFRE's operations overseas. Sovereign debt issued by Spanish institutions continues to represent more than two-thirds of MAPFRE's invested asset base at year-end 2014. However, in A.M. Best's view, the Spanish economy is showing further signs of recovery, which combined with MAPFRE's geographically diverse insurance portfolio partially mitigate concerns with regard to the group's exposure to its domestic market.

MAPFRE RE's risk-adjusted capitalisation has remained strong during the last several years, supported by earnings generation from both underwriting and investment operations, as well as due to a prudent approach to capital management which has limited dividend payments to its holding company. Driven by good loss experience and strict underwriting guidelines, MAPFRE RE's loss ratio has continued on a declining trend that started in 2011. Additionally, MAPFRE RE's established global profile enhances its ability to withstand adverse market developments.

Negative rating pressure would occur if there were deterioration in risk-adjusted capitalisation of MAPFRE RE or MAPFRE. Additionally, negative rating pressure may arise if the economic conditions in Spain were to deteriorate. Upward rating movement could be generated from improving economic conditions within Spain over the longer term in combination with a stable level of risk-adjusted capitalisation at MAPFRE RE.

Rating Unit Members

MAPFRE RE, Compania de Reaseguros, S.A. (AMB# 086278)

Rating Unit Members (Continued ...)

AMB#	Company	FSR	BEST'S	
			ICR	
086277	MAPFRE RE Cia de Reaseguros SA	A	a	

Business Profile

MAPFRE RE, Compañia de Reaseguros S.A. (MAPFRE RE) was founded in 1982 to serve the reinsurance needs of its parent company, MAPFRE S.A. (MAPFRE), and its other subsidiaries. MAPFRE RE is directly controlled by MAPFRE, which owns 91.5% of the company's equity. The other shareholders are Ecclesiastical Insurance Group plc (3.8%), Societa Cattolica di Assicurazione (2.2%), Vaudoise Holding (1.2%), Shelter Mutual Insurance, Co. (1.0%), and MAAF (0.3%).

Since its foundation, MAPFRE RE has successfully established itself as a leading mid-sized reinsurer in Europe and Latin America by leveraging its association with MAPFRE, which has a strong presence in Spanish-speaking markets. Intra-group business has typically accounted for approximately 40% of MAPFRE RE's GWP and focuses on Spain and Latin America. The company has successfully grown its third-party business over the years and its strategic objective is to continue expanding its non-MAPFRE business across Europe, Latin America and South Asia, while continuing to service its parent company by providing reinsurance coverage to the group's existing subsidiaries. In A.M. Best's view, the company is well placed to execute on its business plan. Additionally, Best considers that the expansion into new territories and risk classes is simply a continuation of MAPFRE RE's long-term strategy towards business growth.

A network of companies, branches and representative offices that is spread all over the world assists the operations of the company. In addition to Spain, MAPFRE RE has operations in Argentina, Brazil, Chile, U.S., Canada, United Kingdom, France, Belgium, Germany, Italy, Portugal, Mexico, Colombia, Venezuela, China, Philippines, Malaysia and Singapore.

The company's GWP increased by approximately 3% to EUR 3,343 million in 2014. The growth was largely driven by third-party business in continental Europe (excluding Spain) and higher volumes of intra-group business from the global subsidiaries of MAPFRE. Cedants from the Iberian Peninsula are expected to account for 44% of the group's GWP in 2015, while cedants from EMEA (excluding Iberia) are forecast to represent 56% of third party revenues. Outside of Europe, Latin American revenues are anticipated to add up to 33% (group business) and 20% (third-party business) while North American operations are projected to represent 15% of total third-party GWP. Overall, while Europe remains its main market, the growth of third-party business continues to enhance the geographic spread of MAPFRE RE.

With regard to the spread of risks, MAPFRE RE writes predominantly non-life business (84% of total business in 2014). Exposures are well diversified across the risk spectrum, with the company covering risks such as property, motor, health, pecuniary losses, credit, liability, crop, assistance business and life business. MAPFRE RE also benefits from a varied client base, with its top 10 third-party cedants representing less than 20% of total business. Although market conditions in the international reinsurance industry remain challenging, the management of the company has maintained a consistent approach towards risk taking over the years and A.M. Best does not expect material shifts in its risk appetite during the medium term.

Risk Management

In Best's view, MAPFRE RE has a strong enterprise risk management (ERM) framework embedded across all functions of the organisation. The company's ERM framework includes an internally developed stochastic capital model, which drives capital deployment decisions and overall management of the business. With the generally short-tailed nature of liabilities and well-understood catastrophe exposures, A.M. Best considers the risk management capabilities of MAPFRE RE are adequate for its profile.

In addition, the company has a very conservative approach towards managing its asset allocation, and reserving practices have historically been very conservative when compared to market standards, providing a substantial buffer for unexpected claims development. In line with its core focus on long-term profitability, MAPFRE RE has in place strict underwriting controls which are successfully contributing to a consistent trend of positive technical results.

Catastrophe Exposure & Management: MAPFRE RE closely monitors its catastrophe exposures for Europe, US, Latin America and some APAC countries using software provided by leading risk-modeling agencies. Also, the competitive edge developed by its experience allows the company to monitor catastrophe risks through an internally developed proprietary model. These tools help the company to control the price level of the different layers of a given programme and to fix the amount of retrocession or protection needed. Probable maximum losses (PMLs) are modeled on minimum return periods of 100 years for windstorms and 250 years for earthquakes. Although MAPFRE RE retains significant CAT exposure, it writes the majority of this business in territories where it has considerable market experience.

Operating Performance

Operating Results: The company has sustained a record of strong underwriting results in its non-life reinsurance operations, which are expected to represent 84% of the company's premium income in 2015. Life reinsurance performance has deteriorated marginally over the last few years but remains supportive of overall earnings levels. Additionally, operating profitability is further enhanced by a low operating expense base as a result of limited acquisition costs and positive investment performance.

In 2014, MAPFRE RE recorded an after-tax profit of EUR 141.5 million, which translates into a return on capital and surplus (ROE) of 12.5%. Results have been strong and stable over a number of years, and the company had a five-year average ROE of 10.3% during the years preceding 2014. In Best's view, 2015 year-end operating profitability will be in line with historical trends and, with the exception of any large catastrophic insurance loss events, A.M. Best expects returns to be consistent over the medium term.

Underwriting Results

Underwriting Results: A.M. Best considers that MAPFRE RE benefits from a profitable book of business obtained from its long-term clients (both affiliated companies and third parties). The company has demonstrated the ability to maintain strict underwriting discipline on new accounts, which has reduced the volatility of technical results while allowing MAPFRE RE to broaden its risk portfolio over the years.

In a similar fashion to 2012 and 2013, 2014 benefited from a benign loss experience with a low level of large losses. Since 2011, MAPFRE RE has not suffered the impact of material catastrophic activity. In 2011, the earthquakes in Japan and New Zealand, the floods in Australia and Thailand and the tornadoes in the United States increased the company's loss ratio to 72.1% (from 66.5% the previous year) and the combined ratio increased by 6.6 percentage points to 100.2%. Over the longer term, MAPFRE RE has delivered solid underwriting results, with an average loss ratio below 67% and an average combined ratio slightly below 96% during the period from 2010 to 2014.

At year-end 2014, MAPFRE RE reported a loss ratio of 64.5% in its non-life reinsurance portfolio, a combined ratio of 91.2% and an underwriting profit of EUR 113.2 million. For its life business, the company reported a return on premium of 1.2% and an underwriting profit of EUR 6.2 million. Underwriting results in 2014 were ahead of original expectations. In Best's view, as the company's insurance portfolio evolves to incorporate increasing volumes of proportional business, there will be associated negative pressure on its combined ratio. However, this business inherently has a lower level of earnings volatility.

Investment Results

Investment Results: A conservative approach defines MAPFRE RE's appetite towards investment risk. The company maintains a traditional investment portfolio consisting largely of fixed income and cash holdings. In addition, over recent years the company has made a significant effort to de-risk its fixed income exposures and has reallocated a significant proportion of its bond investments away from peripheral Eurozone economies and towards corporate and sovereign issuers with better credit quality. This includes materially reducing its exposure to Spanish sovereign debt.

During 2014, MAPFRE RE's investment return increased by 80 basis points to 4.9%, predominantly as a result of the effect that lower yields had on the prices of fixed income securities all over the Eurozone. In A.M. Best's view, 2015 results might reflect some normalisation in yields but will remain supportive of overall earnings.

Balance Sheet Strength

Capitalization

Capitalization: Strong levels of risk-adjusted capitalisation were maintained during 2014, and MAPFRE RE's shareholders' funds increased by 17% to EUR 1,179 million, supported by a flat dividend payment in nominal terms and solid operating earnings during the year.

Despite the company's ongoing business volume expansion, MAPFRE RE's risk-adjusted surplus levels continue to grow in line with revenues and exposures. Although A.M. Best anticipates further increases in capital requirements due to continued premium increases, in Best's view retained earnings are likely to compensate for this growth over the near term. The company plays an integral part in MAPFRE's strategy, and the internal strategic re-organisations within the group during 2013 and 2014 have further raised the internal profile and independence of MAPFRE RE. A.M. Best considers that MAPFRE will continue to support the business expansion of the company over the medium term.

MAPFRE RE manages its capital strategy by incorporating the results and analysis of its proprietary risk-based capital model, which was initially developed by the company in conjunction with a leading consulting firm over ten years ago and has continued to improve as it has gained relevance across all of MAPFRE RE's business units.

Loss Reserves

Loss Reserves: As mentioned above, MAPFRE RE's portfolio of business is mostly comprised of property and other short-tailed lines. As a consequence, overall outstanding claims reserves at the total portfolio level drop below 5% of net written premiums within the second development year, on average.

A.M. Best considers that MAPFRE RE follows a conservative reserving approach that has resulted in very few cases in which reserve strengthening was required. Furthermore, according to an independent third-party actuarial opinion, the company holds a comfortable buffer above best estimate provisions .

Liquidity

Liquidity: In Best's view, MAPFRE RE continues to maintain adequate levels of liquidity considering the nature of its insurance liabilities. Liquid assets covered 117% of MAPFRE RE's net technical reserves at year-end 2014, and this coverage ratio is not expected to change materially in the medium term .

Summary Of Operations

Summarized Accounts as of December 31, 2014

Data reflected within all tables of this report has been compiled from the consolidated financial statements of this company (Source: Company Financial Statement). An independent audit of the company's affairs through December 31, 2014, was conducted by Ernst & Young, S.L.

US \$ per Local Currency Unit 1.2156 = 1 Euro (EUR)

Statement of Income

General technical account:	12/31/2014	12/31/2014
	EUR(000)	USD(000)
Reinsurance premiums assumed	2,820,890	3,429,074
Gross premiums written	2,820,890	3,429,074
Reinsurance ceded	1,080,595	1,313,571
Net premiums written	1,740,295	2,115,503
Increase/(decrease) in gross unearned premiums	93,079	113,147
Increase/(decrease) in reinsurers share unearned premiums	-10,943	-13,302
Net premiums earned	1,636,273	1,989,053
Total underwriting income	1,636,273	1,989,053
Net claims paid	1,055,104	1,282,584
Net claims incurred	1,055,104	1,282,584
Management expenses	8,915	10,837
Acquisition expenses	456,021	554,339
Net operating expenses	464,936	565,176
Other technical expenses	3,010	3,659
Total underwriting expenses	1,523,050	1,851,420
Balance on general technical account	113,223	137,634

Life technical account:	12/31/2014	12/31/2014
	EUR(000)	USD(000)
Reinsurance premiums assumed	522,442	635,080
Gross premiums written	522,442	635,080
Reinsurance ceded	59,295	72,079
Net premiums written	463,147	563,001
Increase/(decrease) in gross unearned premiums	70,467	85,660
Increase/(decrease) in reinsurers share unearned premiums	-2,558	-3,110
Net premiums earned	390,122	474,232
Net investment income	66,770	81,166
Total revenue	456,892	555,398
Net claims paid	355,786	432,493
Net claims incurred	355,786	432,493
Management expenses	1,423	1,730
Acquisition expenses	92,293	112,191
Net operating expenses	93,716	113,921
Other technical expenses	928	1,128
Total expenses	450,430	547,543
Balance on long-term technical account	6,462	7,855

Combined technical account:	12/31/2014	12/31/2014
	EUR(000)	USD(000)
Reinsurance premiums assumed	3,343,332	4,064,154
Gross premiums written	3,343,332	4,064,154
Reinsurance ceded	1,139,890	1,385,650
Net premiums written	2,203,442	2,678,504
Increase/(decrease) in gross unearned premiums	163,546	198,807
Increase/(decrease) in reinsurers share unearned premiums	-13,501	-16,412
Net premiums earned	2,026,395	2,463,286
Net investment income	66,770	81,166
Total revenue	2,093,165	2,544,451
Net claims paid	1,410,890	1,715,078
Net claims incurred	1,410,890	1,715,078
Management expenses	10,338	12,567
Acquisition expenses	548,314	666,530
Net operating expenses	558,652	679,097
Other technical expenses	3,938	4,787
Total underwriting expenses	1,973,480	2,398,962
Balance on combined technical account	119,685	145,489

Non-technical account:	12/31/2014	12/31/2014
	EUR(000)	USD(000)
Net investment income	87,412	106,258
Exchange gains/(losses)	-1,916	-2,329
Other income/(expense)	-4,927	-5,989
Profit/(loss) before tax	200,254	243,429
Taxation	58,730	71,392
Profit/(loss) after tax	141,524	172,037
Dividend to shareholders	80,176	97,462
Exceptional income/(expense)	-4,817	-5,856
Other adjustments	114,665	139,387
Retained Profit/(loss) for the financial year	171,196	208,106
Retained Profit/(loss) brought forward	389,588	473,583
Retained Profit/(loss) carried forward	560,784	681,689

Movement in Capital & Surplus

	12/31/2014	12/31/2014
	EUR(000)	USD(000)
Capital & surplus brought forward	1,009,805	1,227,519
Currency exchange gains	306	372
Profit or loss for the year	141,523	172,035
Capital gains or (losses)	112,553	136,819
Dividend to shareholders	-80,176	-97,462
Other changes	-4,821	-5,860
Total change in capital & surplus	169,385	205,904
Capital & surplus carried forward	1,179,190	1,433,423

Balance Sheet

Assets

	12/31/2014	12/31/2014	12/31/2014
	EUR(000)	% of total	USD(000)
Cash & deposits with credit institutions	113,287	2.3	137,712
Bonds & other fixed interest securities	2,816,614	56.1	3,423,876
Shares & other variable interest instruments	182,132	3.6	221,400
Liquid assets	3,112,033	62.0	3,782,987
Real Estate	5,418	0.1	6,586
Real estate for own use	8,861	0.2	10,771
Other investments	183,134	3.7	222,618
Total investments	3,309,446	66.0	4,022,963
Reinsurers' share of technical reserves - unearned premiums	279,755	5.6	340,070
Reinsurers' share of technical reserves - claims	380,122	7.6	462,076
Reinsurers' share of technical reserves - life	27,964	0.6	33,993
Total reinsurers share of technical reserves	687,841	13.7	836,140
Deposits with ceding companies	535,951	10.7	651,502
Insurance/reinsurance debtors	304,008	6.1	369,552
Other debtors	30,983	0.6	37,663
Total debtors	334,991	6.7	407,215
Fixed assets	2,200	...	2,674
Prepayments & accrued income	144,995	2.9	176,256
Other assets	1,506	...	1,831
Total assets	5,016,930	100.0	6,098,580

Balance Sheet (Continued ...)

Liabilities

	12/31/2014	12/31/2014	12/31/2014
	EUR(000)	% of total	USD(000)
Capital	223,916	4.5	272,192
Paid-up capital	223,916	4.5	272,192
Non-distributable reserves	381,135	7.6	463,308
Other reserves	13,335	0.3	16,210
Retained earnings	560,784	11.2	681,689
Capital & surplus	1,179,170	23.5	1,433,399
Minority interests	20	...	24
Gross provision for unearned premiums	1,175,632	23.4	1,429,098
Gross provision for outstanding claims	1,556,969	31.0	1,892,652
Gross provision for long term business - life	624,340	12.4	758,948
Total gross technical reserves	3,356,941	66.9	4,080,697
Deposits received from reinsurers	41,181	0.8	50,060
Insurance/reinsurance creditors	290,467	5.8	353,092
Other creditors	24,892	0.5	30,259
Total creditors	315,359	6.3	383,350
Accruals & deferred income	119,858	2.4	145,699
Other liabilities	4,401	0.1	5,350
Total liabilities & surplus	5,016,930	100.0	6,098,580

History

Date Incorporated: 1991

Date Commenced: 1992

Domicile: Spain

Management

Officers And Directors

Directors

Mr. Angel Alonso (Vice President)
Mr. Ricardo Blanco
Mr. Rafael Casas
Mr. Alfredo Castelo
Mr. Javier Fernandez-Cid
Mr. Philippe Hebeisen
Mr. Mark Hews
Mr. Jose Manuel Inchausti
Mr. Eduardo Perez de Lema
Mr. Pedro Lopez
Mr. Giovanni Battista Mazzuchelli
Mr. Ricky L. Means
Mr. Gregorio Robles
Mr Juan Martin Sanz (Secretary)
Mr. Rafael Senen
Mr. Pedro Jose de Macedo (Chairman & CEO)

Reinsurance

The retrocession programme of MAPFRE RE was restructured during 2014 along with the reinsurance purchases across the overall MAPFRE group. While changes in retro purchases have been introduced, increasing efficiency of placements and capacity utilisation, the credit quality of the panel remains excellent and the limits have been maintained at conservative levels. The company retains approximately two-thirds of its total premium income.

Geographical Distribution of Premiums Written

Geographical Distribution of Premiums Written (Continued ...)

	12/31/2014	12/31/2014	12/31/2013
	EUR(000)		EUR(000)
	Gross	% of total	Gross
Other Europe	116,313	3.5	115,396
Spain	682,570	20.4	680,921
Total Europe	798,883	23.9	796,317
United States	270,378	8.1	244,789
Total North America	270,378	8.1	244,789
Other Latin America	783,132	23.4	804,574
Total Latin America	783,132	23.4	804,574
Other World-Wide	1,490,939	44.6	1,408,025
Total	3,343,332	100.0	3,253,705

Balance Sheet Items

	EUR (000) 2014	EUR (000) 2013	EUR (000) 2012	EUR (000) 2011	EUR (000) 2010
Liquid assets	3,112,033	2,743,075	2,674,503	2,292,056	2,084,412
Total investments	3,309,446	2,960,209	2,874,804	2,569,419	2,354,503
Total assets	5,016,930	4,492,300	4,612,864	4,363,480	4,087,934
Total gross technical reserves	3,356,941	3,063,759	3,213,192	3,163,514	2,866,077
Net technical reserves	2,669,100	2,355,447	2,316,559	2,181,991	1,900,282
Total liabilities	3,837,760	3,482,519	3,644,323	3,515,845	3,239,585
Capital & surplus	1,179,170	1,009,781	968,541	847,635	848,349

Income Statement Items

	EUR (000) 2014	EUR (000) 2013	EUR (000) 2012	EUR (000) 2011	EUR (000) 2010
Gross premiums written	3,343,332	3,253,705	2,844,468	2,630,727	2,371,631
Net premiums written	2,203,442	2,148,531	1,850,040	1,784,177	1,603,592
Balance on technical account(s)	119,685	78,590	69,037	23,356	77,535
Profit/(loss) before tax	200,254	155,291	121,100	107,689	173,466
Profit/(loss) after tax	141,524	108,809	87,096	78,594	124,204

Liquidity Ratios (%)

	2014	2013	2012	2011	2010
Total debtors to total assets	6.7	6.1	6.7	6.1	6.0
Liquid assets to net technical reserves	116.6	116.5	115.5	105.0	109.7
Liquid assets to total liabilities	81.1	78.8	73.4	65.2	64.3
Total investments to total liabilities	86.2	85.0	78.9	73.1	72.7

Leverage Ratios (%)

	2014	2013	2012	2011	2010
Net premiums written to capital & surplus	186.9	212.8	191.0	210.5	189.0
Net technical reserves to capital & surplus	226.4	233.3	239.2	257.4	224.0
Gross premiums written to capital & surplus	283.5	322.2	293.7	310.4	279.6
Gross technical reserves to capital & surplus	284.7	303.4	331.8	373.2	337.8
Total debtors to capital & surplus	28.4	27.1	32.1	31.5	28.9
Total liabilities to capital & surplus	325.5	344.9	376.3	414.8	381.9

Profitability Ratios (%)

	2014	2013	2012	2011	2010
Loss ratio	64.5	65.1	67.3	72.1	66.5
Operating expense ratio	26.7	32.4	29.4	28.1	27.2
Combined ratio	91.2	97.5	96.7	100.2	93.6
Other technical expense or (income) ratio	0.2
Net investment income ratio	5.3	3.8	5.8	6.9	6.8
Operating ratio	86.0	93.8	90.9	93.2	86.9
Benefits paid to net premiums written (Life)	76.8	80.7	65.7	69.0	60.4
Expense ratio (Life)	20.4	22.6	21.4	25.7	21.7
Return on net premiums written	6.4	5.1	4.7	4.4	7.7
Return on total assets	2.9	2.6	1.8	2.1	2.0
Return on capital & surplus	12.5	11.8	8.8	10.5	9.2

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Debt/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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