# Carrier Financial Ratings

- Blue Cross/Blue Shield of Florida
  - A.M. Best: A (date assigned 3/2002)
  - Moody's: A2 (date assigned 12/2004)
  - Standard & Poor's: A (date assigned 11/2001)
  - Fitch: None

  Meets Mercer's minimum financial guidelines

- United Healthcare of Florida
  - A.M. Best: A (date assigned 7/2001)
  - Moody's: None
  - Standard & Poor's: A (date assigned 8/2002)
  - Fitch: A+ (date assigned 9/2001)

  Meets Mercer's minimum financial guidelines

*Mercer cannot guarantee the financial stability of any carrier.*

# Carrier Financial Ratings (Continued)

- Vista Health Plan
  - A.M. Best: C (date assigned 7/2002)
  - Moody's: None
  - Standard & Poor's: R (date assigned 7/2000)
  - Fitch: None

  Does not meet Mercer's minimum financial guidelines

- Capital Health Plan
  - A.M. Best: A - (date assigned 5/2004)
  - Moody's: None
  - Standard & Poor's: None
  - Fitch: None

  Meets Mercer's minimum financial guidelines

*Mercer cannot guarantee the financial stability of any carrier.*



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# Carrier Financial Rating Explanations

A. M. Best

- Secure Ratings:
  - (A++, A+) Superior - very strong ability to meet contractual obligations.
  - (A, A-) Excellent - strong ability to meet contractual obligations over a long period of time.

- Vulnerable Ratings:
  - (C, C-) Weak – ability to meet contractual obligations, but their financial strength is very vulnerable to changes in underwriting or economic conditions.

Moody's

- Strong Companies:
  - Aaa: Exceptional Financial Security, fundamentally strong financial position.
  - Aa: Excellent Financial Security, high grade company.
  - A: Good Financial Security, factors may be present which suggest a susceptibility to impairment sometime in the future.
  - Baa: Adequate Financial Security, certain protective elements may be lacking or may be characteristically unreliable over any great length of time.

# Carrier Financial Rating Explanations (Continued)

- Modifiers:
  - Rating followed by a "w" indicates company is on their watchlist.
  - Moody's applies numerical modifiers 1, 2, and 3 in each generic rating category from Aa to Caa.
  - The modifier 1 indicates that the insurance company ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the company ranks in the lower end of its generic rating category.

# Carrier Financial Rating Explanations (Continued)

Standard & Poor's

- Secure Ratings:
  - AAA: Extremely Strong - extremely strong financial security characteristics that outweigh any vulnerabilities and is highly likely to have the ability to meet financial commitments.
  - AAA: is the highest Insurer Financial Strength Rating assigned by S&P.
  - AA: Very Strong - very strong financial security characteristics, differing only slightly from those rated higher.
  - A: Strong - strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.
  - BBB: Good - good financial security characteristics, but is more likely to be affected by adverse business conditions than are insurers with higher ratings.

- Vulnerable Ratings:
  - R: Regulatory Action – has experienced a regulatory action regarding solvency. The rating does not apply to insurers subject only to non-financial actions such as market conduct violations.

# Carrier Financial Rating Explanations (Continued)

Fitch/Duff & Phelps

- Secure Ratings:
  - AAA — Highest claims paying ability. Risk factors are negligible.
  - (AA+,AA, AA-) — Very high claims paying ability. Protection factors are strong.
  - (A+,A, A-) — High claims paying ability. Protection factors are average and there is an expectation of variability in risk over time due to economic and/or underwriting conditions.
  - (BBB+,BBB, BBB-) — Adequate claims paying ability. Protection factors are adequate. There is considerable variability in risk over time due to economic and/or underwriting conditions.



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